



January 19 ,2010

**Queenco Leisure International Ltd.**

**Tel-Aviv District Court application**

**QLI today announced that QLI Management Services Ltd., a wholly-owned subsidiary of QLI ("QLI Management"), in its capacity as one of the two directors of Agastia Holdings Ltd., in which QLI indirectly holds 50% ("Agastia"), filed with the Tel-Aviv District Court an application against B.A.T. Management (2004) Ltd. ("B.A.T") the other director of Agastia, and Mr. Moshe Publil, B.A.T's representative on the Board of Directors of Agastia, to order B.A.T., in its capacity as a director of Agastia, to comply with and take all actions necessary to give effect to the resolutions adopted by the board of directors of Agastia in June 2008, mainly with respect to effecting certain amendments to the articles of association of Powerbrook Spain S.L. ("PBS"), in which Agastia holds 87.5%. Such amendments relate to (i) the number of directors of PBS and the required majority for adopting resolutions by the board of directors of PBS and (ii) the manner of distribution of free cash flow by PBS.**

**Failure by B.A.T to cooperate with QLI Management in effecting the foregoing resolutions may adversely affect Agastia`s ability to meet its obligations towards its direct and indirect shareholders and may result in, among other things, (i) adversely affecting QLI`s ability to prevent the adoption of certain resolutions by the board of directors of PBS and (ii) QLI`s inability to cause PBS to distribute free cash flow to its shareholders, including to QLI (through its indirect holdings in PBS).**

**For further information please visit [www.queencoleisure.com](http://www.queencoleisure.com) or contact:**

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