28 AUGUST 2007

FOR IMMEDIATE RELEASE

Queenco Leisure International Ltd
(the "Company" or "QLI")

Interim Results Announcement for the six months ended 30 June 2007

Queenco Leisure International Ltd, the emerging markets casino developer and operator, is pleased to report its interim results for the six months ended 30 June 2007. The Company was admitted to the main market of the London Stock Exchange on 9 July 2007.

Financial Highlights

- Gross revenues have increased 15.2% to €93.1 million (2006:€80.8 million)
- Net Revenues have increased 14.7% to €64.2 million (2006: €56.0 million)
- EBITDA increased by 17.6% to €26.9 million (2006: €22.9 million)
- Profit before tax has increased 18.1% to €20.9 million (2006: €17.7 million)
- EPS was up 38.8% to 2.5¢ (2006: 1.8¢) *

* Earnings per GDR (each GDR representing 10 ordinary shares) increased to 25¢ (2006:18¢)

Operating Highlights

- QLI successfully floated on the main market of the London Stock Exchange raising net proceeds of €53 million
- Acquired controlling interest in Casino Palace, Bucharest on 13 June 2007
- Soft opening of Casino Beograd on 30 June 2007, with an exclusivity licence within city limits for the next ten years
- Development of night club and gaming hall in Prague scheduled to open the beginning of 2008
- Continued development of existing facilities in Loutraki, Rhodes and Bucharest, including:
    - Additional tables and slot machines
    - Increased level of service and facilities for high rollers

Dror Mizeretz, Chief Executive Officer of QLI, said:

"2007 has been an exciting year for the company so far, with our successful IPO on the London Stock Exchange, expansion into new markets and consolidation of our existing casino operations in Greece and Romania.

We aim to continue growing through our development of new projects, such as the recent opening of Casino Beograd on 30 June 2007 and plan to open our nightclub and gaming hall operation in Prague in the beginning of 2008."

For further information please visit www.queencoleisure.com or contact:

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Chief Executive's Review

Introduction

We are very pleased to present QLI's first set of interim results for the six months ended 30 June 2007 following our successful IPO on the London Stock Exchange's main market on 9 July 2007. The business has performed strongly, generating significant increases in revenue and earnings which reflects the Company's success in increasing visit numbers and win per visit. We firmly believe the Company's performance to date places us in an ideal position to continue its track record for growth.

At present, QLI has a controlling or significant interest in a portfolio of four casinos operating within Greece, Romania and Serbia including: Club Hotel Casino Loutraki ('Casino Loutraki'), 80 km west of Athens; Casino Rodos, the only casino on the island of Rhodes; Casino Palace in the centre of Bucharest and Casino Beograd, with an exclusivity licence for the next ten years within Belgrade.

The Group seeks to use the established highly cash generative market leading operations in Greece and Romania as a base from which to expand its casino portfolio in emerging markets. The Group identifies the following attributes as the key characteristics of the new markets it enters:

- Regulated or soon to be regulated gaming industry
- Markets with potential for licence exclusivity or high barriers to entry
- Cities that are undersupplied with high-quality casinos
- Favourable macroeconomic environment
- Stable geopolitical characteristics and strong growth prospects
- Availability of landmark property in prime location to house casino operations

QLI has an exciting series of projects in the pipeline including the development of a nightclub and slot machine hall (with approximately 60 slot machines) in Prague. This is planned to open for business in the first quarter of 2008, with the expectation of developing it into a full casino once the regulatory environment has become more developed. Within our existing projects, QLI continues to expand the scope of activities offered, particularly in Loutraki, which is being developed into a holiday resort complex with extensive sport and leisure facilities in addition to gaming.

Financial Review

For the six months ended 30 June 2007, gross revenues grew to €93.1 million (2006: €80.8 million), an increase of 15.2% whilst net revenues grew by 14.7% to €64.2 million (2006: €56.0 million). Gross gaming revenues grew 14.6% to €90.1 million (2006: €78.6 million), primarily reflecting our ability to grow both visit numbers and win per visit across our Greek operations. Ancillary revenues not derived from gaming, also grew by 34% to €3.0 million (2006: €2.2 million), which can be attributed to our strategy of providing first rate complementary businesses, such as restaurants, hotels and conference facilities.

As a consequence of increased revenues combined with tight cost control the Company generated EBITDA of €26.9 million, an increase of 17.6% (2006: €22.9 million). EBITDA margins also improved to 41.8%% from 40.8% for the comparable period last year.

Exceptional costs for the period of six months ended 30 June 2007 affected the net profit attributable to the parent company by circa €2.1 million, including a one off bonus cost of €1 million paid to the management for their work prior to the IPO, with the remaining €1.1 million of exceptional expenses relating to the casino projects.

Net Profit increased by 33.8% to €13.7 million (2006: €10.3 million). Profit before tax also increased by 18.1% to €20.9 million (2006: €17.7 million).

Basic and diluted pro forma EPS was up 38.8% to 2.5¢ for the period ended 30 June 2007 (2006:1.8¢) and earnings per GDR (each GDR representing 10 ordinary shares) increased to 25¢ (2006:18¢).

Operational Review

Club Hotel Casino Loutraki

Casino Loutraki is QLI's flagship operation, accounting for approximately 70% of the Group's gross revenues and employing approximately 1,700 people. Loutraki is a seaside resort town and the casino is located in a purpose-built complex and comprises an area of approximately 5,500m² over two floors. The casino's licence permits the operation of 1,000 slot machines and 70 gaming tables.

For the six months ended 30 June 2007, gross gaming revenues grew to €131.7 million (2006: €116.3 million), an increase of 13.2% whilst net revenues grew by 13.4% to €89.7 million (2006: 79.0 million), reflecting the success of our marketing strategy in attracting increased visit numbers and win per visitor. As a consequence of increased revenues the casino generated EBITDA of €44.8 million, an increase of 21.7% (2006: €36.8 million). EBITDA margins also improved to 49.9% from 46.5%. Visitor numbers increased by 12.2% to 538,383 (2006: 479,806) and total drop for the period was €581 million with win €131.7 million.

In May 2007, the Casino received approval from the Greek gaming board to operate 25 additional gaming tables, starting from the end of 2007, and in July, the number of slot machines increased from 750 to 1,000. Loutraki continues to host major events attracting VIPs and high rollers including the annual European Casino Operators' Conference.

Casino Rodos
The casino is located on the island of Rhodes, includes a five-star boutique hotel and employs approximately 300 people. Casino Rodos offers 310 slot machines and 34 gaming tables and has an exclusivity licence for the whole island.

For the six months ended 30 June 2007, gross gaming revenues grew to €16.4 million (2006: €12.4 million), an increase of 31.7% whilst net revenues grew by 31.3% to €11.5 million (2006: €8.7 million), reflecting increased levels of marketing, which are also focused on attracting visitors from mainland Greece, the US, Turkey, Russia and China. This has had the effect of increasing both number of visits and win per visit. As a consequence of increased revenues the casino generated EBITDA of €4.3 million, an increase of 130.0% (2006: €1.9 million). EBITDA margins also improved to 37.5% from 21.4%. Total drop for the period was €69 million with win €16.4 million. Visitor numbers increased by 18.1% to 75,541 (2006: 63,985)

Casino Palace
Casino Palace in Bucharest consists of eight gaming halls, containing a total of 25 gaming tables and 106 slot machines and two electronic roulettes spread over an area of approximately 550m². The casino employs approximately 450 people.

During the six months ended 30 June 2007, Casino Palace generated gross gaming revenues of €7.9 million (2006: €8.0 million), whilst net revenues grew by 1.9% to €7.8 million (2006: €7.7 million). As a consequence of increased operating expenses, attributed to salary increases, marketing expenses, the introduction of a new tax regime in Romania and unfavourable exchange rates, EBITDA decreased by 37% to €2.2 million, (2006: €3.4 million). To counteract this, the Company will switch to gaming in Euros from Dollars as of 1 September 2007, and remains confident that this decision will enhance profitability in the second half, following growth in visitor numbers during this period of 7.1% to 59,530 (2006: 55,575).

Casino Beograd
Casino Beograd is located in the Hotel Jugoslavia in Belgrade and has an exclusivity licence within city limits for the next ten years. It opened for trading on 30 June 2007, with six tables and 60 slot machines which will be increased to 20 tables and 150 slot machines by mid-October. Trading has begun positively, generating aggregated, unaudited gross revenues for the first two months of €1 million and we look forward to a solid performance in the second half.

New Projects

Prague
The Company is currently developing a nightclub with an adjacent gaming centre, with operations expected to commence in the first quarter of 2008. The intention is to establish the Company brand in the city through the nightclub and gaming centre and, once established, open a casino as soon as the regulatory regime becomes more developed. A lease of five years with eight options to review for five years each has been secured on a building in the centre of the city, and the Company plans to open a nightclub with separate gaming hall containing 60 slot machines.

Constanta
On 14 June 2007, following the submission of a tender offer, QLI, through its subsidiary, was selected by the concession committee of the Constanta Municipality to be granted a 49 year concession over a historical building in the city of Constanta, Romania. The Company intends to renovate the building and operate it as "Casino Constanta". Within the framework of the concession, QLI will be required to invest approximately €7.0 million in the renovation of the building over the first five years and, from the first

anniversary of the grant of the concession, make annual payments of €140,000 to the municipality. The grant of the concession is subject to finalising the terms of the concession.

As Romania’s second largest city, Constanta has a population of approximately 310,000. The Port of Constanta is the main Romanian port and the largest on the Black Sea. Constanta is the preferred destination for summer holidays in Romania given its beachfront and cultural attractions.

Bulgaria
The Company has purchased two assets in Bulgaria. The first is a theatre in Sofia, and the second is a cinema in Varna. The Company intends to develop a casino in Sofia, and a slot machine hall in Varna, although no concrete plans have been made for either site yet.

Cambodia
Cambodia is located between Thailand and Vietnam, neither of which currently permits gambling. Management believes that QLI can take advantage of the demand for gambling from these countries, and the number of low-quality casinos that have been established on the Cambodian borders. The Company has contracted to acquire a 48 hectare plot of land in Sihanoukville, a coastal area of south-west Cambodia and will provide information on its development in the future.

People

We remain committed to continuous staff training and development across all of our operations as a means to attract, develop and retain top quality individuals. The Board thanks all employees for their dedication and commitment and looks forward to building on this during 2007.

Outlook

The outlook for gaming within our core markets remains positive, with increases in both visit numbers and win per individual visit which has resulted in significant uplift in both gross revenues and EBITDA.. QLI has an exciting set of new projects within the pipeline including the Constanta concession and our gaming hall in Prague. Trading has begun well in the second half, which due to the seasonality of the business is traditionally QLI’s stronger period.

The Board remains confident of the outcome for the full year.

Dror Mizeretz
CEO, Queenco Leisure International Ltd
28 August 2007

Independent Auditors report on review of interim condensed consolidated financial statements.

The Board of Directors of
Queenco Leisure International Limited
5 Shoham St. Paz Tower,
52521 Ramat Gan,
Israel

We have reviewed the accompanying condensed consolidated balance sheet of Queenco Leisure International Limited and its subsidiaries ("the Group") as at 30 June 2007, and related interim condensed consolidated income statements, statements of changes in equity and cash flow statements for the six and three month periods then ended. Management is responsible for the preparation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to issue a report on these condensed consolidated financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2410 applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of Group personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not give a true and fair view, in all material respects, of the financial position of the Group as at 30 June 2007 and of its results of operations, changes in equity and cash flows for the six and three months periods then ended and in accordance with the basis of preparation set out in Notes 1 and 2 to the interim condensed consolidated financial statements and in accordance IAS 34.

Brightman Almagor & Co.

A member firm of Deloitte Touche Tohmatsu

27 August 2007
Tel Aviv, Israel

QUEENCO LEISURE INTERNATIONAL LTD

Consolidated statements of income
(In thousands of €)

	3 months ended 30 June		6 months ended 30 June		Year ended 31 December
	2007*	**2006***	**2007***	**2006***	**2006***
	Unaudited	**unaudited**	**unaudited**	**unaudited**	
Revenue	31,758	27,375	64,191	55,951	119,858
Operating costs					
Cost of revenues	(12,894)	(11,987)	(25,526)	(23,949)	(48,874)
Selling and marketing expenses	(3,122)	(2,124)	(6,543)	(4,794)	(11,353)
General and administrative expenses	(6,194)	(4,600)	(9,707)	(8,056)	(16,258)
Other operating expenses	(74)	(410)	(110)	(827)	(861)
Share of results of associates	(167)	73	(413)	(25)	86
Operating profit	**9,307**	**8,327**	**21,892**	**18,300**	**42,598**
Investment income	398	221	547	1,116	1,188
Finance costs	(638)	(1,159)	(1,213)	(1,699)	(2,476)
Foreign exchange gain (loss)	(283)	21	(291)	12	(110)
Profit before tax	**8,784**	**7,410**	**20,935**	**17,729**	**41,200**
Tax	(3,470)	(3,907)	(7,192)	(7,454)	(14,761)
Profit for the period	**5,314**	**3,503**	**13,743**	**10,275**	**26,439**
Attributable to:					
Equity holders of the parent	2,545	1,863	7,917	5,779	17,241
Minority interests	2,769	1,640	5,826	4,496	9,198
	5,314	**3,503**	**13,743**	**10,275**	**26,439**
Earnings per share					
Basic and diluted *pro forma* (¢)**	0.8	0.6	2.5	1.8	5.5
Basic and diluted (¢)	0.8	136.0	2.5	421.9	9.1

* The 2006, and June 2007 and 2006 amounts reflect the operations for the Group for each period as if the reorganisation described in Note 1 had occurred at the beginning of the reporting periods.

** *pro forma* earnings per share have been calculated as if the equity issue described in Note 3 had been performed at the beginning of the reported periods.

Consolidated Balance sheets
(In thousands of €)

	As at		
	30 June		31 December
	2007*	2006*	2006*
	unaudited	unaudited	
Non-current assets			
Intangible assets	4,758	5,842	5,290
Property, plant and equipment	84,488	87,687	85,589
Investment property	7,332	-	7,500
Interests in associates	4,431	237	212
Deferred tax asset	2,401	2,222	2,220
Other long term receivables	10,986	7,901	9,099
Total non-current assets	**114,396**	**103,889**	**109,910**
Current assets			
Inventories	541	380	574
Investments	963	715	863
Trade and other receivables	4,284	2,373	2,921
Cash and cash equivalents	42,278	32,454	35,239
Total current assets	**48,066**	**35,922**	**39,597**
Total assets	**162,462**	**139,811**	**149,507**
Current liabilities			
Accounts payable	(3,456)	(3,082)	(3,642)
Current tax liabilities	(11,396)	(11,147)	(10,224)
Other current liabilities	(45,438)	(35,473)	(37,376)
Bank overdraft and loans	(14,715)	(11,973)	(11,984)
Total current liabilities	**(75,005)**	**(61,675)**	**(63,226)**
Net current assets (liabilities)	**(26,939)**	**(25,753)**	**(23,629)**
Total assets less current liabilities	**87,457**	**78,136**	**86,281**
Non-current liabilities			
Long-term bank loans	(21,977)	(23,223)	(21,910)
Other long-term liabilities	(4,126)	(8,443)	(2,319)
Deferred tax	(954)	(386)	(1,034)
Provision for retirement benefits	(4,357)	(3,766)	(3,990)
Total non-current liabilities	**(31,414)**	**(35,818)**	**(29,253)**
Net assets (liabilities)	**56,043**	**42,318**	**57,028**

QUEENCO LEISURE INTERNATIONAL LTD
Consolidated Balance sheets (cont.)
(In thousands of €)

Shareholders' equity			
Share capital	55,337	44,173	44,173
Share premium	84,827	84,827	84,827
Translation reserve	2,445	2,487	2,478
Accumulated Deficit	(98,184)	(97,511)	(86,049)
Equity attributable to equity holders of the parent	**44,425**	**33,976**	**45,429**
Minority interest	**11,618**	**8,342**	**11,599**
Total Equity	**56,043**	**42,318**	**57,028**

The financial statements were approved by the board of directors and authorised for issue on 27 August 2007. They were signed on its behalf by:

Effy Aboudy Dror Mizeretz
Chief Financial Officer *Chief Executive Officer*

27 August 2007

* The 2006, and June 2007 and 2006 amounts reflect the balance sheets of the Group for each period end, as if the reorganisation described in Note 1 had occurred at the beginning of the reporting periods.

QUEENCO LEISURE INTERNATIONAL LTD

Consolidated statements of changes in equity
(In thousands of €)

	Share Capital	Share Premium	Translation reserve	Retained Earnings	Parent	Minority Interest	Total Equity
For the period beginning 1 January 2007 and ending 30 June 2007 (unaudited)							
Balance as at 1 January 2007	**44,173**	**84,827**	**2,478**	**(86,049)**	**45,429**	**11,599**	**57,028**
Translation differences	-	-	(33)	-	(33)	182	149
Costs relating to the Romanian transaction under common control	-	-	-	(136)	(136)	-	(136)
Issuance of shares in relation to the Romanian transaction under common control	11,164	-	-	(11,164)	-	-	-
Dividend	-	-	-	(8,752)	(8,752)	(3,457)	(12,209)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(2,532)	(2,532)
Net income for the period	-	-	-	7,917	7,917	5,826	13,743
Balance as at 30 June 2007	**55,337**	**84,827**	**2,445**	**(98,184)**	**44,425**	**11,618**	**56,043**
For the period beginning 1 April 2007 and ending 30 June 2007 (unaudited)							
Balance as at 1 April 2007	**44,173**	**84,827**	**2,534**	**(80,677)**	**50,857**	**13,308**	**64,165**
Translation differences	-	-	(89)	-	(89)	323	234
Costs relating to the Romanian transaction under common control	-	-	-	(136)	(136)	-	(136)
Issuance of shares in relation to the Romanian transaction under common control	11,164	-	-	(11,164)	-	-	-
Dividend	-	-	-	(8,752)	(8,752)	(3,457)	(12,209)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(1,325)	(1,325)
Net income for the period	-	-	-	2,545	2,545	2,769	5,314
Balance as at 30 June 2007	**55,337**	**84,827**	**2,445**	**(98,184)**	**44,425**	**11,618**	**56,043**

For the period beginning 1 January 2006 and ending 30 June 2006 (unaudited)							
Balance as at 1 January 2006	**-**	**-**	**(3,247)**	**(103,290)**	**(106,537)**	**9,411**	**(97,126)**
Capital issue	44,173	84,827	-	-	129,000	-	129,000
Translation differences	-	-	5,734	-	5,734	323	6,057
Dividend	-	-	-	-	-	(3,871)	(3,871)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(2,017)	(2,017)
Net income for the period	-	-	-	5,779	5,779	4,496	10,275
Balance as at 30 June 2006	**44,173**	**84,827**	**2,487**	**(97,511)**	**33,976**	**8,342**	**42,318**
For the period beginning 1 April 2006 and ending 30 June 2006 (unaudited)							
Balance as at 01April 2006	**-**	**-**	**2,522**	**(99,374)**	**(96,852)**	**11,163**	**(85,689)**
Capital issue	44,173	84,827	-	-	129,000	-	129,000
Translation differences	-	-	(35)	-	(35)	235	200
Dividend	-	-	-	-	-	(3,871)	(3,871)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(825)	(825)
Net income for the period	-	-	-	1,863	1,863	1,640	3,503
Balance as at 30 June 2006	**44,173**	**84,827**	**2,487**	**(97,511)**	**33,976**	**8,342**	**42,318**
For the period beginning 1 January 2006 and ending 31 December 2006							
Balance as at 1 January 2006	**-**	**-**	**(3,247)**	**(103,290)**	**(106,537)**	**9,411**	**(97,126)**
Capital issue	44,173	84,827	-	-	129,000	-	129,000
Translation differences	-	-	5,725	-	5,725	222	5,947
Dividend	-	-	-	-	-	(3,871)	(3,871)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(3,361)	(3,361)
Net income for the year	-	-	-	17,241	17,241	9,198	26,439
Balance as at 31 December 2006	**44,173**	**84,827**	**2,478**	**(86,049)**	**45,429**	**11,599**	**57,028**

QUEENCO LEISURE INTERNATIONAL LTD

Consolidated cash flow statements
(In thousands of €)

	Notes	3 months ended 30 June		6 months ended 30 June		Year ended 31 December
		2007*	**2006***	**2007***	**2006***	**2006***
		Unaudited	**unaudited**	**unaudited**	**unaudited**	
Net cash from operating activities	4	**6,781**	**7,760**	**17,996**	**14,801**	**35,941**
Investing activities						
Interest received		398	268	547	407	478
Purchases of property, plant and equipment		(1,988)	(5,788)	(2,852)	(7,201)	(9,972)
Purchase of other intangibles		(6)	(12)	(6)	(12)	(27)
Investment in an associate		(4,665)	-	(4,665)	-	(20)
Proceeds on sale of marketable securities		-	44	-	1,750	2,465
Purchases of trading investments		-	-	(100)	-	(147)
Money on deposit		-	-	-	-	(715)
Instalments for the acquisition of a subsidiary		-	-	-	-	(714)
Loans made to associates		887	758	(1,903)	758	(60)
Investment in a subsidiary net of cash acquired		-	-	-	-	(7,500)
Net cash used in investing activities		**(5,374)**	**(4,730)**	**(8,979)**	**(4,298)**	**(16,212)**
Financing activities						
Dividends paid to minority shareholders		(3,457)	(3,776)	(3,457)	(3,776)	(3,776)
Repayments of borrowings		-	(7,500)	-	(11,640)	(13,325)
Receipt / (repayment) of other long term liabilities		1,687	(340)	1,858	-	(4,266)
Repayments of capital notes		-	-	-	-	(246)
Share of profits paid to Municipality of Loutraki		(1,146)	(846)	(2,532)	(2,017)	(2,911)
Increase (decrease) in bank overdrafts		196	17	2,452	13	245
Net cash used in financing activities		**(2,720)**	**(12,445)**	**(1,679)**	**(17,420)**	**(24,279)**
Net increase (decrease) in cash and cash equivalents		(1,313)	(9,415)	7,338	(6,917)	(4,550)
Effect of foreign exchange rate changes		(422)	196	(299)	172	590
Cash and cash equivalents at beginning of period		44,013	41,673	35,239	39,199	39,199
Cash and cash equivalents at end of period		**42,278**	**32,454**	**42,278**	**32,454**	**35,239**
Tax cash flow		(3,620)	(3,585)	(5,780)	(4,694)	(11,891)
Interest paid		-	(854)	(513)	(3,836)	(4,074)

* The 2006, and June 2007 and 2006 amounts reflect the operations for the Group for each period as if the reorganisation described in Note 1 had occurred at the beginning of the reporting periods.

(in thousands of Euro unless otherwise stated)

NOTE 1 - GENERAL INFORMATION

The unaudited Interim Condensed Consolidated Financial Statements ("Interim Consolidated Financial Statements") for the six and three month periods ended 30 June 2007 have been prepared on a basis consistent with the accounting policies set out in the Financial Statements for the year ended 31 December 2006 included in the prospectus of Queenco Leisure International published on 03 July 2007 ("2006 Financial Statements"). The Interim Consolidated Financial Statements should therefore be read in conjunction with the 2006 Financial Statements.

The Interim Consolidated Financial Statements for the six and three month periods ended 30 June 2007, were approved by the Board of directors on 27 August 2007. The information relating to the year ended 31 December 2006 is an extract from the 2006 Financial Statements.

In November 2006 the Company's ultimate controlling shareholders decided to restructure their holdings and to transfer their controlling interest in a Romanian tourist and casino project in Bucharest to the Company. Under this reorganisation it was agreed that the Romanian project will be transferred to the ownership and control of the Company for 62,500,050 newly issued shares of the Company representing 25% of the Company's equity prior such an issuance. The transaction was completed on 13 June 2007.

NOTE 2 - ACCOUNTING POLICIES

The Interim Consolidated Financial Statements for the six and three month periods ended 30 June 2007, and for the six and three month periods ended 30 June 2006, have been prepared by the Group in accordance with IAS 34 "Interim Financial Reporting". The preparation of the Interim Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The same accounting policies and methods of computation are followed in the interim financial report as published by the company on 02 July 2007, which are available in the prospectus published on 03 July 2007 and from the Company's website.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 7	Financial instruments: Disclosures; and the related amendment to IAS 1 on capital disclosures
IFRS 8	Operating Segments
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programs
IFRIC 14	IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group except for additional disclosures on capital and financial instruments and operating segments, and reclassification of balance sheet items when the relevant standards come into effect for periods commencing on or after 1 January 2007.

NOTE 3 - EARNINGS PER SHARE

A *pro forma* calculation for earnings per share ("EPS") has been present for the purposes of comparability. Due to large number of shares issued in 2006, the EPS calculation mandated by IAS 33 does not represent useful information. The *pro forma* calculation assumes that the equity issue in June 2006 as described in note 26 of the historical financial information for years 2004 to 2006, occurred on 1 January 2004. The effective interest reduction as a result of this assumption is immaterial and therefore has not been included for the purposes of the *pro forma* calculations.

(in thousands of Euro unless otherwise stated)

NOTE 4 - NOTES TO THE CASHFLOW STATEMENTS

	3 months ended 30 June		6 months ended 30 June		Year ended 31 December
	2007	**2006**	**2007**	**2006**	**2006**
Profit before tax	**8,784**	**7,410**	**20,935**	**17,729**	**41,200**
Adjustments for:					
Depreciation of property, plant and equipment	2,197	2,733	4,434	4,069	7,822
Impairment	-	(355)	-	755	755
Increase (decrease) in provisions	(1,147)	(980)	266	142	114
Amortisation of intangible assets	270	268	541	551	1,116
Investment income	(398)	(221)	(547)	(1,116)	(1,188)
Finance costs	638	1,159	1,213	1,699	2,476
Foreign exchange gain (loss)	283	(21)	291	(12)	110
Share of results of associates	167	(73)	413	25	(86)
	10,794	**9,920**	**27,546**	**23,842**	**52,319**
Operating cash flows before movements in working capital					
Decrease (increase) in inventories	(29)	(22)	33	(5)	(201)
Decrease (increase) in receivables	(1,385)	2,644	(1,477)	1,209	126
Increase (decrease) in payables	1,021	(343)	(1,813)	(1,715)	(338)
Cash generated by operations	**10,401**	**12,199**	**24,289**	**23,331**	**51,906**
Income taxes paid	(3,620)	(3,585)	(5,780)	(4,694)	(11,891)
Interest paid	-	(854)	(513)	(3,836)	(4,074)
Net cash from operating activities	**6,781**	**7,760**	**17,996**	**14,801**	**35,941**

NOTE 5 – SIGNIFICANT EVENTS IN THE PERIOD

In May 2007, it was resolved that subject to the completion of the listing of the Company's securities on the London Stock exchange, the Company's ultimate controlling shareholder, will be granted with stock options, exercisable at the listing price, representing 3% of the Company's equity following the completion of the reorganisation mentioned in Note 1 and mentioned listing. Stock options representing a further 2.5% of the Company's equity after the reorganisation and listing were granted to senior management and directors, exercisable at 80% of the listing price, contingent on the same terms as the aforementioned options. The Company has performed an initial estimation exercise to quantify the value of these options. This exercise will be refined during the third quarter of 2007 to reach an exact figure that will be included in the third quarter financial statements. The estimated the value of these options at € 5.5 million which will be vested in 5 tranches over periods of between one and five years.

On 31 May 2007, the Company declared a dividend of € 8.8 million, payable to the Shareholders of the Company on that date, being Shachar and YZ Queenco. This dividend was paid on 15 July 2007.

In June 2007, Resido Rodos Ltd, a subsidiary of the Company, signed an agreement to exchange € 9.8 million of parent loans for capital notes. These capital notes are considered equity instruments and the transaction was conditional on a successful public offering of the Company.

On 30 June 2007, the casino in Belgrade began operations.

NOTE 6 – EVENTS AFTER THE BALANCE SHEET DATE

On 03 July 2007, the Company completed an Initial Public Offering of Global Depositary Receipts representing the Company's shares on the London Stock Exchange. Approximately € 53 million net of transaction costs was raised.