1 June 2009

Queenco Leisure International Ltd.
(the “Group” or “QLI”),

Financial Results for the three months ended 31 March 2009

Queenco Leisure International Ltd. (LSE: QLI), the emerging markets developer and owner of entertainment centers, is pleased to report its results for the three month period ending 31 March 2009.

Financial Highlights

- Gross revenues were €43.6million (2008: €54.5 million)
- Net Revenues were €31.1 million (2008: €38.3 million)
- EBITDA was €7.1 million (2008: €15.1 million)
- Profit before tax was €5.4 million (2008: €10.6 million)
- EPS was 0.6¢ (2007: 1.1¢); Earnings per GDR (1 GDR = 10 ordinary shares) was 6¢ (2008: 11¢)
- Net current assets of €1.3 million as at 31 March 2009
- Net cash position of €37 million as at 31 March 2009

Main Operating and Business Highlights

- Continuing global economic environment impacting gaming worldwide
- Visitor numbers remain high with lower win per visit, reflecting the general decrease in consumer spending
- Group wide focus on cost reduction without affecting customer experience
- SaSaZu, our unique entertainment centre in Prague opened the night club in March, followed by the restaurant in April, and will open its gaming hall and garden café during the upcoming months
- Exploring acquisition opportunities of existing operations

Ron Be’ery, Executive Chairman of QLI, commented:

"Trading patterns from the second half of 2008 have continued into 2009 with customers continuing to visit our properties in high numbers, but spending less, reflecting the worldwide economic environment. We are responding by focusing on maintaining the strong appeal of our properties through the use of a range of loyalty programmes and complimentary offers, whilst at the same time looking to reduce the cost base of the Group where appropriate. Our main priority is to use our experience of managing gaming businesses to guide the Group through these challenging market conditions.”

Copies of the analyst / investor presentation, accompanying these results are available for download on Queenco Leisure International Limited’s investor relations website: www.queenco.com

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

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Executive Chairman’s Review

Introduction

I am pleased to present QLI's financial results for the three months ended 31 March 2009. As this is my first quarterly report as Executive Chairman I would like to begin by saying that I am extremely pleased to have taken up an operational role in the Group, having been an adviser to the Company on numerous transactions, including the IPO in 2007. QLI has an excellent business and is well positioned to become the leading entertainment and gaming company in its chosen markets.

While the current environment is reducing our headline performance numbers, we have three well established, cash generating properties, together with two more recently opened properties. We continue to attract high numbers of visitors to our properties; however, spending per visitor is lower, in line with trends across the gaming industry, as people have become more cautious in this unusual economic climate. Our strategy is to maintain a tight control on all costs, making reductions where we can, whilst not compromising on the quality of our offer to all customers.

Looking ahead, we will be focused on continuing to invest in developing our marketing programmes across the portfolio with the aim of maintaining and where possible increasing guest numbers.

Summary of financial performance

Results for the three months ended 31 March 2009

Gross revenues were €43.6 million (2008: €54.5 million), whilst net revenues were €31.1 million (2008: €38.3 million). The decline in revenues, both gross and net, for the three months reflects the impact of the general economic slowdown. During the period customers continued to visit our operating properties in high numbers, however win per visit was down compared to the same period last year as expected. Despite the decrease in revenues, the number of repeat visits reflects our customers' loyalty and the strong appeal of our casinos. External factors, including the fall in win per visit and changes in Greek legislation relating to employees' social rights led to EBITDA for the period decreasing to €7.1 million (2008: €14.8 million). We continue to invest in marketing, reflecting our strategy to maintain market share and attract new customers, particularly at our new operation in Prague. Net profit for the period was €4.2 million (2008: €7.2 million).

Basic earnings per share was 0.6¢ (2008: 1.1¢) and earnings per GDR (each GDR representing 10 ordinary shares) were 6¢ (2008: 11¢).

Operational Review

Results by casino for the three months ended 31 March 2009

Casino	Net Revenue (EURm)		EBITDA (EURm)		Guests (000's)		Win per Visit (EUR)		QLI's Economic Interest
	2009	2008	2009	2008	2009	2008	2009	2008	
Loutraki	38.7	48.8	9.6	21.3	308	315	185	230	38.5%
Rodos	4.9	5.3	0.5	0.8	32	36	221	206	91.6%
Palace	6.7	7.1	3.4	4.1	29	29	240	252	83.3%

*****Loutraki is consolidated in the report at 50% (Q1 2008: 53%), while the results of Rodos and Palace are fully consolidated.
** The results of Casino Beograd are incorporated in Loutraki under the equity method of accounting until 31 March 2009, while the balance sheet is consolidated at 100% in Loutraki's financial statements starting at 31 March 2009.

Club Hotel Casino Loutraki ("Casino Loutraki")

Results for the three months ended 31 March 2009

Gross gaming revenues for the three months ended 31 March 2009 were €56.9 million (2008: €72.6 million), while net revenues were €38.7 million (2008: €48.8 million). In 2009 Casino Loutraki generated

EBITDA of €9.6 million (2008: €21.3 million), which decreased mainly due to the fall in net revenues and a €2.1 million increase in expenses due to employees' entitlement to holiday bonuses, which were fully provided for in Q1 2009 (in 2008 such expense was recorded over the whole year).

Casino Beograd

For the three months ended 31 March 2009 Casino Beograd reported a negative EBITDA of €0.9 million (2008: €1million). Our investment in marketing in a city of over 2 million inhabitants, and in an under penetrated market, has proven to be successful, as guest numbers have almost doubled from 35,446 in the first quarter of 2008 to 67,956 in the first quarter of 2009.

In December 2008, CHL entered into an agreement with Casino Austria AG ("CAAG") for the purchase of CAAG's 51% holding in Casino Beograd for €42 million, resulting in CHL's total stake in the casino increasing to 90%, and increasing QLI's indirect holding to 30.7%. The purchase was completed in early March 2009. In addition, Casino Austria International Holding GmbH ("CAIH"), an affiliate of CAAG, granted CHL an option (exercisable until 20 June 2009) to acquire 50% or 75% of CAIH's interest in Grand Casino Brussels, by paying CAIH 50% or 87.5%, respectively, of CAIH's actual investment in the Brussels casino.

Furthermore, Vasanta Holdings, a 50% subsidiary of QLI, received from Casino Austria International an irrevocable offer to enter into an agreement in which Casino Austria International will have a call option to purchase from Powerbrook Spain, the parent company of CHL controlled by Vasanta ("Powerbook"), and Vasanta will have a put option to cause Casino Austria International to purchase from Powerbrook, ordinary shares representing 11.74% of the fully diluted share capital of Powerbrook and certain other securities. The aggregate exercise price of the call option is €54.9 million and the exercise price of the put option is €49.5 million. The call offer as extended, will expire on August 30th, 2009, and the put option may be exercised from May 31st, 2009 until November 2nd, 2009.
In Addition, upon exercise of either the call option or the put option, Powerbrook will be responsible for the payment of Euro 5.25 million to Casino Austria Greece GmbH resulting from certain outstanding amounts related to transactions between Casino Austria and Agastia Holdings.
The offer was accepted by Vasanta at the end of April 2009.

Casino Rodos

Results for the three months ended 31 March 2009

Casino Rodos, the only casino located on the holiday island of Rhodes has also been affected by the general slowdown. Overall for the three months, gross gaming revenues were €7.0 million (2008: €7.5 million) and net revenues were €4.9 million (2008: €5.3 million) which in turn impacted EBITDA by €0.5 million (2008: €0.8 million).

Win per visit in Casino Rodos increased by 7.3% to €221 during the quarter (2008: €206) despite guest numbers declining by 11.1% in the period.

As we have previously mentioned, the Group acquired a private jet in order to accommodate new and returning VVIP customers to Casino Rodos, and we expect the jet to become fully operational in June 2009.

Casino Palace

Results for the three months ended 31 March 2009

Gross gaming revenues for the quarter were €7 million (2008: €7.3 million), while net revenues were €6.7 million (2008: €7.1 million). Casino Palace, despite operating in a highly competitive environment, continues to attract high rollers. EBITDA decreased to €3.4 million (2008: €4.1 million), primarily impacted by the drop in win per visit to €240 (2008: €252).

In addition to "Casa Vernescu", one of Romania's leading restaurants, which is located in Casino Palace, the Group recently opened a new Asian restaurant on the premises to accommodate the rapidly growing Asian cliental in Romania, and has begun renovation work in Casino Palace in order to ensure that players receive the highest quality gaming experience. Looking ahead, the group has acquired land opposite the casino for the development of a boutique hotel to attract and accommodate high rollers, but this project is currently on hold pending improvements in the global economic environment.

SaSaZu, Prague

SaSaZu, our unique entertainment centre began its operations in March 2009, as the night club followed by the Asian themed restaurant opened their doors. Trading has started well and with the gaming hall expected to open in the upcoming months, we look forward to developing this property into a popular city centre location.

Personnel

Due to the global economy crisis, the Group has adopted a more conservative approach, making our existing core projects the focus of our business during these challenging times and maintaining strong cash generation. Consequently, there have been a number of changes in our senior management team, the most recent being my appointment as Executive Chairman, replacing Yigal Zilkha who was re-appointed as a Director at the recent AGM held on 26 May 2009. Yigal continues to play an active role in the business, focusing his attention on the operation of the casinos and entertainment centres, while I bring to the Group my own experience as a financial advisor to QLI since its IPO in 2007. The Group has commenced a search for a new CEO. In addition, Avi Halifa was appointed as interim CFO in March 2009. Avi has worked for the Group since 2001, and brings to the role substantial experience and knowledge of the Group. Uri Ben Ari, CEO and Neomi Enoch, Finance Director left the Company in March 2009.

On behalf of the board I would like to thank all the employees of the Group for their hard work.

Future Projects

Due to the current economic climate, the Group has reviewed its development project pipeline and has decided to hold back from making significant capital commitments at this time.

We continue to evaluate the economic feasibility of our projects in Constanta, Romania, Bulgaria and Cambodia.

Outlook

Trading patterns from the second half of 2008 have continued into 2009 with customers continuing to come to our properties in high numbers, but spending less, reflecting the worldwide economic environment. We are responding by focusing on maintaining the strong appeal of our properties through the use of a range of loyalty programmes and complimentary offers, whilst at the same time looking to reduce the cost base of the Group where appropriate. Our main priority is to use our experience of managing gaming businesses to guide the Group through these challenging market conditions.

Ron Be'ery
Executive Chairman
1 June 2009

Financial Review

Revenues

Revenues, as presented in QLI's consolidated financial statement, consist of Total Gross revenues minus the tax on gross gaming revenues and applicable municipality tax. QLI's total consolidated Gross revenues consist of gaming revenues, comprised of slot machine and gaming table wins, food and beverage sales, entrance fees, hotel accommodation and outlet charges, rentals and sundry revenues.

Revenues amounted to €31.1 million for the three months ended 31 March 2009 compared to €38.3 million for the three months ended 31 March 2008, a decrease of €7.2 million or 18.8%, and gross gaming revenues amounted to €42.5 million for the three months ended 31 March 2009 compared to €53.3 million for the three months ended 31 March 2008, a decrease of €10.8 million or 20.3% for the three months ended 31 March 2009, approximately 67.1%%, 16.5% and 16.4% of QLI's gaming revenues were derived from Casino Loutraki, Casino Rodos and Casino Palace, respectively. Net gaming revenues and gross gaming revenues decreased primarily as a result of the current economic crises that reduced the average win per visitor in Club hotel Loutraki and in Casino Palace. Of the total gross revenues amounting to €43.6 million for the three months ended 31 March 2009, €1.1 million were derived from other revenues, compared to €1.2 million in the three months ended 31 March 2008.

Operating Costs

Cost of Revenues

Cost of revenues consists primarily of costs related to gaming, as security, food and beverage, staff costs, (primarily salaries), and also costs related to , facility maintenance, rent, utility costs, amortization and depreciation, Greek tourist organization duties and other costs consisting of travel, communication and consumables expenses.

Cost of revenues amounted to €16.4 million for the three months ended 31 March 2009 compared to €15.5 million for the same period in 2008, an increase of €0.9 million or 5.8%. The increase in cost of revenues (€1.3 million) is primarily attributable to staff costs due to the changes in the Greek legislation for employees social rights which were fully provided for in Q1 2009 (in 2008 such expense was recorded over the whole year) . This was offset by a decrease in other expenses.

Selling and marketing expenses

Selling and marketing expenses primarily consist of expenses related to advertising and marketing, as well as costs of marketing staff (primarily salaries), and costs of food and beverage, free or reduced rate hotel accommodation for casino patrons, transportation costs for casino patrons and costs related to entertainment.

Selling and marketing expenses amounted to €4 million for the three months ended 31 March 2009 compared to €4.1 million for the same period in 2008.

General and administrative expenses

General and administrative expenses consist primarily of the headquarters and each location's local management and administrative staff costs (primarily salaries) and expenses resulting from grant of share options, expenses related to the other professional services, such as accounting, legal and consulting expenses, as well as audit fees, gratuities and donations, stamp duty, bank charges and other costs.

General and administrative expenses amounted to €5.5 million for the three months ended 31 march 2009 compared to €6.1 million for the same period in 2008, a decrease of €0.6 million. The decrease in general and administrative consolidated expenses is primarily attributable to a decrease in expenses with respect to share options granted to employees.

EBITDA

QLI's consolidated EBITDA amounted to €7.1 million for the three months ended 31 March 2009 compared to €14.8 million for the same period in 2008. The decrease in the EBITDA of €7.7 million is primarily attributable to the decrease of €7.2 million in revenues.

Share of results of associates

Share of results of associates consists of an interest in Grand Casino d.o.o, a company incorporated in Belgrade, whose principal activity is casino gaming. The results of Grand Casino d.o.o are incorporated in CHL's financial statements until March 31st 2009 under the equity method of accounting.

Share of Results of Associates

Share of results of associates amounted to €658 thousand for the three months ended 31 March 2009, compared to €594 thousand for the same period in 2008, an increase of 10.8%. The increase in share of results of associates is primarily attributable to the strength of the Euro compared to the Serbian Dinar RSD by 13.9% and the increase in depreciation expenses that was offset by reversal of differed tax liabilities recognized in previous periods.

Investment income

Investment income is mainly attributed to interest accrued on bank deposits.

Investment income amounted to €326 thousand for the three months ended 31 March 2009 compared to €569 thousand for the same period in 2008, a decrease of €243 thousand. The decrease in investment income is primarily attributable to the reduction in interest rates accrued on bank deposits.

Finance costs

Finance costs consist primarily of interest on borrowings. Finance costs amounted to €372 thousand for the three months ended 31 March 2009 compared to €922 thousand for the same period in 2008. The decrease in finance cost of €550 thousand is primarily attributable to losses of €206 thousand in marketable securities in 2008 and a decrease of €100 thousand in interest expenses on bank loans in 2009.

Foreign exchange gain (loss)

Foreign exchange gain (loss) relates to gains or losses realized as a result of the fluctuations in the value of the Euro against the Romanian Lei, USD and the NIS. QLI's reporting currency is Euro whilst the operation currency is the NIS. Changes in the Euro against the RON, US Dollar and NIS exchange rate have affected the foreign exchange gain (loss).

Foreign exchange gains amounted to €908 thousand for the three months ended 31 March 2009 compared to foreign exchange losses of €926 thousand for the same period in 2008. The foreign exchange gains are attributable to the strengthening of the Euro against the RON, US Dollar and NIS.

Tax

Taxes amounted to €1.6 million for the three months ended 31 March 2009 compared to €3.4 million for the same period in 2008, a decrease of €1.8 million, or 52.9%. The decrease in taxes is primarily attributable to the decrease in profit before tax.

Profit

Profit amounted to €3.7 million for the three months ended 31 March 2009 compared to €7.2 million for the same period in 2008, a decrease of €3.5 million, or 48.6%.The decrease in profit is primarily attributable to the decrease in gross revenues, which was offset partially by an increase in net finance income compared to the same period in 2008.

Cash and Funding Sources

QLI's principal sources of liquidity are cash provided by operations and borrowings under two loan facilities from banks provided to Club Hotel Loutraki SA and Rhodes Casino S.A. As of 31 March 2009, QLI's consolidated cash and cash equivalents were €62.6 million.

Cash Flow Statement Data

The table below summarizes the consolidated cash flow for the three months ended 31 March 2009 and 2008:

(000' Euro)	**For the three months ended 31 March, (unaudited)**	
	2009	**2008**
Cash flow from operating activities........................	9,022	10,813
Cash flow from (used in) investing activities	(2,361)	683
Cash flow (used in) financing activities..................	(432)	(593)
Foreign exchange rate	**(653)**	**(364)**
Net increase in cash and cash equivalents	**5,576**	**10,539**

Operating Activities

QLI's consolidated net cash flow from operating activities amounted to €9.0 million for the three months ended 31 March 2009 compared to net cash inflow of €10.8 million for the three months ended 31 March 2008. The decrease in net cash inflows is primarily attributable to a decrease of €5.2 million in income before tax.

Investing Activities

QLI's consolidated net cash used in investing activities amounted to €2.4 million for the three months ended 31 March 2009 compared to net cash inflow of €0.7 million from investing activities for the three months ended 31 March 2008. The net cash used in 2009 is primarily attributable to an investment of €1.2 million in an associated company, and of €4 million in property, plant and equipment, partially offset by cash acquired through a business combination of €2.3 million. In 2008, net cash from investing activities amounted to €0.7 million primarily attributable to cash inflow of €4.6 million from the sale of trading investment which was offset by €2.4 million invested in property, plant and equipment and by a loan of €2 million to an associated company.

Financing Activities

QLI's consolidated net cash used in financing activities amounted to €0.4 million for the three months ended 31 March 2009 compared to net cash of €0.6 million for the three months ended 31 March 2008. The decrease in net cash used in financing activities is primarily attributable to a decrease of €0.2 million in share of profits paid to the municipality of Loutraki.

Consolidated statements of comprehensive income
(In thousands of €)

	3 months ended 31 March		Year ended 31 December
	2009	2008	2008
	Unaudited		
Revenue	31,060	38,315	137,390
Operating costs			
Cost of revenues	(16,368)	(15,546)	(58,614)
Selling and marketing expenses	(3,955)	(4,141)	(15,510)
General and administrative expenses	(5,535)	(6,130)	(23,920)
Other operating expenses	(42)	-	(366)
Share of results of associates	(658)	(594)	(2,203)
Operating profit	**4,502**	**11,904**	**36,777**
Investment income	326	569	3,000
Finance costs	(372)	(922)	(2,992)
Foreign exchange gain (loss)	908	(926)	(384)
Profit before tax	**5,364**	**10,625**	**36,401**
Tax	(1,622)	(3,426)	(13,382)
Profit for the period	**3,742**	**7,199**	**23,019**
Other comprehensive income			
Exchange differences arising on translation of foreign operations	(1,072)	(380)	53
Total comprehensive income for the period	**2,670**	**6,819**	**23,072**
Profit for the period attributable to:			
Equity holders of the parent	2,285	3,993	13, 367
Minority interests	1,457	3,206	9,652
	3,742	**7,199**	**23,019**
Total comprehensive income for the period attributable to:			
Equity holders of the parent	1,877	3,642	14,369
Minority interests	793	3,177	8,703
	2,670	**6,819**	**23,072**
Earnings per share			
Basic and diluted (¢)	0.6	1.1	3.8

Consolidated statements of financial position
(In thousands of €)

	As at		
	31 March		31 December
	2009	2008	2008
	Unaudited		
Non-current assets			
Intangible assets	24,243	13,486	8,233
Property, plant and equipment	134,570	93,193	108,322
Investment property	-	7,592	6,994
Interests in associates	-	12,691	11,435
Deferred tax asset	2,433	2,259	2,043
Other long term receivables	9,669	13,358	12,144
Total non-current assets	**170,915**	**142,579**	**149,171**
Current assets			
Inventories	733	682	760
Investments	8,907	4,377	9,107
Trade and other receivables	4,330	4,022	4,470
Cash and cash equivalents	62,591	86,550	57,015
Total current assets	**76,561**	**95,631**	**71,352**
Total assets	**247,476**	**238,210**	**220,523**
Current liabilities			
Accounts payable	(5,139)	(4,693)	(4,941)
Current tax liabilities	(7,359)	(13,606)	(5,352)
Other current liabilities	(45,754)	(25,308)	(23,012)
Bank overdraft and loans	(17,023)	(12,713)	(16,958)
Total current liabilities	**(75,275)**	**(56,320)**	**(50,263)**
Net current assets	**1,286**	**39,311**	**21,089**
Total assets less current liabilities	**172,201**	**181,890**	**170,260**
Non-current liabilities			
Long-term bank loans	(8,573)	(10,303)	(8,536)
Other long-term liabilities	(7,311)	(10,787)	(7,286)
Deferred tax	(1,352)	(3,417)	(1,795)
Provision for retirement benefits	(5,553)	(5,045)	(5,340)
Total non-current liabilities	**(22,789)**	**(29,552)**	**(22,957)**
Net assets	**149,412**	**152,338**	**147,303**

Shareholders' equity			
Share capital	62,512	62,512	62,512
Share premium	130,998	130,998	130,998
Translation reserve	2,422	1,477	2,830
Other reserve	(7,950)	-	(7,950)
Accumulated Deficit	(69,103)	(75,544)	(71,495)
Equity attributable to equity holders of the parent	**118,879**	**119,443**	**116,895**
Minority interest	**30,533**	**32,895**	**30,408**
Total Equity	**149,412**	**152,338**	**147,303**

The financial statements were approved by the board of directors and authorised for issue on 31 May 2009. They were signed on its behalf by:

Ron Be'ery
Executive Chairman of the Board

Avraham Halifa
Interim Chief Financial Officer

31 May 2009

Condensed consolidated statements of changes in equity

(In thousands of €)

	Share Capital	Share Premium	Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
For the three months ended 31 March 2009 (unaudited)								
Balance as at 1 January 2009	**62,512**	**130,998**	**2,830**	**(7,950)**	**(71,495)**	**116,895**	**30,408**	**147,303**
Translation differences	-	-	(408)	-	-	(408)	(664)	(1,072)
Expense resulting from grant of share options	-	-	-	-	287	287	-	287
Reverse of expense resulting from options granted to former employees	-	-		-	(180)	(180)	-	(180)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(668)	(668)
Profit for the period	-	-	-	-	2,285	2,285	1,457	3,742
Balance as at 31 March 2009	**62,512**	**130,998**	**2,422**	**(7,950)**	**(69,103)**	**118,879**	**30,533**	**149,412**
For the three months ended 31 March 2008 (unaudited)								
Balance as at 1 January 2008	**62,512**	**130,998**	**1,828**	**-**	**(80,009)**	**115,329**	**31,041**	**146,370**
Translation differences	-	-	(351)	-	-	(351)	(29)	(380)
Expense resulting from grant of share options	-	-	-	-	472	472	-	472
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(1,323)	(1,323)
Profit for the period	-	-	-	-	3,993	3,993	3,206	7,199
Balance as at 31 March 2008	**62,512**	**130,998**	**1,477**	**-**	**(75,544)**	**119,443**	**32,895**	**152,338**

Condensed consolidated statements of changes in equity (Cont.)
(In thousands of €)

	Share Capital	Share Premium	Hedging & Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
Balance as at 1 January 2008	**62,512**	**130,998**	**1,828**	**-**	**(80,009)**	**115,329**	**31,041**	**146,370**
Translation differences	-	-	1,002	-	-	1,002	(949)	53
Expense resulting from grant of share options	-	-	-	-	2,224	2,224	-	2,224
Reverse of expense resulting from options granted to former employees	-	-	-	-	(1,070)	(1,070)	-	(1,070)
Loss on cashflow hedge	-	-	(86)	-	-	(86)	-	(86)
Release of cashflow hedge to fixed asset	-	-	86	-	-	86	-	86
Exercise of option for purchase of minority interest	-	-	-	(7,950)	-	(7,950)	-	(7,950)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(4,205)	(4,205)
Dividend **	-	-	-	-	(6,007)	(6,007)	(5,131)	(11,138)
Net income for the year	-	-	-	-	13,367	13,367	9,652	23,019
Balance as at 31 December 2008	**62,512**	**130,998**	**2,830**	**(7,950)**	**(71,495)**	**116,895**	**30,408**	**147,303**

* Capital notes held with Milimor and Shachar Hamillenium
** Representing 1.7 ¢ per share.

Condensed consolidated cash flow statements
(In thousands of €)

	Notes	3 months ended 31 March		Year ended 31 December
		2009	2008	2008
		Unaudited		
Net cash from operating activities	3	**9,022**	**10,813**	**19,847**
Investing activities				
Interest received		286	544	2,635
Purchases of property, plant and equipment		(3,976)	(2,424)	(24,013)
Proceeds on sale of property, plant and equipment		43	-	341
Purchase of other intangibles		(23)	-	(73)
Advanced on fixed assets		-	-	(2,509)
Investment in an associate		(1,200)	(265)	(1,376)
Increase in other long-term receivables		-	-	(168)
Repayment of other long-term receivables		-	84	-
Realisation of (Purchases) of trading investments		178	4,775	(735)
Instalments for the acquisition of a subsidiary		-	-	(2,964)
Initial consolidation of a subsidiary	4	2,331	-	-
Loan to associate		-	(2,031)	-
Sale of interest in joint venture entity		-	-	865
Net cash from (used in) investing activities		**(2,361)**	**683**	**(27,988)**
Financing activities				
Dividends paid to minority shareholders		-	-	(5,131)
Dividends		-	-	(6,007)
Repayments of borrowings		-	-	(12,420)
Receipt / (repayment) of other long term liabilities		-	33	(1,245)
Share of profits paid to Municipality of Loutraki		(392)	(626)	(4,371)
Increase (decrease) in bank overdraft and loans		(40)	-	15,959
Net cash (used in) financing activities		**(432)**	**(593)**	**(13,215)**
Net increase (decrease) in cash and cash equivalents		6,229	10,903	(21,356)
Effect of foreign exchange rate changes		(653)	(364)	2,360
Cash and cash equivalents at beginning of period		57,015	76,011	76,011
Cash and cash equivalents at end of period		**62,591**	**86,550**	**57,015**
Tax cash flow		(334)	(733)	(18,323)
Interest paid		(161)	(166)	(1,212)

NOTE 1 - BASIS OF PREPARATION

Queenco Leisure International Ltd (the “Company” and "QLI") was incorporated in Israel on 9 September 2002.

The Company, through Israeli and foreign companies, (together, “the Group”), is a developer, operator and owner of entertainment centres, casinos and leisure resorts, currently mainly in Greece and in Romania. The activities in Greece are in the city of Loutraki and Rhodes Island. Currently, the activities in Romania are in the city of Bucharest. The Company provides advisory services to the projects.

The unaudited Interim Condensed Consolidated Financial Statements (“Interim Consolidated Financial Statements”) for the three month period ended 31 March 2009 have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" and on a basis consistent with the accounting policies set out in the Financial Statements for the year ended 31 December 2008 published on the Company's website on 28 April 2009 ("2008 Financial Statements"). The Interim Consolidated Financial Statements should therefore be read in conjunction with the 2008 Financial Statements.

The Interim Consolidated Financial Statements for the three month period ended 31 March 2009, were approved by the Board of directors on 31 May 2009. The information relating to the year ended 31 December 2008 is an extract from the 2008 Financial Statements.

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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, except for the revolution of certain properties and financial instruments.

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the 2008 Financial Statements, except for the impact of the adoption of IAS 1 (revised 2007) "*Presentation of Financial Statements*" that has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosures. However, the revised Standard has had no impact on the reported results or financial position of the Group.

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:

IAS 28(2008) Investments in Associates
IFRIC 17 Distributions of Non-cash Assets to Owners
IFRIC 18 Transfers of Assets from Customers
Improvements to IFRSs issued in May 2008 and in April 2009

The directors anticipate that the adoption of this Interpretation in future periods will have no material impact on the financial statements of the Group.

2.1 Reclassifications

Following examinations made by CHL's management and Casino Rodos's management regarding the allocation of costs and expenses between the operational departments in CHL and Casino Rodos, CHL's management and Casino Rodos's management has decided to change the allocation of certain staff costs in CHL and Casino Rodos to better reflect the contribution of staff to each department.

Such change, applied retroactively, has resulted in the reclassification of staff cost in the amount of Euro 948 thousand for the three months ended 31 March 2008, from Cost of Revenues to General and Administrative expenses (approximately 97% of the amount) and to Selling and Marketing expenses.

In additional Casino Palace's management has decided to change the allocation of rent expenses. Such change, applied retroactively, has resulted in the reclassification of rent expenses in the amount of Euro 162 thousand for the three months ended 31 March 2008, from General and Administration to Cost of Revenues.

NOTE 3 - NOTES TO THE CASHFLOW STATEMENTS

	3 months ended 31 March		Year ended 31 December
	2009	**2008**	**2008**
Profit before tax	**5,364**	**10,625**	**36,401**
Adjustments for:			
Depreciation of property, plant and equipment	1,886	2,004	7,672
Increase/(decrease) in provisions	864	(169)	503
Loss from on sale of property, plant and equipment	42	-	16
Amortisation of intangible assets	201	262	903
Investment income	(326)	(569)	(3,000)
Finance costs	372	922	2,992
Foreign exchange (gain) loss	(908)	926	384
Share of results of associates	658	594	2,203
Expense relating of grant of share options	107	472	1,154
	8,260	**15,067**	**49,228**
Operating cash flows before movements in working capital			
Decrease/(increase) in inventories	83	96	(19)
Decrease/(increase) in receivables	(647)	411	668
Increase/(decrease) in payables	1,821	(3,862)	(10,495)
Cash generated by operations	**9,517**	**11,712**	**39,382**
Income taxes paid	(334)	(733)	(18,323)
Interest paid	(161)	(166)	(1,212)
Net cash from operating activities	**9,022**	**10,813**	**19,847**

NOTE 4 – SIGNIFICANT EVENTS IN THE PERIOD AND AFTER THE BALANCE SHEET DATE

On 31 December 2008, CHL, has entered into an agreement with Casino Austria AG ("CAAG") for the purchase from CAAG of 51% of the shares of the Serbian Company (the "Purchased Shares"), for a purchase price of Euro 42 million (CHL held, prior to the closing of the transaction, 39% of the shares of the Serbian Company). At the begging of March 2009, all conditions for the closing have been met and the Serbian Company's financial information is consolidated starting at 31 March 2009. Casino Austria International Holding GmbH ("CAIH"), an affiliate of CAAG, has additionally granted CHL an option to acquire 50% or 75% of CAIH interest in Grand Casino Brussels, by paying CAIH 50% or 87.5%, respectively, of CAIH actual investment in the Brussels casino as defined. This option shall be expire, as extended, on 20 June 2009.

This transaction has been accounted for by the purchase method of accounting.

The initial accounting for the transaction has only been provisionally determined at the end of the interim reporting period. At the date of finalisation of this interim financial report, the necessary market valuations, Purchase Price Allocation and other calculations had not been finalised. The allocation used for these financial statements represent managements best estimates.

Assets acquired and liabilities assumed at 31 March 2009:

Net assets acquired

Property, plant and equipment	15,594
Intangible assets	6,473
Inventories	65
Trade and other receivables	546
Cash and cash equivalents	2,331
Trade and other payable	(2,112)
	22,897
Cancellation of associated company account	(11,643)
Other intangible assets	9,746
Total consideration	21,000
Satisfied by:	
Cash	-
Consideration recorded as liability	21,000
	21,000
Net cash outflow arising on acquisition:	
Cash Consideration	21,000
Cash and cash equivalents acquired	(2,331)
	18,669

The additional acquisition of the 51% of the shares of the Serbian Company contributed a loss of Euro 244 thousand to the Group's results of operations for the period between the date of acquisition and 31 March 2009.

If the acquisition had been completed on the first day of the 2009 financial year, Group revenues for the three months ended 31 March 2009 would have been Euro 32,308 thousand and Group profit would have been Euro 3,382 thousand..

In addition, Vasanta's board of directors resolved at its meeting on 28 April 2009 to accept the irrevocable offer that it has received from CAIH , (the "Offer") to enter into an agreement pursuant to which CAIH will have an option (the "Call Option") to purchase from PBS and Vasanta will have an option (the "Put Option") to cause PBS to issue and sell to CAIH, the following securities of PBS (the Call Option may be exercised by CAIH with respect to all or any of the following securities, provided however that if the Call Option is exercised with respect to the Ordinary Shares under clause 1 below, CAIH must also exercise the Call Option with respect to the special shares under clauses 2 and 3 below):

1. Ordinary shares of PBS constituting 11.74% of the fully diluted share capital of PBS;

2. A special share providing for (i) the right to receive certain amounts out of (A) funds actually received by PBS and attributable to operating income of the Serbian Company and/or (B) the sale of shares of the Serbian Company that may be distributed by PBS in the future and (ii) for so long as CHL controls the Serbian Company and PBS controls CHL, the right that PBS will use its best efforts to cause the appointment of a non-voting observer on behalf of CAIH to the board of directors of the Serbian Company; and

3. A special share providing for certain minority protective veto rights with respect to the operations of PBS for so long as CAIH holds at least 10% of the fully diluted share capital of PBS

If CAIH exercises the Call Option with respect to the ordinary shares referred to in clause 1 above, it will have the right to aggregate its holdings with Casinos Austria Greece GmbH, which currently holds shares in PBS, and as a result nominate a total of up to two members, while Vasanta (through an indirectly controlled company) will have the right to nominate a total of up to seven members, to the board of directors of PBS. The aggregate exercise price of the Call Option is Euro 54.9 million and the exercise price of the Put Option is Euro 49.5 million. In addition, upon exercise of either the Call option or the Put option, PBS, a company controlled by Vasanta, will be responsible for the payment of Euro 5.25 million to Casino Austria Greece GmbH ("CAGG"), resulting from certain outstanding amounts related to transactions between CAGG and Agastia Holdings Ltd., a 50% indirect subsidiary of the Company, during 2002.

The Call Option is exercisable from the time of acceptance through 30 August 2009 and the Put Option will be exercisable from 31 May 2009 through 2 November, 2009.

There is no assurance that either the Call option or the Put option will be exercised.

NOTE 5 – INTANGIBLE ASSETS

As result of the acquisition of additional shares of the Serbian Company (see Note 4), the Group recorded approximately Euro 10 million as intangible assets representing the provisional excesses cost of the consideration over management best estimates of the fair value of the assets and liabilities of the Serbian Company. In addition, the Company recorded additional of approximately Euro 6 million as intangible assets as a result of the first time consolidation of the Serbia Company's intangible assets. The necessary market valuations, Purchase Price Allocation measurement and other calculations had not been finalised and are incomplete at the date of finalisation of this interim financial report.

NOTE 6 – RELATED PARTY TRANSACTIONS

1. On 26 March the Company reached an agreement with each of Mr. Uri Ben-Ari, the Company's then Chief Executive Officer, and Ms. Neomi Enoch, the Company's then Chief Financial Officer, as to their retirement from office. As part of the agreements the Company recorded a provision in the amount of approximately Euro 223 thousand. In addition, Mr. Ron Beery has joined the Company's Board of Directors and has been appointed as Executive Chairman of the Board, and that Mr. Avi Halifa has been appointed as the Company's interim Chief Financial Officer.

2. On 26 May 2009, Messrs. Yigal Zilkha, Ron Beery and Effy Aboudy were re-appointed as directors, and Messrs. Yitchak Shwartz and Yechiel Gutman were appointed as new directors. Mr. Gutman was appointed as a statutory external director. Ms. Miri Lent-Sharir, who was appointed on 25 October 2007 as a statutory external director, holds such offices until 25 October 2010. Mr. Nathan Nissani, who was a statutory external director since 25 October 2007, passed away on 27 April 2009.