Leisure International Ltd.
Queenco

19 November 2007

Queenco Leisure International Ltd

(the "Company" or "QLI"),

Third Quarter Results

Queenco Leisure International Ltd, (LSE: QLI), the emerging markets casino developer and operator, is pleased to report its third quarter results for the 3 months ended 30 September 2007.

Financial Highlights

- Gross revenues increased 25.9% to € 53.8 million (Q3 2006: € 42.7 million)
- Net Revenues increased 27.5 % to € 39.6 million (Q3 2006: € 31 million)
- EBITDA increased by 28.9% to € 17.4 million (Q3 2006: €13.5 million)
- Profit before tax increased 48.3% to € 16.4 million (Q3 2006: € 11.1 million)
- EPS was up 31.6% to 2.5¢ (Q3 2006: 1.9¢)
- Earnings per GDR (each GDR representing 10 ordinary shares) increased to 25¢ (Q3 2006: 19¢)

Q3 2007 Contribution by Casino

Casino	Net Revenue (EURm)		EBITDA (EURm)		Visitors		Win per Visitor (EUR)		QLI's Economic Interest
	2007	2006	2007	2006	2007	2006	2007	2006	
Loutraki	49.4	39.0	23.6	17.4	282,717	239,086	251	233	35.7%
Rodos	8.9	8.3	4.5	4.4	57,648	53,209	217	218	91.6%
Palace	5.9	3.2	2.5	0.9	26,690	23,841	220	138	83.3%

Operating Highlights

- QLI won concession rights to a historic building in the Romanian seaside resort of Constanta since the period end, which QLI intends to renovate and operate as "Casino Constanta"
- Also since the period ended, QLI increased its holding in Club Hotel Loutraki ("CHL") to 40.3% through a buyout of minority interests
- Agreed to acquire a 50% holding in a Greek Company which has the rights to build and operate a new luxury marina and leisure complex adjacent to Casino Rodos

Dror Mizeretz, Chief Executive Officer of QLI, commented,

"We continue to deliver on our strategy of operating and developing new casinos in emerging markets. In the third quarter we increased our shareholding in Loutraki, announced plans to expand in Rodos, and moved a step closer to opening a Casino in Constanta, Romania. We also remain on track to open a nightclub and gaming hall operation in Prague early next year. The Group's financial performance from its existing gaming operations continues to strengthen and we look forward to completing a highly successful year for the Company and its shareholders."

Analyst Conference Call

Management will be holding a conference call for analysts at 9.00am GMT. The call can be accessed by dialing:

UK Freephone: 0800 358 2705; International: +44 (0)20 8609 0205
Pin code: 193183#

Investor Conference Call

Management will be hosting a second conference call for investors at 4.00pm (GMT) and 11.00am (Eastern Standard Time) / 8.00am (Pacific Daylight Time). The call can be accessed by dialing:

UK Freephone: 0800 358 2705; US Freephone: 1866 793 4279; International: +44 (0)20 8609 0205
Pin code: 193183#

The conference calls will be accompanied by an analyst / investor presentation available on the day of results for download on Queenco Leisure International Limited's investor relations website: www.queencoleisure.com

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 third quarter results for the three months ended 30 September 2007. During the period under review the company performed strongly with net revenues and EBITDA up by 27.5% and 28.9% respectively.

At the end of this quarter we have successfully increased our holdings in CHL through the acquisition of minority interests, taken a stake in the development of a marina and leisure complex adjacent to Casino Rodos and won concession rights to a historic building in Constanta which the Company plans to renovate and operate as "Casino Constanta". We believe that this focus on continually seeking to improve existing assets, combined with acquisitions of new gaming concessions in emerging markets, will serve us well in continuing our track record of growth.

At present, QLI has a controlling or significant interest in a portfolio of four casinos operating in 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, in Belgrade.

Financial Review

Gross revenues for the third quarter 2007 grew by 25.8% to €56.3 million (Q3 2006: €44.8 million). Net revenues grew by 27.5% to €39.6 million (Q3 2006: €31 million).

Gross gaming revenues grew 25.9% to €53.8 million (Q3 2006: €42.7 million), reflecting our ability to increase win per visit across our operations and visit numbers. Ancillary revenues also grew by 22.7% to €2.5 million (Q3 2006: €2 million), as part of our strategy to provide first-rate complementary guest services such as hotels, restaurants and conference facilities.

EBITDA for the third quarter increased by 28.9% to €17.4 million (Q3 2006: €13.5 million), with EBITDA margins reaching 44.1%.

Exceptional costs for the three months ended 30 September 2007, included a donation of €1 million from CHL to help those affected by the fires in Greece, and ultimately affected the EBITDA attributable to the parent company by approximately €1 million.

Net Profit for the third quarter increased by 50.7% to €12.3 million (Q3 2006: €8.2 million). Profit before tax also increased by 48.3% to €16.4 million (Q3 2006: €11.1 million).

Basic and diluted pro forma EPS was up 31.6% to 2.5¢ for the period (Q3 2006: 1.9¢) and earnings per GDR (each GDR representing 10 ordinary shares) increased to 25¢ (Q3 2006: 19¢).

Operational Review

Club Hotel Casino Loutraki ("Casino Loutraki")

Gross gaming revenues for the quarter grew 27.3% to €70.9 million (Q3 2006: €55.7 million), while net revenues grew by 26.8% to €49.4 million (Q3 2006: €39 million). This growth has been driven by a positive market environment, together with the investment which has increased the number of slot machines from 750 to 1,000. We expect growth to continue into the fourth quarter and 2008, driven by the growing numbers of Greek nationals and foreign visitors to the casino. During the period, the casino generated EBITDA of €23.6 million, an increase of 35.6% (Q3 2006: €17.4 million). EBITDA margins also improved to 47.8% from 44.6%. Visit numbers increased by 18.2% to 282,717 (Q3 2006: 239,086) and total drop for the period was €305.3 million with win €70.9 million.

Since the period ended, QLI increased its holding in CHL, the Holding Company of Casino Loutraki from 35.7% to 40.3% through the buyout of minority interests.

Casino Rodos

Gross gaming revenues for the quarter increased by 7.8% to €12.5 million (Q3 2006: €11.6 million), while net revenues grew by 7.7% to €8.9 million (Q3 2006: €8.3 million). These increases in revenues reflect the success of our marketing strategies to attract a greater number of VIPs and visitors coming from mainland Greece. As a consequence, the casino generated EBITDA of €4.5 million, an increase of 2.3% (Q3 2006: €4.4 million), while still retaining strong EBITDA margins of over 50%. Total drop for the period was €59.1 million with win €12.5 million. Visit numbers increased by 8.3% to 57,648 (Q3 2006: 53,209).

As part of our plans to continually improve our assets and their facilities, we have agreed to acquire for a consideration of €5 million a 50% shareholding in a Greek company from a consortium owned by third parties which has the rights to build and operate a new luxury marina and leisure apartment complex on land adjacent to the casino. The cost of the project is estimated to be approximately €60 million which will be provided to the Greek company in the form of non-recourse loans. The new complex will add to the appeal of the casino as a tourist destination and support the continued growth of the business.

Casino Palace

During the third quarter, Casino Palace's gross gaming revenues grew 78.0% to €5.9 million (Q3 2006: €3.3 million), while net revenues grew by 83.7% to €5.9 million (Q3 2006: €3.2 million). EBITDA also increased by 174.6% to €2.5 million, (Q3 2006: €0.9 million), which reflects the strong Romanian economy and also includes a currency translation gain 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. As a result, September was a record month for Casino Palace and we remain confident that this decision, combined with the growth in visitor numbers by 12% to 26,690 (2006: 23,841) will enhance profitability in the final quarter and 2008.

Casino Beograd

Our newest casino, still in the development stage, began with a soft opening on 30 June 2007. The casino remains on track for the Grand opening at the beginning of 2008, at which point the casino will operate 250 slots and 25 tables. Trading has started well, with aggregated, unaudited gross revenues for the first three months totalling €1.3 million and we look forward to benefiting from the significantly expanded operation in the future.

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 pleased with the progress being made on all of our new projects. In particular, the development of the Prague nightclub and gaming hall which is currently running to schedule and we anticipate opening the venue in the first quarter of 2008.

In October we also announced that we had finalised the terms of the Concession Agreement with Constanta Municipality, Romania, granting us concession rights over a historic building in the seaside resort of Romania's second largest city, which is also the main tourist destination for foreigners and locals alike. We intend to renovate and operate the building as "Casino Constanta", a comprehensive leisure venue in its own right, with restaurants 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 €10 million and pay gross annual royalties of €140,000 to Constanta Municipality. The building covers an area of 801m² 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.

Outlook

During the period, all of our casinos have continued to trade positively, and have delivered significant uplifts across the key metrics. The Company is well positioned as it enters the final quarter and expects to continue to benefit from the positive Greek economy following a successful tourist season.

We are pursuing our developments in Prague and Belgrade, both of which are scheduled for completion in 2008, and we continue to upgrade the facilities and expand the operations of our existing casinos.

As a result, the Board remains confident that it can continue to grow gross revenues and EBITDA into the final quarter of the year and beyond.

Dror Mizeretz
CEO, Queenco Leisure International Ltd
19 November 2007

QUEENCO LEISURE INTERNATIONAL LTD

Consolidated statements of income
(In thousands of €)

	3 months ended 30 September		9 months ended 30 September		Year ended 31 December
	2 0 0 7	**2 0 0 6***	**2 0 0 7***	**2 0 0 6***	**2 0 0 6***
	Unaudited	**unaudited**	**Unaudited**	**Unaudited**	
Revenue	39,556	31,021	103,747	86,972	119,858
Operating costs					
Cost of revenues	(14,397)	(12,317)	(40,755)	(36,266)	(48,874)
Selling and marketing expenses	(4,266)	(3,409)	(10,982)	(8,203)	(11,353)
General and administrative expenses	(5,353)	(4,006)	(14,058)	(12,062)	(16,258)
Other operating expenses	-	216	(108)	(611)	(861)
Share of results of associates	(310)	10	(723)	(15)	86
Operating profit	**15,230**	**11,515**	**37,121**	**29,815**	**42,598**
Investment income	1,958	203	2,505	1,319	1,188
Finance costs	(984)	(514)	(2,197)	(2,213)	(2,476)
Foreign exchange gain (loss)	211	(134)	(80)	(122)	(110)
Profit before tax	**16,415**	**11,070**	**37,349**	**28,799**	**41,200**
Tax	(4,132)	(2,917)	(11,323)	(10,371)	(14,761)
Profit for the period	**12,283**	**8,153**	**26,026**	**18,428**	**26,439**
Attributable to:					
Equity holders of the parent	8,851	5,835	16,768	11,614	17,241
Minority interests	3,432	2,318	9,258	6,814	9,198
	12,283	**8,153**	**26,026**	**18,428**	**26,439**
Earnings per share					
Basic *pro forma* (¢)**	2.5	1.9	5.1	3.7	5.5
Basic (¢)	2.5	1.9	5.1	13.5	9.1
Diluted (¢)	2.4	1.9	5.0	13.5	9.1

* The 2006, and nine months ended September 2006 and 2007, and three months ended September 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 reported 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.

QUEENCO LEISURE INTERNATIONAL LTD

Consolidated Balance sheets
(In thousands of €)

	As at		
	30 September		31 December
	2 0 0 7	2 0 0 6*	2 0 0 6*
	unaudited	unaudited	
Non-current assets			
Intangible assets	7,563	5,566	5,290
Property, plant and equipment	91,045	93,665	85,589
Investment property	7,712	-	7,500
Interests in associates	7,430	250	212
Deferred tax asset	2,659	2,238	2,220
Other long term receivables	11,383	8,230	9,099
Total non-current assets	**127,792**	**109,949**	**109,910**
Current assets			
Inventories	604	351	574
Investments	8,833	715	863
Trade and other receivables	4,147	2,071	2,921
Cash and cash equivalents	71,106	30,216	35,239
Total current assets	**84,690**	**33,353**	**39,597**
Total assets	**212,482**	**143,302**	**149,507**
Current liabilities			
Accounts payable	(4,097)	(3,254)	(3,642)
Current tax liabilities	(10,998)	(9,407)	(10,224)
Other current liabilities	(21,960)	(35,656)	(37,376)
Bank overdraft and loans	(12,725)	(12,233)	(11,984)
Total current liabilities	**(49,780)**	**(60,550)**	**(63,226)**
Net current assets (liabilities)	**34,910**	**(27,197)**	**(23,629)**
Total assets less current liabilities	**162,702**	**82,752**	**86,281**
Non-current liabilities			
Long-term bank loans	(11,117)	(22,358)	(21,910)
Other long-term liabilities	(9,616)	(7,127)	(2,319)
Deferred tax	(909)	(434)	(1,034)
Provision for retirement benefits	(4,770)	(3,916)	(3,990)
Total non-current liabilities	**(26,412)**	**(33,835)**	**(29,253)**
Net assets (liabilities)	**136,290**	**48,917**	**57,028**

Consolidated Balance sheets (cont.)
(In thousands of €)

Shareholders' equity			
Share capital	62,512	44,173	44,173
Share premium	130,998	84,827	84,827
Translation reserve	2,600	2,049	2,478
Accumulated Deficit	(88,861)	(91,676)	(86,049)
Equity attributable to equity holders of the parent	**107,249**	**39,373**	**45,429**
Minority interest	**29,041**	**9,544**	**11,599**
Total Equity	**136,290**	**48,917**	**57,028**

The financial statements were approved by the board of directors and authorised for issue on 18 November 2007.
They were signed on its behalf by:

Effy Aboudy
Chief Financial Officer

Dror Mizeretz
Chief Executive Officer

18 November 2007

* The 2006, and September 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 reported 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 September 2007 (unaudited)							
Balance as at 1 January 2007	**44,173**	**84,827**	**2,478**	**(86,049)**	**45,429**	**11,599**	**57,028**
Translation differences	-	-	122	-	122	51	173
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		-	-	472	472	-	472
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)	(3,495)	(12,247)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(3,656)	(3,656)
Net income for the period	-	-	-	16,768	16,768	9,258	26,026
Balance as at 30 September 2007	**62,512**	**130,998**	**2,600**	**(88,861)**	**107,249**	**29,041**	**136,290**

QUEENCO LEISURE INTERNATIONAL LTD

For the period beginning 1 July 2007 and ending 30 September 2007 (unaudited)							
Balance as at 1 July 2007	**55,337**	**84,827**	**2,445**	**(98,184)**	**44,425**	**11,618**	**56,043**
Translation differences	-	-	155	-	155	(131)	24
Capital issue	7,175	46,171	-	-	53,346	-	53,346
Expense resulting from grant of share options	-	-	-	472	472	-	472
Conversion of capital notes to equity	-	-	-	-	-	9,816	9,816
Purchase of minority interest	-	-	-	-	-	5,468	5,468
Dividend	-	-	-	-	-	(38)	(38)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(1,124)	(1,124)
Net income for the period	-	-	-	8,851	8,851	3,432	12,283
Balance as at 30 September 2007	**62,512**	**130,998**	**2,600**	**(88,861)**	**107,249**	**29,041**	**136,290**
For the period beginning 1 January 2006 and ending 30 September 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	-	-	5,296	-	5,296	(144)	5,152
Dividend	-	-	-	-	-	(3,655)	(3,655)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(2,882)	(2,882)
Net income for the period	-	-	-	11,614	11,614	6,814	18,428
Balance as at 30 September 2006	**44,173**	**84,827**	**2,049**	**(91,676)**	**39,373**	**9,544**	**48,917**

QUEENCO LEISURE INTERNATIONAL LTD

For the period beginning 1 July 2006 and ending 30 September 2006 (unaudited)							
Balance as at 01July 2006	**44,173**	**84,827**	**2,487**	**(97,511)**	**33,976**	**8,342**	**42,318**
Translation differences	-	-	(438)	-	(438)	(251)	(689)
Profit share due to the municipality of Loutraki	-	-	-	-	-	(865)	(865)
Net income for the period	-	-	-	5,835	5,835	2,318	8,153
Balance as at 30 September 2006	**44,173**	**84,827**	**2,049**	**(91,676)**	**39,373**	**9,544**	**48,917**
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 €)

	Note	3 months ended 30 September		9 months ended 30 September		Year ended 31 December
		2007	**2006***	**2007***	**2006***	**2006***
		unaudited	**unaudited**	**unaudited**	**unaudited**	
Net cash from operating activities	4	**12,633**	**8,592**	**30,629**	**23,393**	**35,941**
Investing activities						
Interest received		1,967	203	2,514	610	478
Purchases of property, plant and equipment		(2,629)	(7,077)	(5,481)	(14,278)	(9,972)
Purchase of other intangibles		-	(2)	(6)	(14)	(27)
Investment in an associate		(2,895)	-	(7,560)	-	(20)
Proceeds on sale of marketable securities		-	-	-	1,750	2,465
Purchases of trading investments		(7,864)	-	(7,964)	-	(147)
Money on deposit		-	-	-	-	(715)
Instalments for the acquisition of a subsidiary		(714)	-	(714)	-	(714)
Loans made to associates		(60)	(308)	(1,963)	450	(60)
Investment in subsidiary		(2,153)	-	(2,153)	-	-
Investment in a subsidiary net of cash acquired		-	-	-	-	(7,500)
Net cash used in investing activities		**(14,348)**	**(7,184)**	**(23,327)**	**(11,482)**	**(16,212)**
Financing activities						
Dividends paid to minority shareholders		-	-	(3,382)	(3,776)	(3,776)
Dividends		(8,752)	-	(8,752)	-	-
Repayments of borrowings		(11,208)	(820)	(11,208)	(12,460)	(13,325)
Receipt / (repayment) of other long term liabilities		58	(1,972)	1,916	(1,972)	(4,266)
Capital issue		53,346	-	53,346	-	-
Repayments of capital notes		-	-	-	-	(246)
Share of profits paid to Municipality of Loutraki		(769)	(894)	(3,301)	(2,911)	(2,911)
Increase (decrease) in bank overdrafts		(2,707)	(19)	(254)	(6)	245
Net cash from (used) in financing activities		**29,968**	**(3,705)**	**28,365**	**(21,125)**	**(24,279)**
Net increase (decrease) in cash and cash equivalents		28,253	(2,297)	35,667	(9,214)	(4,550)
Effect of foreign exchange rate changes		575	59	200	231	590
Cash and cash equivalents at beginning of period		42,278	32,454	35,239	39,199	39,199
Cash and cash equivalents at end of period		**71,106**	**30,216**	**71,106**	**30,216**	**35,239**
Tax cash flow		(5,191)	(4,473)	(10,971)	(9,167)	(11,891)
Interest paid		-	-	(513)	(3,836)	(4,074)

* The 2006, and nine months ended September 2006 and 2007, and three months ended September 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 reported periods.

NOTE 1 - GENERAL INFORMATION

The unaudited Interim Condensed Consolidated Financial Statements ("Interim Consolidated Financial Statements") for the nine and three month periods ended 30 September 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 nine and three month periods ended 30 September 2007, were approved by the Board of directors on 18 November 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 nine and three month periods ended 30 September 2007, and for the nine and three month periods ended 30 September 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.

During the period the Company purchased a minority interest and increased its stake in a proportionally consolidated company from 50% to 53%, whilst retaining joint control. The Company previously had no accounting policies for such transaction. The Company has therefore instituted accounting policy which prescribe an accounting treatment with IFRS that are described below.

Purchase of minority interest and increase in stake in a proportionally consolidated entity

In the event of a purchase of a minority interest or the increase of a stake in a proportionally consolidated entity whilst retaining joint control, the Company applies purchase accounting to do portion of the assets newly acquired. The proportion of the fair value of assets acquired is assessed and the purchase price is allocated according to the fair value of these assets. Any unallocated consideration is allocated to goodwill.

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:

IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

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 September		9 months ended 30 September		Year ended 31 December
	2007	2006	2007	2006	2006
Profit before tax	**16,414**	**11,070**	**37,349**	**28,799**	**41,200**
Adjustments for:					
Depreciation of property, plant and equipment	1,939	1,733	6,373	5,802	7,822
Impairment	-	-	-	755	755
Increase (decrease) in provisions	385	(46)	651	96	114
Amortisation of intangible assets	271	278	812	829	1,116
Investment income	(1,958)	(203)	(2,505)	(1,319)	(1,188)
Finance costs	984	514	2,197	2,213	2,476
Foreign exchange gain (loss)	(211)	134	80	122	110
Share of results of associates	310	(10)	723	15	(86)
Expense relating of grant of share options	472	-	472	-	-
	18,606	**13,470**	**46,152**	**37,312**	**52,319**
Operating cash flows before movements in working capital					
Decrease (increase) in inventories	(43)	31	(10)	26	(201)
Decrease (increase) in receivables	86	121	(1,391)	1,330	126
Increase (decrease) in payables	(825)	(557)	(2,638)	(2,272)	(338)
Cash generated by operations	**17,824**	**13,065**	**42,113**	**36,396**	**51,906**
Income taxes paid	(5,191)	(4,473)	(10,971)	(9,167)	(11,891)
Interest paid	-	-	(513)	(3,836)	(4,074)
Net cash from operating activities	**12,633**	**8,592**	**30,629**	**23,393**	**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.

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. These loans were converted to capital notes during the third quarter.

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

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.

During September 2007, Resido Tourism ltd a subsidiary of the Company, signed an MOU with a local Greek company and Emporiki Bank in regards to the building of a marina and a residential project on Rhodes Island. This agreement is designed to fulfil the investment obligation within the terms of the casino license. Under this MOU, Emporiki Bank resolved to provide finance of €56 million through non-recourse loans. A decision from the relevant authorities is still pending on whether this MOU will resolve the investment obligation.

On 30 September 2007 the Company purchased 6% of Dasharta, a subsidiary that ultimately holds the Loutraki project from a minority shareholder. In addition a Capital Note that the minority shareholders held in Dasharta was also purchased. The total consideration was for € 12.5 million deferred over four years.

NOTE 6 – EVENTS AFTER THE BALANCE SHEET DATE

During October 2007, Queen Investments, a Romanian subsidiary of the Company, was granted concession rights over a historic building in Constansa for a period of 49 years, the Company intends to renovate and operate as "Casino Constanta". Queen Investments has entered into contractual obligations of approximately € 0.5 million *per annum* in this respect.

On 18 October 2007, the Board of Directors of Club Hotel Loutraki, a subsidiary of the Company, resolved to inject a further € 8 million to capital of an associate, Grand Casino d.o.o.