

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

**Preliminary Results for the year ended 31 December 2007**

Queenco Leisure International Ltd, (LSE: QLI), the emerging markets casino developer and operator, is pleased to report its preliminary results for the year ended 31 December 2007.

**Highlights**

**Financial Performance**

- Gross revenues increased 19.2% to €205.7 million (2006: €172.6 million)
- Net Revenues increased 19.2% to €142.9 million (2006: €119.9 million)
- EBITDA increased by 19.9% to €62.0 million (2006: €51.8 million)
- Profit before tax increased 28.5% to €52.9 million (2006: €41.2 million)
- EPS was up 38.1% to 7.6¢ (2006: 5.5¢)
- Earnings per GDR (each GDR representing 10 ordinary shares) increased to 76¢ (2006: 55¢)

Contribution by casino:

Casino	Net Revenue (EURm)		EBITDA (EURm)		Visitors ('000)		Win per Visitor (EUR)		QLI's Economic Interest
	2007	2006	2007	2006	2007	2006	2007	2006	
<b>Loutraki</b>	188.2	160.6	91.6	76.4	1,125	984	245	237	40.3%*
<b>Rodos</b>	27.7	23.6	11.8	9.0	177	162	221	205	91.6%
<b>Palace</b>	19.5	16.8	6.4	5.8	116	109	174	150	83.3%

\*35.7% up to 30 September 2007

**Operational Performance**

- Successful admission to the main market of the London Stock Exchange in July 2007
- Significant increases in gaming revenues across the casino portfolio, driven by:
  - highly targeted marketing strategies;
  - programme of re-investment in the casinos; and
  - operating in high growth emerging markets.
- Growth in number of visits and win per visit in all of the projects.
- Grand-Opening of Casino Beograd on 8 February 2008.
- Acquired a further 9 hectares of beachfront land in Sihanoukville, Cambodia.
- Good progress with the pipeline portfolio.

**Dror Mizeretz, Chief Executive Officer of QLI, commented:**

"In 2007 each casino performed strongly, contributing to a positive overall result which saw net revenues and EBITDA increase by 19.2% and 19.9% respectively. These results reflect the benefit of our successful marketing campaigns and re-investment in the individual casinos.

"We have made a solid start to the year, with positive trading performances from Casino Palace and Loutraki, and we anticipate that Casino Rodos will again benefit from this year's tourist season. The outlook for the year remains positive. We operate in a traditionally resilient sector, and are confident we can continue to generate growth in gaming revenues based on our established business model.

"Looking further ahead, the next two years are expected to be particularly important for the Group as we work towards significantly increasing our casino portfolio."

## **Analyst Presentation**

There will be a presentation to analysts by management at **10.00am today** at:

ING Bank N.V. (London Branch)  
60 London Wall  
London  
EC2M 5TQ

Should analysts wish to come they must please confirm their attendance with Daniela Cormano at Cardew Group either by email: [daniela.cormano@cardewgroup.com](mailto:daniela.cormano@cardewgroup.com) or by telephone: +44 (0)20 7930 0777.

## **Investor Conference Call**

The Company will also be hosting a conference call today at 10:00 am Eastern Daylight Time; 7:00am Pacific Time; 2:00pm GMT; and 4:00pm Israel Time. The conference call will be accompanied by an investor presentation available to download from the investor relations section of QLI's website: [www.queencoleisure.com](http://www.queencoleisure.com)

To participate in the conference call, please call one of the following teleconferencing numbers. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1-888-281-1167      UK Dial-in Number: 0-800-051-8913  
Israel Dial-in Number: 03-918-0691      International Dial-in Number: +972-3-918-0691

A replay of the call will be available from the day after the call for a period of 30 days. The link to the replay will be accessible under the investor relations section of QLI's website: [www.queencoleisure.com](http://www.queencoleisure.com)

**For further information and/or a copy of the Company's Audit Report please visit:**  
**[www.queencoleisure.com](http://www.queencoleisure.com)**

### **Queenco Leisure International Ltd.**

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### **ING**

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## Chairman's Statement

I am delighted to present an excellent set of financial results for the 12 months to 31 December 2007. This is our first full year results since our successful admission to the main market of the London Stock Exchange in July 2007.

The Company delivered a strong financial performance in 2007. Net revenues increased by 19.2% to €142.9m (2006: €119.9m), reflecting our ability to grow gaming revenues through increases in win per visit and visit numbers and increase ancillary sales from our first-rate complementary guest services such as hotels, restaurants and conference facilities. The growth in revenues translated into a 19.9% increase in EBITDA to €62.0 million (2006: €51.8 million), with EBITDA margins improving to 43.4%.

Basic and diluted pro forma EPS was up 38.1% to 7.6¢ (2006: 5.5¢) and earnings per GDR (each GDR representing 10 ordinary shares) increased to 76¢ (2006: 55¢).

In line with the strategy stated at the time of the IPO, no dividend was declared for the period under review. However, the Board is committed to generating value for our shareholders, and so we are currently giving careful consideration to paying a dividend in the future.

QLI was established to exploit gaming opportunities in emerging markets, and currently operates four casinos, which together have 1,640 slot machines and 164 gaming tables, and employ around 2,500 people. Our largest casino, Club Hotel Casino Loutraki, attracted well over 1 million visits during the year and is Greece's leading casino by drop and win. Our strategy is to continually improve our established highly cash generative market leading casinos in Greece and Romania and use them as a base from which to expand our casino portfolio in emerging markets.

The growth in licensed gaming in emerging markets has provided an opportunity on which QLI is ideally positioned to capitalise, as we have the necessary management and gaming experience to first identify and then pursue new gaming projects. The Company is typically looking for new opportunities in well (or soon to be) regulated markets with strong economic growth but a limited gaming market, where there maybe an opportunity to establish a strong or even exclusive position. QLI's operations are generally located in landmark properties in prime locations and the availability of such property is another key consideration.

By following this strategy, the Company has developed a strong pipeline of new projects and is currently at various stages of development on five new casino projects. During 2007, QLI made significant progress on this pipeline, most notably with the Grand-Opening of Casino Beograd on 8 February 2008.

Over the next two years we expect to complete a number of new project developments: we continue to make good progress in the development of our nightclub and gaming hall in Prague, and expect to open the development in the summer; we have secured another parcel of land in Sihanoukville, Cambodia and look forward to drawing up the plans for the development later this year; and, in Constanta, Romania we expect to start the renovation of a historic building this year which we intend to operate as "Casino Constanta".

I would like to take this opportunity to thank all the employees of QLI for their dedication and continued efforts to grow and develop the business.

QLI continues to deliver solid and sustainable growth in all of its core operations as well as seek out new opportunities to roll out our casino model. QLI has a robust business model, and we remain positive that we can benefit from the resilient nature of a growing worldwide gaming sector, which we anticipate will continue to enhance our own revenues into 2008 from which we aim to deliver significant shareholder value.

Yigal Zilkha  
Chairman, Queenco Leisure International Limited  
19 March 2008

## Chief Executive's Review

### Introduction

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'), 80km 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.

Over the next two years we expect to announce the opening of a number of our new project developments. Already, we held the Grand-Opening of Casino Beograd on 8 February 2008 which we anticipate having a successful first year of trading, and by the summer of this year we expect to announce the opening of our nightclub and slot machine hall (with approximately 60 slot machines) in Prague, which we expect to develop into a full casino once the regulatory environment has become more developed. Having announced on 5 February that we had purchased a nine hectare parcel of land, in addition to the 48 hectares previously acquired, we expect to be able to see the plans for the intended destination beachfront resort and casino in Sihanoukville, Cambodia later this year. Having also won the concession rights to a historic building in the Romanian seaside resort of Constanta, QLI remains on track to begin renovating the site this year, which we intend to open and operate as "Casino Constanta", together with a boutique hotel.

At the time of QLI's successful flotation on the main market of the London Stock Exchange last year, we set out our intention to acquire minority interests in our existing projects. In line with this strategy, we announced in October 2007 that we had increased our holding in Club Hotel Loutraki ("CHL") to 40.3%, and going forward we continue this aim and remain open to future negotiations with interested parties.

Within our existing projects, QLI has continued to expand the scope of activities offered, particularly in Loutraki, which now operates 1,000 slot machines, an increase from 750. We also intend to open our new 'VVIP' area later this year, which will increase the number of tables at Loutraki from 80 to 95 tables. We believe that this focus on continually seeking to improve existing assets, combined with our project pipeline in emerging markets, will serve us well in continuing our track record of growth.

### QLI's Operating Review

The success of our casino model is based on three key drivers:

1. highly targeted marketing programmes;
2. continual investment in improvement and expansion of existing casinos; and,
3. benefits from operating in high growth emerging markets.

During the year, we have achieved positive results through all of our key performance indicators, which are reflected in each of our casinos' increases in gaming and ancillary revenues. Each of our casinos' targeted marketing strategies are tailored for their respective customer bases, which as a result have seen visit numbers across the portfolio increase significantly, which in turn has driven gross gaming revenues and ancillary revenues. The success of these marketing strategies, such as the 'Customer Loyalty Programme' in Casino Palace, Bucharest which saw a 6.3% increase in visit numbers, and the premier entertainment programme in Loutraki which has tapped into both the high roller markets and the local market, continue to be successful. As a result, gross gaming revenues for the Company grew by 19.7% to €199.3 million (2006: €166.5 million).

We continue to seek ways of improving the "gaming experience" of our customers whilst visiting our casinos, which is why QLI has continued throughout the year to focus on expanding and improving its existing sites. The success of this strategy has enabled us to remain competitive in our current markets, whilst improving levels of drop and win in all of our casinos, and at the same time increase the number of repeat visits and win per visitor.

### Our Projects

#### *Club Hotel Casino Loutraki ("Casino Loutraki")*

Gross gaming revenues grew by 17.8% to €275.3 million (2006: €233.7 million), while net revenues grew by 17.2% to €188.2 million (2006: €160.6 million). This growth has been driven by a positive market

environment, together with the investment which increased the number of slot machines from 750 to 1,000 in July 2007, and the success of our marketing strategy, which primarily focuses on targeting the local population to successfully grow visit, and repeat visit, numbers and win per visitor. During the period, the casino generated EBITDA of €91.6 million, an increase of 19.8% (2006: €76.4 million). EBITDA margins also improved to 48.7% from 47.6%. Visit numbers increased by 14.3% to 1,125k (2006: 984k) and total drop for the period was €1.192 million with win of €275.3 million.

During the year, QLI continued its strategy of buying out minority interests, by increasing its holding in CHL, from 35.7% to 40.3%. In line with our expansion plans the casino also received approval during the year from the Greek gaming board to operate 25 additional gaming tables which, following the opening of our 'VVIP area' later this year, will increase the total number from 80 to 95.

#### *Casino Rodos*

Gross gaming revenues for the year increased by 17.8% to €39.3 million (2006: €33.3 million), while net revenues grew by 17.8% to €27.7 million (2006: €23.6 million). These increases in revenues reflect the success of our marketing strategies to attract a greater number of VIPs, tourists, and visitors coming from mainland Greece. As a consequence, the casino generated EBITDA of €11.8 million, an increase of 31.8% (2006: €9.0 million), and EBITDA margins also improved to 42.6% from 38.1%. Total drop for the period was €183 million with win of €39.3 million. Visit numbers increased by 9.2% to 177k (2006: 162k).

As part of our marketing strategy in 2008, Casino Rodos intends to focus on expanding its presence in a number of other markets. In particular, we intend to target high rollers in countries located near Greece through gaming agents. This targeted marketing will enable Rodos to expand its high roller customer base from abroad.

In September 2007 Casino Rodos signed a Memorandum of Understanding ('MOU') with a local Greek company and Emporiki Bank in regards to the building of a marina and a residential project on Rhodes Island. Under this MOU, Emporiki Bank resolved to provide finance through non-recourse loans and by that to fulfil the investment obligation within the terms of the casino license. Due to opposition from Rhodes Municipality, the Gaming Committee did not opine on whether the MOU fulfilled the aforementioned obligation. As such, according to the legal advisors of the Company, it is expected that an extension will be granted to allow Casino Rodos and Emporiki Bank more time to identify suitable projects in order to satisfy the obligation.

#### *Casino Palace*

During the year, Casino Palace's gross gaming revenues grew 23.3% to €20.2 million (2006: €16.4 million), while net revenues grew by 15.8% to €19.5 million (2006: €16.8 million). EBITDA also increased by 10.4% to €6.4 million, (2006: €5.8 million), which reflects the strong growth in the Romanian economy. As a result, we saw visitor numbers increase by 6.3% to 116k (2006: 109k).

Throughout 2008 we will focus on our targeted marketing strategy to further increase our share in the already competitive market. Initiatives such as the 'Customer Loyalty Programme', the 'bus programme', and the entertainment we offer our guests are giving us a competitive edge, and we will continue our efforts in 2008. At the same time, we will continue to renovate our assets in order to grow our casino offering. Following our decision to switch to gaming in Euros from US Dollars on 1 September 2007, this has had the effect of reducing the risks of unfavourable exchange rates and also attracted more visitors who generally prefer gaming in Euros. We expect the benefits of this to continue into 2008.

In 2008, we anticipate that the Romanian government will propose a new tax on gaming for the Parlamentul României to consider. If approved, the new tax is more likely to effect smaller casino operators in Romania, which in turn is likely to benefit larger operators such as ourselves who have the ability to absorb changes in taxation.

#### *Casino Beograd*

Casino Beograd began trading on 30 June 2007 and held its Grand Gala Opening on 8 February 2008. Since then it has increased its operations to 220 slot machines and 25 tables up from 60 slot machines and 6 tables in June 2007. We believe the casino has made a good start and we look forward to further updating you on its progress.

Since QLI increased its holding in CHL, from 35.7% to 40.3% through the buyout of minority interests, QLI has also increased its holding in Casino Beograd from 14.3% to 15.7%, as CHL is also the Holding Company for the Serbian operation.

## **New Projects**

We are very pleased with the good progress being made on all five casino projects, and over the next two years, expect through new openings to significantly expand the size of the business.

The development of the Prague nightclub and slot machine hall (with approximately 60 slot machines) is anticipated to open this summer, which at a later stage we expect to develop into a full casino once the regulatory environment in the Czech Republic has become more developed.

The progress we are making in Constanta, Romania is very encouraging. Having finalised the terms of the Concession Agreement with Constanta Municipality earlier in the year, granting us concession rights over a historic building in the seaside resort of Romania's second largest city, we intend to start the development of this site later this year. We intend to renovate and operate the building as "Casino Constanta", a comprehensive leisure venue in its own right, with restaurants, boutique hotels and other entertainment facilities. The Agreement with Constanta Municipality lasts for an initial period of 49 years, but grants QLI the option to extend the terms for a further 24 years, subject to the consent of both the Company and Constanta Municipality. Under the terms of the Agreement, QLI will invest approximately €15 million and pay gross annual royalties of €140,000 to Constanta Municipality. The building covers an area of 801m<sup>2</sup> and is located on Constanta's beachfront. It was built in 1909, and declared a national architectural treasure in 1956. QLI plans to open Casino Constanta in the second half of 2009, which will operate approximately 24 gaming tables and 250 slot machines.

We also expect to see the development plans of our intended new project in Sihanoukville, Cambodia later this year. The casino will be located in order to benefit from customers in Thailand and Vietnam, neither of which currently permits gambling. We believe 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 was originally contracted to acquire a 48 hectare plot of land in Sihanoukville, a coastal area of south-west Cambodia. Since the year end, the Company has purchased an additional 9 hectares of land in an ideal location, situated along the picturesque beachfront in Sihanoukville, an area which has over the last 12 months seen a substantial increase in property prices following the announcement of plans by the Cambodian Government to expand the local airport to cater for international flights.

We continue to make progress in our developments at our Sofia and Varna projects in Bulgaria as well, and look forward to updating you on their progress in the near future as well.

## **Outlook**

Current trading in the first quarter has started positively in Casino Palace and Loutraki, and we anticipate that Casino Rodos will again benefit from this year's tourist season. We will continue with our strategy of continual improvement in our existing casinos and targeted marketing programmes, which coupled with the completion of a number of new projects over the next two years, we believe will significantly change the scale of the business.

QLI has a robust business model, and we remain positive that we can benefit from the resilient nature of a growing worldwide gaming sector, which we anticipate will continue to enhance our own revenues into 2008 from which we aim to deliver significant shareholder value.

Dror Mizeretz  
CEO, Queenco Leisure International Ltd  
19 March 2008

**QUEENCO LEISURE INTERNATIONAL LTD**

**Consolidated statements of income**  
(In thousands of €)

	Notes	Year ended 31 December		
		2007*	2006*	2005*
Revenues	4	142,895	119,858	103,328
<b>Operating costs</b>				
Cost of revenues	5	(56,838)	(48,874)	(44,016)
Selling and marketing expenses	6	(14,942)	(11,353)	(10,252)
General and administrative expenses	7	(18,008)	(16,258)	(15,614)
Other operating expenses	8	(492)	(861)	(1,267)
Share of results of associates	16	(1,351)	86	(5)
<b>Operating profit</b>		<b>51,264</b>	<b>42,598</b>	<b>32,174</b>
Investment income	9	4,933	1,188	1,247
Finance costs	10	(3,195)	(2,476)	(1,451)
Foreign exchange gain (loss)		(61)	(110)	609
<b>Profit before tax</b>		<b>52,941</b>	<b>41,200</b>	<b>32,579</b>
Tax	11	(15,407)	(14,761)	(11,313)
<b>Profit for the year</b>		<b>37,534</b>	<b>26,439</b>	<b>21,266</b>
Attributable to:				
Equity holders of the parent		25,138	17,241	13,154
Minority interests		12,396	9,198	8,112
		<b>37,534</b>	<b>26,439</b>	<b>21,266</b>
<b>Earnings per share</b>				
Basic <i>pro forma</i> (€)**	13	7.6	5.5	4.2
Diluted <i>pro forma</i> (€)**	13	7.5	5.5	4.2
Basic (€)	13	7.6	9.1	21.0
Diluted (€)	13	7.5	9.1	21.0

\* The 2007, 2006 and 2005 amounts reflect the 12 months operations for the Group for each year as if the restructuring described in Note 1 had occurred at the beginning of the reporting period starting 1 January 2005.

\*\* *Pro forma* earnings per share have been calculated as if the equity issue described in Note 1 and in Note 27 had been performed on 1 January 2005

**Consolidated Balance sheets**  
(In thousands of €)

	Notes	As at 31 December	
		2007*	2006*
<b>Non-current assets</b>			
Intangible assets	14	13,746	5,290
Property, plant and equipment	15	92,672	85,589
Investment property	33	7,652	7,500
Interests in associates	16	13,019	212
Deferred tax asset	17	2,465	2,220
Other long term receivables	18	12,178	9,099
<b>Total non-current assets</b>		<b>141,732</b>	<b>109,910</b>
<b>Current assets</b>			
Inventories	19	782	574
Investments	20	8,894	863
Trade and other receivables	21	3,985	2,921
Cash and cash equivalents	22	76,011	35,239
<b>Total current assets</b>		<b>89,672</b>	<b>39,597</b>
<i>Total assets</i>		<b>231,404</b>	<b>149,507</b>
<b>Current liabilities</b>			
Accounts payable		(5,587)	(3,642)
Current tax liabilities		(11,314)	(10,224)
Other current liabilities	23	(25,974)	(37,376)
Bank overdraft and loans	24	(12,591)	(11,984)
<b>Total current liabilities</b>		<b>(55,466)</b>	<b>(63,226)</b>
<b>Net current assets (liabilities)</b>		<b>34,206</b>	<b>(23,629)</b>
<b>Total assets less current liabilities</b>		<b>175,938</b>	<b>86,281</b>
<b>Non-current liabilities</b>			
Long-term bank loans	24	(10,259)	(21,910)
Other long-term liabilities	25	(11,003)	(2,319)
Deferred tax	17	(3,471)	(1,034)
Provision for retirement benefits	26	(4,835)	(3,990)
<b>Total non-current liabilities</b>		<b>(29,568)</b>	<b>(29,253)</b>
<b>Net assets</b>		<b>146,370</b>	<b>57,028</b>
<b>Shareholders' equity</b>			
Share capital	27	62,512	44,173



Share premium		130,998	84,827
Translation reserve		1,828	2,478
Accumulated Deficit	28	<u>(80,009)</u>	<u>(86,049)</u>
<b>Equity attributable to equity holders of the parent</b>		<b>115,329</b>	<b>45,429</b>
<b>Minority interest</b>		<b><u>31,041</u></b>	<b><u>11,599</u></b>
<b>Total Equity</b>		<b><u>146,370</u></b>	<b><u>57,028</u></b>

\* The 2007 and 2006 amounts reflect the balance sheets of the Group for 31 December of each year as if the reorganisation described in Note 1 had occurred at the beginning of the reporting period starting 1 January 2005.

The financial statements were approved by the board of directors and authorised for issue on 18 March 2008. They were signed on its behalf by:

Dror Mizeretz  
Chief Executive Officer

Effy Aboudy  
Chief Financial Officer

18 March 2008

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

	<u>Notes</u>	<u>Share Capital</u>	<u>Share Premium</u>	<u>Translation reserve</u>	<u>Accumul ated deficit</u>	<u>Parent</u>	<u>Minority Interest</u>	<u>Total Equity</u>
Balance as at 1 January 2005		-	-	7,615	(116,444)	(108,829)	8,707	(100,122)
Translation differences				(10,862)		(10,862)	(645)	(11,507)
Dividend							(3,399)	(3,399)
Profit share due to the municipality of Loutraki	12						(3,364)	(3,364)
Profit for the year					13,154	13,154	8,112	21,266
<b>Balance as at 31 December 2005</b>		<b>-</b>	<b>-</b>	<b>(3,247)</b>	<b>(103,290)</b>	<b>(106,537)</b>	<b>9,411</b>	<b>(97,126)</b>
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	12						(3,361)	(3,361)
Profit for the year					17,241	17,241	9,198	26,439
<b>Balance as at 31 December 2006</b>		<b>44,173</b>	<b>84,827</b>	<b>2,478</b>	<b>(86,049)</b>	<b>45,429</b>	<b>11,599</b>	<b>57,028</b>

				<b>Accumul ated deficit</b>		<u>Minority Interest</u>	<u>Total Equity</u>	
	<u>Notes</u>	<u>Share Capital</u>	<u>Share Premium</u>	<u>Translation reserve</u>	<u>Parent</u>			
<b>Balance as at 1 January 2007</b>		<b>44,173</b>	<b>84,827</b>	<b>2,478</b>	<b>(86,049)</b>	<b>45,429</b>	<b>11,599</b>	<b>57,028</b>
Translation differences				(650)	-	(650)	(16)	(666)
Costs relating to the Romanian transaction under common control		-	-	-	(136)	(136)	-	(136)
Capital issue		7,175	46,171	-	-	53,346	-	53,346
Expense resulting from grant of share options		-	-	-	954	954	-	954
Issuance of shares in relation to the Romanian transaction under common control		11,164	-	-	(11,164)	-	-	-
Conversion of capital notes to equity *		-	-	-	-	-	9,816	9,816
Purchase of minority interest		-	-	-	-	-	5,468	5,468
Dividend **		-	-	-	(8,752)	(8,752)	(3,553)	(12,305)
Profit share due to the municipality of Loutraki	12	-	-	-	-	-	(4,669)	(4,669)
Profit for the year		-	-	-	25,138	25,138	12,396	37,534
<b>Balance as at 31 December 2007</b>		<b>62,512</b>	<b>130,998</b>	<b>1,828</b>	<b>(80,009)</b>	<b>115,329</b>	<b>31,041</b>	<b>146,370</b>

\* capital notes held with Milimor and Shachar Hamillenum (parent companies)

\*\* representing 4 ¢ per share

**Consolidated cash flow statements**  
(In thousands of €)

	Notes	Year ended 31 December		
		2007*	2006*	2005*
<b>Net cash from operating activities</b>	29	<b>46,280</b>	<b>35,941</b>	<b>30,999</b>
<b>Investing activities</b>				
Interest received		4,801	478	577
Dividends received from trading investments		-	-	39
Purchases of property, plant and equipment		(9,983)	(9,972)	(8,001)
Purchase of other intangibles		(28)	(27)	(34)
Investment in an associate		(9,754)	(20)	(220)
Proceeds on sale of marketable security		-	2,465	-
Money on deposit		-	(715)	-
Purchases of trading investments		(7,923)	(147)	-
Instalments for the acquisition of a subsidiary		(714)	(714)	(714)
Loan to associate		(7,585)	(60)	(3,900)
Purchase of additional interest in joint venture entity		(2,153)	-	-
Investment in a subsidiary net of cash acquired	15	-	(7,500)	104
<b>Net cash used in investing activities</b>		<b>(33,339)</b>	<b>(16,212)</b>	<b>(12,149)</b>
<b>Financing activities</b>				
Dividends paid to minority shareholders		(3,402)	(3,776)	(3,313)
Dividends		(8,752)	-	-
Repayments of long term receivables		-	-	484
Repayments of borrowings		(11,730)	(13,325)	(5,000)
Receipt / (repayment) of other long term liabilities		3,285	(4,266)	(265)
Issue of shares, net of expenses		53,346	-	-
Repayments of capital notes		-	(246)	(5,609)
Repayments of obligations under finance leases		-	-	(18)
Share of profits paid to Municipality of Loutraki		(4,361)	(2,911)	(3,578)
Increase (decrease) in bank overdrafts		(250)	245	(1,215)
<b>Net cash provided by (used in) financing activities</b>		<b>28,136</b>	<b>(24,279)</b>	<b>(18,514)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>41,077</b>	<b>(4,550)</b>	<b>336</b>
Effect of foreign exchange rate changes		(305)	590	(581)
Cash and cash equivalents at beginning of year	22	35,239	39,199	39,444
<b>Cash and cash equivalents at end of year</b>		<b>76,011</b>	<b>35,239</b>	<b>39,199</b>
Tax cash flow		(14,717)	(11,891)	(11,965)
Interest paid		(1,208)	(4,074)	(1,105)

The 2007, 2006 and 2005 amounts reflect the 12 months operations for the Group for each year as if the reorganisation described in Note 1 had occurred at the beginning of the reporting period starting 1 January 2005.

**NOTE 29 - NOTES TO THE CASH FLOW STATEMENTS**

	<u>2 0 0 7</u>	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Profit before tax	<b>52,941</b>	<b>41,200</b>	<b>32,579</b>
Adjustments for:			
Depreciation of property, plant and equipment	8,315	7,822	8,044
Impairment	-	755	-
Increase in provisions	670	114	1,036
Amortisation of intangible assets	1,219	1,116	1,217
Investment income	(4,933)	(1,188)	(1,247)
Finance costs	3,195	2,476	1,451
Foreign exchange gain (loss)	61	110	(609)
Profit from negative goodwill	(1,445)	-	-
Share of results of associates	1,351	(86)	5
Expense relating to grant of share options	954	-	-
	<u><b>62,328</b></u>	<u><b>52,319</b></u>	<u><b>42,476</b></u>
Operating cash flows before movements in working capital			
Increase in inventories	(196)	(201)	5
Decrease/(increase) in receivables	(399)	126	(968)
Increase/(decrease) in payables	472	(338)	2,556
<b>Cash generated by operations</b>	<u><b>62,205</b></u>	<u><b>51,906</b></u>	<u><b>44,069</b></u>
Income taxes paid	(14,717)	(11,891)	(11,965)
Interest paid	(1,208)	(4,074)	(1,105)
<b>Net cash from operating activities</b>	<u><u><b>46,280</b></u></u>	<u><u><b>35,941</b></u></u>	<u><u><b>30,999</b></u></u>

**Increase in interest in proportionally consolidated entity**

	<u>2 0 0 7</u>	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Consideration paid	3,500	-	-
<i>Less: cash received</i>	(1,347)	-	-
Investment in subsidiary	<u><b>2,153</b></u>	-	-