25 November 2010

Queenco Leisure International Ltd

(the "Group" or "QLI"),

Third Quarter Results for the three months ended September 30, 2010

Queenco Leisure International Ltd, the emerging markets casino developer and operator, is pleased to report its third quarter results for the three months ended September 30, 2010.

Financial Highlights for the three months ended September 30, 2010

- Gross revenues were €34.4 million (2009: €41.1 million)
- Net Revenues were €24.2 million (2009: €28.7 million)
- EBITDA was €1.3 million (2009: €6.2 million)
- Loss before tax was €1.8 million (2009: PBT €3.5 million)
- Cash and cash equivalents were €18.1 million as of September 30, 2010

Operating and Business Highlights

- Difficult trading conditions in Greece and Romania have continued to impact spend per head and gross gaming revenues in Q3
- Despite this, the Group reversed the losses at the EBITDA level from a €0.7 loss in Q2 to €1.3 profit in Q3
- In Q3, Casino Beograd and Casino Rodos saw encouraging increases in visit numbers due to the continued delivery of a superior customer service and Loutraki is expected to attract over 1m visitors this year
- QLI remains focused on keeping a healthy balance of continued investment in marketing whilst reducing operating costs; in 2010 the number of employees has reduced by 220 out of an approximate total of 2,700 employees
- In September 2010, QLI signed a memorandum of understanding to establish a joint venture in Cambodia to operate a hotel and casino

Itay Koppel, Chief Executive Officer of QLI, commented on the results:

"Greece in particular remains a very challenging market, as the economic crisis continues to impact our customers' spending habits. Despite this, the Group reversed the losses at the EBITDA level in Q2, whilst continuing to maintain the quality of the gaming experience across the portfolio.

"Gross gaming revenues and ancillary sales have been impacted, but our customers have not been deterred from coming to visit our casinos and experience the superior customer service that we offer. Loutraki has attracted almost 800,000 customers so far this year, and visit numbers in our other operations have slightly increased.

"Visit numbers remain comparatively high and consistent with previous periods, and as we have said before we believe that this is critical to positioning the Group for when the market improves. To counteract the current market environment, the Group has adopted a new efficiency programme which has reduced staff and costs throughout the Group. We anticipate seeing the benefits of these actions during 2011".

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

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Chief Executive's Review

Introduction

The downturn in the world economy, and in particular the Greek debt crisis affected and reduced spend across the gaming sector, which has impacted our flagship casino in Loutraki and our other Greek casino on the Island of Rhodes. Our financial performance in the period has again been affected by the drop in spend per head, as customers remain cautious, although trading performance improved on the previous quarter

The Group has been focused on maintaining customer levels, the core part of our business. So far this year, the Loutraki has attracted almost 800,000 visitors and at Casino Beograd in Serbia and Casino Rodos on the island of Rhodes, visitor levels have been encouraging. We have a balance sheet with a cash position of €18.1 million, and our strategy of maintaining customers and cash has been based around ensuring that the business remains in a strong position to take advantage of a recovery.

The Group has identified the South East Asia region as an area with significant growth potential. The gaming industry in Asia has continued to thrive during the last three years, with places such as Singapore and Macau, expanding rapidly. In September 2010, the Group signed a joint venture memorandum of understanding for the operation of an existing hotel and casino in Cambodia, a continuation of the Group's existing activities in the area

Summary of financial performance

Results for the nine months ended September 30, 2010

Gross revenues were €102.8 million (2009: €123.0 million) whilst net revenues were €71.9 million (2009: €86.6 million). EBITDA reduced to (€0.2) million (2009: €18.0 million). Net loss was €17.3 million (2009: €0.9 million Profit). Basic earnings per share was (4.5¢) (2009: (0.4¢)) and earnings per GDR (each GDR representing 10 ordinary shares) were (45¢) (2009: (4¢)).

Results for the three months ended September 30, 2010

Gross revenues were €34.4 million (2009: €41.1 million), whilst net revenues were €24.2 million (2009: €28.7 million). As previously indicated, revenue and profits were affected by the continuing economic slowdown and while customers continued to visit our casinos in significant numbers, spend per head was down compared to the same period in 2009. Since the second quarter, the Group has returned to positive EBITDA, recording €1.3 million (2009: €6.2 million) for the period. The comparable decrease since last year is mainly attributed to the reduction in net revenue. Net loss was €2.6 million (2009: €2 million). This decrease was caused by a decline of €4.9 million in EBITDA and a decrease of €0.7 million in the net interest income that was offset by a decrease of €0.8 million in income tax.

Basic earnings per share was (0.7¢) (2009: 0.3¢) and earnings per GDR (each GDR representing 10 ordinary shares) were (7¢) (2009: 3¢)

Operational Review

Results by casino for the nine months ended September 30, 2010

Casino	Gross Gaming Revenue (EUR m)		Net Revenue (EURm)		EBITDA (EURm)		Visits (000's)		Gross Win per Visit (EUR)		QLI's Economic Interest
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Loutraki	124.9	155.4	86.5	107.1	10.4	32.7	794	850	157	183	38.5%
Rodos	21.4	24.3	15.5	17.3	1.7	4.8	123	122	174	199	91.6%
Palace	8.4	13.1	7.3	12.3	(1.6)	2.2	74	81	113	161	83.3%
Belgrade	7.9	7.8	7.1	7.2	(0.1)	(2.0)	217	203	36	39	34.6%

*Loutraki is consolidated in QLI's financial statements as 50% while the results of Rodos, Palace and he Sasazu are fully consolidated.

** The results of Casino Beograd were incorporated in Loutraki under the equity method of accounting until March 31, 2009, while the balance sheet is fully consolidated in Loutraki's financial statements starting March 31, 2009.

Results by Casino for the three months ended September 30, 2010

Casino	Gross Gaming Revenue (EUR m)		Net Revenue (EURm)		EBITDA (EURm)		Visits (000's)		Gross Win per Visit (EUR)		QLI's Economic Interest
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Loutraki	38.8	50	27.4	35.0	4.2	11.0	256	279	151	179	38.5%
Rodos	8.8	9.6	6.5	6.9	1.5	2.4	54	53	163	166	91.6%
Palace	2.4	3.1	2.1	2.8	(0.6)	(0.5)	25	25	93	126	83.3%
Belgrade	2.6	2.2	2.3	2.0	-	(0.7)	70	70	37	37	34.7%

*Loutraki is consolidated in QLI's financial statements as 50% while the results of Rodos, Palace and he Sasazu are fully consolidated.

** The results of Casino Beograd are incorporated in Loutraki.

Club Hotel Casino Loutraki ("Casino Loutraki")

The number of visits at our largest casino, Casino Loutraki, has remained constant throughout this challenging economic climate. Although we have seen a minor drop in visit numbers during 2010, we have attracted almost 800,000 visitors so far this year. Our investment over the last two years in new gaming facilities and complementary services has ensured that Loutraki maintains its visit numbers, and as in previous years, this figure will exceed one million by the year end, reflecting the scale of the property and its continuing appeal among domestic customers. As our customers have been affected by the downturn however, Loutraki has in turn seen a further decrease in the drop and average win per visit, which is down by 15.6% for the three months to September 30, 2010. Gross gaming revenues for the third quarter were down by 22.5% to €38.8 million (2009: €50 million), while net revenues decreased by 21.8% to €27.4 million (2009: €35 million).

During the third quarter period, the casino generated EBITDA of €4.2 million (2009: €11.0 million), due to the decline in spend per head and our strategy to maintain the same high level of service.

Casino Beograd

Casino Loutraki holds a 90% holding in Casino Beograd. During the quarter, Casino Beograd attracted the same number of visits as in the same period last year, taking the total for the third quarter to approximately 70,000, and over the nine months to 30 September, Casino Beograd has achieved a 7% increase in visitor numbers as the casino establishes its presence in the Serbian capital. During the three and nine months ended September 30, 2010 EBITDA was balanced in the 3 and 9 month periods.

Casino Rodos

The third quarter is the strongest trading period in Casino Rodos due to the influx of tourists over the summer period. During the quarter our strategy continued to focus on attracting VVIPs through complementary services. Gross gaming revenues for the three months ended September 30, 2010 decreased by 8.4% to €8.8 million (2009: €9.6 million), while net revenues decreased by 5.5% to €6.5 million (2009: €6.9 million). The decrease in the net revenue resulted in EBITDA of €1.5 million (2009: €2.4 million).

Casino Palace

The gaming environment in Bucharest is competitive. As our marketing efforts are focused on attracting high rollers, this goes some way to explaining why a solid start to the year was then followed by a drop in Casino Palace's headline performance in the second and third quarters. Gross gaming revenues for the period of three months to September 30, 2010 were down to €2.4 million (2009: €3.1 million), while net revenues were €2.1 million (2009: €2.8 million).

For the three months to September 30, 2010 the casino generated negative EBITDA of €0.6 million (2009: €0.5 million), reflecting the fall in net revenues and the largely fixed structure of gaming tax in Romania which was offset by a decrease of €0.7 million in the operating cost as a result of the company policy to reduce expenses. During the last quarter Casino Palace has realized its asset in Manu street in Bucharest at a price of €1.2 million.

SaSaZu

During the three month period ended 30 September 2010 there was an increase of 44.2% to €0.8 million in Gross Revenues compared to the same period in 2009. The project has generated a negative EBITDA of €0.4 million (2009: negative EBITDA of €0.5 million), however we expect this to change as SaSaZu expands its gaming operations and continues to grow its customer base.

Future Projects

The timing of new projects is dependent on the Group being able to identify signs of recovery in the global economy. We continue to follow developments in the gaming sector in the economies of our target countries to determine the correct timing and level of investment for developing our pipeline of projects. The Group believes that South East Asia offers significant growth potential for the leisure and gaming market. Recently we have signed a memorandum of understanding to establish a joint venture in Cambodia to operate a hotel and casino. We will continue to explore opportunities in this region as well as continue to improve the gaming experience of our customers at our existing casinos.

On October 31, 2010, during a court hearing, and upon the recommendation of the judge, the Queenco Group and the Club Hotel Group, has agreed to suspend all legal actions between the two groups for a period of three months and to try to settle all pending legal proceedings between them through a mitigation process. This was agreed by the parties and received the court approval.

Outlook

Conditions remain challenging in Greece and are likely to continue as such for the foreseeable future. The impact in the short term on win per visit is therefore likely to continue, however the Group remains positive about our strategy of maintaining customer levels which will position each casino well for when growth returns to our chosen markets. In the short term we are focused on targeted marketing efforts which have to date yielded the desired results of retaining significantly high levels of customers, and will continue with this going forward. We are committed to reducing operating costs at each of our operations and will only make strategic investments on a selective basis when the Group can be satisfied that the timings and costs are right.

Financial Review for the three and nine months ended 30 September 30, 2010

Revenues

Revenues, as presented in QLI's consolidated financial statement, consist of Total Gross revenues minus the tax on gross gaming revenues, applicable municipality and other gross taxes. QLI's total consolidated Gross revenues consist of gross 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.

Net revenues amounted to €71.9 million for the nine months ended September 30, 2010 compared to €86.6 million for the same period in 2009, a decrease of €14.7 million or 16.9% and gross gaming revenues amounted to €96.3 million for the nine months ended September 30, 2010 compared to €117.6 million for same period in 2009, a decrease of €21.3 million or 18.2%. For the nine months ended September 30, 2010, approximately 64.8%, 22.2%, 8.7% and 4.3% of QLI's gaming revenues were derived from Casino Loutraki, Casino Rodos, Casino Palace and Casino Belgrade, respectively. Net gaming revenues and gross gaming revenues decreased primarily as a result of the continuing global economic crises that reduced the average win per visit across the Group operations. Of the total gross revenues amounting to €102.8 million for the nine months ended September 30, 2010, €6.5 million was derived from other revenues, compared to €5.4 million in the same period in 2009. The increase of €1.1 million is mainly attributable to the SaSaZu operation.

Net revenues amounted to €24.2 million for the three months ended September 30, 2010 compared to €28.7million for the same period in 2009, a decrease of €4.5 million or 15.7% and gross gaming revenues amounted to €31.9 million for the three months ended September 30, 2010 compared to €38.8 million for the same period in 2009, a decrease of €6.9 million or 18.0%. For the three months ended September 30, 2010, approximately 60.8%, 27.6%, 7.4% and 4.2% of QLI's gaming revenues were derived from Casino Loutraki, Casino Rodos, Casino Palace and Casino Belgrade respectively. Net gaming revenues and gross gaming revenues decreased primarily as a result of the continues global economic crises that reduced the average win per visit across the Group operations. Of the total gross revenues amounting to €34.4 million for the three months ended September 30, 2010, €2.5 million were derived from other revenues, compared to €2.3 million in the same period in 2009. The increase of €0.2 million is mainly attributable to the SaSaZu operation.

Operating Costs

Cost of Revenues

Cost of revenues consists primarily of costs related to gaming, such 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 consumable expenses.

Cost of revenues amounted to €50.7 million for the nine months ended September 30, 2010 compared to €47.4 million for the same period in 2009, an increase of €3.3 million or 7.0%. The increase in cost of revenues is primarily attributable to the increase in Prague operation expenses as a result of the increase in activity in Sasazu, an increase in costs of revenues resulted of the consolidation of Beograd and as a result of recruitment of employees for the summer activity in Casino Rodos.

Cost of revenues amounted to €15.7 million for the three months ended September 30, 2010 compared to €15.5 million for the same period in 2009, an increase of €0.2 million or 1.3%. The increase in cost of revenues is primarily attributable to the increase in employees' costs in Casino Rodos. That was offset by a reduction of €0.8 million in Casino Palace.

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), costs of food and beverage, complimentary hotel accommodation or reduced rates for casino patrons, transportation costs for casino patrons and costs related to entertainment.

Selling and marketing expenses amounted to €14.7million for the nine months ended September 30, 2010 an increase of €1.7 million compared to the same period in 2009. The increase in selling and marketing expenses is primarily attributable to the increase in expenses in Casino Rodos and Casino Palace. Selling and marketing expenses amounted to €5.0 million for the three months ended September 30, 2010 same as in the same period in 2009.

General and administrative expenses

General and administrative expenses consist primarily of the Company's head offices 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 €16.6 million for the nine months ended September 30, 2010 same as in the same period in 2009 The decrease in general and administrative consolidated expenses is primarily attributable to an decrease in Casino Palace by €1.1 which was partially offset by an increase of €0.6 million in head office expenses and €0.4 in Club Hotel Loutraki expenses with respect to staff cost, professional services and an decrease in consumables and sundry expenses.

General and administrative expenses amounted to €4.8 million for the three months ended September 30, 2010 compared to €5.4 million for the same period in 2009, a decrease of €0.6 million. The decrease in general and administrative consolidated expenses is primarily attributable to the decrease in expenses with respect to Casino Palace.

EBITDA

QLI's consolidated EBITDA amounted to (€0.2) million for the nine months ended September 30, 2010 compared to €18.0 million for the same period in 2009. The decrease in the EBITDA of €18.2 million is primarily attributable to the decrease of €14.7 million in net revenues.

QLI's consolidated EBITDA amounted to €1.3 million for the three months ended September 30, 2010 compared to €6.2 million for the same period in 2009. The decrease in the EBITDA of €4.9 million is primarily attributable to the decrease of €4.5 million in net 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, and as of April 1st, 2009 are consolidated 100% in CHL's financial statements and 50% in QLI financial statements.

Investment income

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

Investment income amounted to €0.3 million for the nine months ended September 30, 2010 compared to €0.6 million for the same period in 2009, a decrease of €0.3 million. The decrease in investment income is primarily attributable to the reduction in cash position of the company in its bank deposits.

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Finance costs

Finance costs consist primarily of interest on loans.

Finance costs amounted to €0.8 million for the nine months ended September 30, 2010 compared to €1.0 million for the same period in 2009, a decrease of €0.2 million. The decrease is primarily attributable to the finance costs on bank loans as a result of reducing the capital bank loans.

Finance costs amounted to €0.3 million for the three months ended September 30, 2010 the same as for the same period 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, Serbian Dinar, Czech Koruna, USD and the NIS. QLI's reporting currency is Euro whilst the operation currency is the NIS. Changes in the Euro against the RON, SRD, US Dollar and NIS exchange rate have affected the foreign exchange gain (loss).

Foreign exchange loss amounted to €1.4 million for the nine months ended September 30, 2010 compared to foreign exchange gains of €2 million for the same period in 2009. The foreign exchange loss is mainly attributable to the weakness of the Euro against the USD and the NIS.

Foreign exchange gain amounted to €0.2 million for the three months ended September 30, 2010 compared to foreign exchange gains of €1.0 million for the same period in 2009. The foreign exchange gain is mainly attributable to the strength of the Euro against the USD and the NIS during this period.

Tax

Taxes amounted to €4.8 million for the nine months ended September 30, 2010 compared to €5 million for the same period in 2009, a decrease of €0.2 million, or 2.6%. The decrease in taxes is primarily attributable to the decrease in profit before tax. This has been partially offset by a €2.1 million special social contribution tax imposed by the Greek government on 2009 profit and €1.0 million income tax in casino Beogard as a result of the recognition of tax liability, due to a change in the Serbian law regarding the period for transferring tax losses (reduced from 10 to 5 years).

Taxes amounted to €0.8 million for the three months ended September 30, 2010 compared to €1.6 million for the same period in 2009, a decrease of €0.8 million, or 48.2%. The decrease in taxes is primarily attributable to the decrease in profit before tax.

Profit

Loaaea amounted to €17.3 million for the nine months ended September 30, 2010 compared to profit of €0.9 million for the same period in 2009.

Losses amounted to €2.4 million for the three months ended September 30, 2010 compared to profit of €2.0 million for the same period in 2009

The decrease in profit is primarily attributable to the decrease in gross revenues, compared to the same period in 2009.

Cash and Funding Sources

QLI's principal sources of liquidity are cash provided by operations and loans under two loan facilities from banks provided to Club Hotel Loutraki SA and Rhodes Casino S.A. As at September 30, 2010, QLI's consolidated cash and cash equivalents were €18.1 million.

Cash Flow Statement Data

The table below summarizes the consolidated cash flow for the nine and three months ended September 30, 2009 and 2008:

(000' Euro)	**For the three months ending 30 September,(unaudited)**		**For the nine months ending 30 September,(unaudited)**	
	2010	**2009**	**2010**	**2009**
Cash flow from (used in) operating activities	(712)	(2,979)	(10,888)	7,181
Cash flow used in investing activities	(486)	(1,638)	(2,875)	(3,289)

Cash flow used infinancing activities	(1,428)	(1,023)	(1,912)	(7,513)
Net decrease in cash and cash equivalents	**(2,626)**	**(5,640)**	**(15,675)**	**(3,621)**
Foreign exchange rate	329	520	2,687	(2,180)
Cash and cash equivalents *beginning of the period*	20,369	56,334	31,060	57,015
Cash and cash equivalents *end of the period*	**18,072**	**51,214**	**18,072**	**51,214**

Operating Activities

QLI's consolidated net cash flow from operating activities amounted to (€10.9) million for the nine months ended 30 September 2009. The cash outflows used for operating activities is primarily attributable to the loss before tax of €12.5 million and adjustments of €1.6 million primarily attributable to €9.5 million depreciation and amortisation, as well as a €1.4 loss attributable to foreign exchange losses offset by a decrease of of €5.0 million in payables and €5.7 million in income tax and interest paid.

For the period of three months ended September 30, 2010 QLI's consolidated net cash flow used in operating activities amounted to (€0.7) million. The cash outflows for operating activities is primarily attributable to the loss before tax of €1.8 million and adjustments of €1.1 million primarily attributable to €2.9 million depreciation and amortisation, that was offset by €2.2 million income taxes and interest paid in the period.

Investing Activities

For the nine months ended September 30, 2010 QLI's consolidated net cash outflow used for investing activities amounted to €2.9. The net cash outflow in the nine months ended September 30, 2010 is primarily attributable to €5.7 million cash outflow for purchase of property plant and equipment, and €3.0 million net cash used for acquisition of subsidiary that was offset by €1.8 million cash inflow from the sale of property and €1.9 realization of a trading investment.

For the three months ended September 30, 2010, QLI's consolidated net cash used in investing activities amounted to €0.5 million. The net cash outflow, is primarily attributable to €1.9 million net cash used for purchase of plant and equipment, and €3.0 million net cash used for acquisition of a subsidiary that was offset by €1.3 million cash inflow from the sale of property and €1.1 realization of a trading investment.

Financing Activities

QLI's consolidated net cash outflow used for financing activities amounted to €1.9 million for the nine months ended September 30, 2010. The net cash outflow used for financing activities is primarily attributable to €1.2 million profit share paid to the Municipality of Loutraki and €1 million repayment of Casino Rhodes bank loan.

QLI's consolidated net cash used in financing activities amounted to €1.4 million for the three months ended 30 September 30, 2010. The net cash outflow used for financing activities is primarily attributable to €1 million used for repayment of Casino Rodes bank loan and €0.8 million profit share paid to the Municipality of Loutraki set off by €0.4 million decrease in bank overdraft.

Consolidated statements of comprehensive income
(In thousands of €)

	3 months ended September 30,		9 months ended September 30,		Year ended December 31
	2010	(**)(*)2009	2010	(**) (*)2009	2009
	Unaudited		Unaudited		
Revenues	24,176	28,671	71,900	86,559	115,020
Operating costs					
Cost of revenues	(15,983)	(15,545)	(50,708)	(47,414)	(66,458)
Selling and marketing expenses	(5,036)	(4,897)	(14,747)	(13,039)	(17,335)
General and administrative expenses	(4,795)	(5,416)	(16,624)	(16,635)	(22,057)
Other operating expenses	(135)	-	(330)	(4,571)	(6,272)
Share of results of associates	-	-	-	(658)	(658)
Operating profit (loss)	**(1,773)**	**2,813**	**(10,509)**	**4,242**	**2,240**
Investment income	92	4	278	595	843
Finance costs	(295)	(269)	(832)	(957)	(1,258)
Foreign exchange gain (loss)	189	973	(1,397)	2,007	1,158
Profit (loss) before tax	**(1,787)**	**3,521**	**(12,460)**	**5,887**	**2,983**
Tax	(806)	(1,556)	(4,840)	(4,968)	(9,787)
Profit (loss) for the period	**(2,593)**	**1,965**	**(17,300)**	**919**	**(6,804)**
Other comprehensive income (loss)					
Exchange differences arising on translation of foreign operations	(1,866)	(350)	1,378	(2,012)	(2,431)
Total comprehensive income (loss) for the period	**(4,459)**	**1,615**	**(15,922)**	**(1,093)**	**(9,235)**
Profit (loss) for the period attributable to:					
Equity holders of the parent	(2,428)	974	(15,732)	(1,352)	(8,293)
Minority interests	(165)	991	(1,568)	2,271	1,489
	(2,593)	**1,965**	**(17,300)**	**919**	**(6,804)**
Total comprehensive income (loss) for the period attributable to:					
Equity holders of the parent	(3,894)	538	(14,968)	(2,930)	(10,209)
Minority interests	(565)	1,077	(954)	1,837	974
	(4,459)	**1,615**	**(15,922)**	**(1,093)**	**(9,235)**
Earnings (loss) per share					
Basic and diluted (¢)	(0.7)	0.3	(4.5)	(0.4)	(2.3)

(*) Restated – See Note 2.2
(**) Reclassifications – See Note 2.3

Consolidated statement of financial position
(In thousands of €)

	As at September 30		December 31
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	Unaudited		
Non-current assets			
Intangible assets	9,958	11,856	11,313
Property, plant and equipment	119,373	131,743	126,146
Investment property	2,551	-	3,940
Deferred tax asset	2,607	2,140	2,118
Other long term receivables	7,481	8,358	8,174
Total non-current assets	**141,970**	**154,097**	**151,691**
Current assets			
Inventories	885	887	1,053
Investments	2,593	6,190	4,841
Trade and other receivables	5,281	6,686	6,758
Cash and cash equivalents	18,072	51,214	31,060
	26,831	**64,977**	**43,712**
Non - current assets held for sale	**3,000**	**-**	**-**
Total current assets	**29,831**	**64,977**	**43,712**
Total assets	**171,801**	**219,074**	**195,403**
Current liabilities			
Accounts payable	(5,442)	(4,233)	(6,695)
Current tax liabilities	(3,665)	(2,703)	(5,089)
Other current liabilities	(18,113)	(41,484)	(21,988)
Bank overdraft and loans	(17,658)	(17,064)	(17,093)
Total current liabilities	**(44,878)**	**(65,484)**	**(50,865)**
Net current liabilities	**(15,047)**	**(507)**	**(7,153)**
Total assets less current liabilities	**126,923**	**153,590**	**144,538**
Non-current liabilities			
Long-term bank loans	(5,626)	(7,626)	(6,634)
Other long-term liabilities	(2,164)	(3,853)	(4,113)
Deferred tax	(2,192)	(1,716)	(1,313)
Provision for retirement benefits	(6,041)	(5,949)	(5,848)
Total non-current liabilities	**(16,023)**	**(19,144)**	**(17,908)**
Net assets	**110,900**	**134,446**	**126,630**

(*) Restated – See Note 2.2

Consolidated statements of financial position (cont.)
(In thousands of €)

	As at		
	September 30		December 31
	2010	(*)2009	2009
	Unaudited	Unaudited	
Shareholders' equity			
Share capital	62,512	62,512	62,512
Share premium	130,998	130,998	130,998
Translation reserve	1,678	1,252	914
Other reserves	(14,080)	(14,080)	(14,080)
Accumulated deficit	(94,314)	(72,405)	(79,158)
Equity attributable to equity holders of the parent	**86,794**	**108,277**	**101,186**
Minority interest	**24,106**	**26,169**	**25,444**
Total Equity	**110,900**	**134,446**	**126,630**

(*) Restated – See Note 2.2

The financial statements were approved by the board of directors and authorised for issue on 25 November 2010. They were signed on its behalf by:

Yigal Zilkha
Executive Chairman of the Board

Etay Koppel
Chief Executive Officer

Dovrat Dagan
Chief Financial Officer

November 25, 2010

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

	Share Capital	Share Premium	Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
For the nine months ended September 30, 2010 (unaudited)								
Balance as at January 1 2010	**62,512**	**130,998**	**914**	**(14,080)**	**(79,158)**	**101,186**	**25,444**	**126,630**
Translation differences	-	-	764	-	-	764	614	1,378
Expense resulting from grant of share options	-	-	-	-	576	576	-	576
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(216)	(216)
Dividend	-	-	-	-	-	-	(168)	(168)
Loss for the period	-	-	-	-	(15,732)	(15,732)	(1,568)	(17,300)
Balance as at September 30 2010	**62,512**	**130,998**	**1,678**	**(14,080)**	**(94,314)**	**86,794**	**24,106**	**110,900**
For the three months ended September 30 2010 (unaudited)								
Balance as at July 1 2010	**62,512**	**130,998**	**3,144**	**(14,080)**	**(91,905)**	**90,669**	**24,956**	**115,625**
Translation differences	-	-	(1,466)	-	-	(1,466)	(400)	(1,866)
Expense resulting from grant of share options	-	-	-	-	19	19	-	19
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(285)	(285)
Loss for the period	-	-	-	-	(2,428)	(2,428)	(165)	(2,593)
Balance as at September 30 2010	**62,512**	**130,998**	**1,678**	**(14,080)**	**(94,314)**	**86,794**	**24,106**	**110,900**

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

	Share Capital	Share Premium	Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
For the nine months ended September 30 2009 (unaudited)								
Balance as at January 1 2009	**62,512**	**130,998**	**2,830**	**(7,950)**	**(71,495)**	**116,895**	**30,408**	**147,303**
Translation differences	-	-	(1,578)	-	-	(1,578)	(434)	(2,012)
Expense resulting from grant of share options	-	-	-	-	622	622	-	622
Reverse of expense resulting from options granted to former employees	-	-	-	-	(180)	(180)	-	(180)
Fair value of Put/Call options (*)	-	-	-	(6,130)	-	(6,130)	(1,729)	(7,859)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(1,761)	(1,761)
Dividend	-	-	-	-	-	-	(2,586)	(2,586)
Profit (loss) for the period (*)	-	-	-	-	(1,352)	(1,352)	2,271	919
Balance as at September 30 2009	**62,512**	**130,998**	**1,252**	**(14,080)**	**(72,405)**	**108,277**	**26,169**	**134,446**
For the three months ended September 30 2009 (unaudited)								
Balance as at July 1 2009 (*)	**62,512**	**130,998**	**1,688**	**(14,080)**	**(73,545)**	**107,573**	**25,619**	**133,192**
Translation differences	-	-	(436)	-	-	(436)	86	(350)
Expense resulting from grant of share options	-	-	-	-	166	166	-	166
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(527)	(527)
Profit for the period (*)	-	-	-	-	974	974	991	1,965
Balance as at September 30 2009	**62,512**	**130,998**	**1,252**	**(14,080)**	**(72,405)**	**108,277**	**26,169**	**134,446**

(*) Restated – See Note 2.2

Consolidated statements of changes in equity (unaudited) (Cont')

(In thousands of €)

	Share Capital	Share Premium	Hedging & Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
Balance as at January 1 2009	**62,512**	**130,998**	**2,830**	**(7,950)**	**(71,495)**	**116,895**	**30,408**	**147,303**
Translation differences	-	-	(1,916)	-	-	(1,916)	(515)	(2,431)
Expense resulting from grant of share options	-	-	-	-	810	810	-	810
Reverse of expense resulting from options granted to former employees	-	-	-	-	(180)	(180)	-	(180)
Fair value of Put/Call options	-	-	-	(6,130)	-	(6,130)	(1,729)	(7,859)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(1,623)	(1,623)
Dividend	-	-	-	-	-	-	(2,586)	(2,586)
Net profit (loss) for the year	-	-	-	-	(8,293)	(8,293)	1,489	(6,804)
Balance as at December 31 2009	**62,512**	**130,998**	**914**	**(14,080)**	**(79,158)**	**101,186**	**25,444**	**126,630**

Consolidated cash flow statements
(In thousands of €)

	Note	3 months ended September 30 2010	3 months ended September 30 2009	9 months ended September 30 2010	9 months ended September 30 2009	Year ended December 31 2009
		Unaudited		Unaudited		
Net cash from (used in) operating activities	**3**	**(712)**	**(2,979)**	**(10,888)**	**7,181**	**10,812**
Investing activities						
Interest received		76	-	258	530	767
Purchases of property, plant and equipment		(1,879)	(1,041)	(5,710)	(5,762)	(12,067)
Proceeds on sale of property, plant, equipment and investment property		1,332	10	1,799	53	79
Purchase of other intangibles		(22)	(18)	(36)	(102)	(214)
Investment in an associate		-	-	-	(1,200)	(1,200)
Instalments for the acquisition of a subsidiary		(2,964)	(2,964)	(2,964)	(2,964)	(2,964)
Realisation of trading investments		1,131	1,250	1,938	2,700	3,783
Decrease in deposits		715	-	715	-	-
Investment in a subsidiary net of cash acquired		-	-	-	-	(18,669)
Initial consolidation of a subsidiary		-	-	-	2,331	-
Sale of interest in joint venture entity		1,125	1,125	1,125	1,125	1,125
Net cash used in investing activities		**(486)**	**(1,638)**	**(2,875)**	**(3,289)**	**(29,360)**
Financing activities						
Dividends paid to minority shareholders		-	-	(168)	(2,586)	(2,586)
Repayments of borrowings		(1,000)	(950)	(1,000)	(950)	(1,900)
Repayment of other long term liabilities		-	(63)	-	(397)	(397)
Share of profits paid to Municipality of Loutraki		(851)	-	(1,209)	(3,562)	(3,562)
Increase (decrease) in bank overdrafts		423	(10)	465	(18)	(15)
Net cash used in financing activities		**(1,428)**	**(1,023)**	**(1,912)**	**(7,513)**	**(8,460)**
Net decrease in cash and cash equivalents		**(2,626)**	**(5,640)**	**(15,675)**	**(3,621)**	**(27,008)**
Effect of foreign exchange rate changes		329	520	2,687	(2,180)	1,053
Cash and cash equivalents at beginning of period		20,369	56,334	31,060	57,015	57,015
Cash and cash equivalents at end of period		**18,072**	**51,214**	**18,072**	**51,214**	**31,060**
Tax cash flow		(2,031)	(3,320)	(5,209)	(7,543)	(10,402)
Interest paid		(173)	(83)	(517)	(570)	(877)

NOTE 1 - BASIS OF PREPARATION

Queenco Leisure International Ltd (the "Company" or "QLI") was incorporated in Israel on September 9, 2002.

The Company’s main activity is investment, through Israeli and foreign companies, (together, “the Group”), in tourist projects, including casinos and hotels, currently mainly in Greece, Romania, Serbia and the Czech Republic. The activities in Greece are in the city of Loutraki and Rhodes Island. The activities in Romania are currently in the city of Bucharest. The activities in Serbia are in the city of Belgrade. The activities in the Czech Republic are in the city of Prague. The Company provides advisory services to part of the projects.

The unaudited Interim Condensed Consolidated Financial Statements (“Interim Consolidated Financial Statements”) for the nine and three months periods ended September 30 2010 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 December 31 2009 published on the Company's website on March 29 2010 ("2009 Financial Statements"). The Interim Consolidated Financial Statements should therefore be read in conjunction with the 2009 Financial Statements.

The Interim Consolidated Financial Statements for the nine and three months periods ended September 30 2010, were approved by the Board of directors on November 25 2010. The information relating to the year ended December 31 2009 is an extract from the 2009 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, the 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

2.1 The condensed financial statements have been prepared under the historical cost convention, except for the revaluation 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 2009 Financial Statements.

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 24 (Revised) - Related party Disclosures
- Amendments to IAS 32 - Financial Instruments: Presentation
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirements
- IFRS 9 - Financial Instruments

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

2.2 Restatement

During March 2010, the Group completed the market valuations; purchase price allocations and other calculations with respect to the acquisition of additional shares in the Serbian Company (see also Note 1 to the 2009 Financial Statements). As a result, the Group has restated its initial accounting provisionally applied with respect to the transaction in its March 31 2009 financial statements.

Under the purchase method of accounting, an impairment charge of € 8,717 thousand was recorded by CHL representing the loss from deemed disposal of CHL's 39% holdings in the Serbian Company prior to the transaction. The Groups 50% share in such charges is included in other operating expenses in the statement of comprehensive loss for the year ended December 31 2009 and for the nine months period ended September 30 2009. In addition, Intangible assets initially recorded in an amount of € 16,220 thousand as at March 31 2009, are included as per the final calculation in an amount of € 4,377 thousand.

Assets acquired and liabilities assumed at March 31 2009 (as restated):

Net assets acquired	
Property, plant and equipment	15,594
Intangible assets	4,377
Inventories	65
Trade and other receivables	6
Trade and other payable	(1,613)
	18,429
Fair value of Put/Call options (Note 4)	7,859
Cancellation of intercompany balance	(7,619)
Total consideration	18,669
Satisfied by:	
Cash	-
Consideration recorded as liability	21,000
Net cash outflow arising on acquisition:	
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 € 1,675 thousand to the Group's results of operations for the period between the date of acquisition and September 30 2009 (a loss of € 700 thousand for the three months ended September 30 2009).

If the acquisition had been completed on the first day of the 2009 financial year, Group revenues for the nine months ended September 30 2009 would have been € 87,847 thousand and Group profit would have been € 559 thousand.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

2.3 Reclassifications

Following examinations made by Casino Palace's management Casino Palace's management has decided to change the allocation of complimentary costs in Casino Palace and to present them under Selling and Marketing expenses rather than as cost of revenues expenses as previously presented.

Such change, applied retroactively, has resulted in the reclassification in the amount of Euro 813 thousand and Euro 228 thousand for the nine months and three months ended September 30 2009.

NOTE 3 - NOTES TO THE CONSOLIDATED CASHFLOW STATEMENTS

	3 months ended September 30		9 months ended September 30		Year ended December 31
	2010	(*)2009	2010	(*)2009	2009
	Unaudited		Unaudited		
Profit (loss) before tax	**(1,787)**	**3,521**	**(12,460)**	**5,887**	**2,983**
Adjustments for:					
Depreciation of property, plant and equipment	2,510	2,646	8,269	7,239	10,529
Increase (decrease) in provisions	(196)	(596)	(871)	471	880
Loss on sale of property, plant, equipment and investment property	132	16	135	58	59
Amortisation of intangible assets	434	422	1,154	987	1,345
Impairment	-	-	-	-	1,672
Loss from deemed disposal on obtaining control in an associate	-	-	-	4,358	4,358
Investment income	(92)	(4)	(278)	(595)	(843)
Finance costs	295	269	832	957	1,258
Foreign exchange loss (gain)	(189)	(973)	1,397	(2,007)	(1,158)
Expense relating of grant of share options	19	166	576	442	711
Share of results of associates	-	-	-	658	658
Operating cash flows before movements in working capital	**1,126**	**5,467**	**(1,246)**	**18,455**	**22,452**
Decrease (increase) in inventories	39	(23)	175	(97)	(237)
Decrease (increase) in receivables	34	(1,950)	876	(2,772)	(2,360)
Increase (decrease) in payables	293	(3,070)	(4,967)	(292)	2,236
Cash generated by operations	**1,492**	**424**	**(5,162)**	**15,294**	**22,091**
Income taxes paid	(2,031)	(3,320)	(5,209)	(7,543)	(10,402)
Interest paid	(173)	(83)	(517)	(570)	(877)
Net cash from operating activities	**(712)**	**(2,979)**	**(10,888)**	**7,181**	**10,812**

(*) Restated – See Note 2.2

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

On March 30 2010, Vasanta notified CAIH of the exercise of the Put Option pursuant to which CAIH will purchase from Powerbrook the following securities:

(i) Ordinary shares of PBS constituting 11.74% of the fully diluted share capital of PBS;

(ii) a special share of PBS providing for (A) the right to receive certain amounts out of (1) funds actually received by PBS and attributable to operating income of Casino Belgrade, in which CHL holds a 90% stake, and/or (2) the sale of shares of Casino Belgrade that may be distributed by PBS in the future and (B) the right, for so long as CHL controls Casino Belgrade and PBS controls CHL, 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 Casino Belgrade; and

(iii) a special share providing for certain 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.

The aggregate exercise price of the Put Option payable to PBS is Euro 49.5 million. In addition, Vasanta's board of directors resolved that, upon exercise of the Put option, PBS 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 completion of the transaction is subject to several procedures and approvals including the payment by CAIH of the Put Option price.

NOTE 5 - INCOME TAX CHARGE

Interim period income tax is accrued based on the estimated average annual effective income tax rate of approximately 30%. No deferred tax assets were recorded with regard to losses of the Company in a total amount of € 15.9 million at September 30 2010 (€ 9.9 million and € 9.9 million at December 31 2009 and at September 30 2009).

According to a new tax law adopted by the Greek Parliament in April 2010, taxation of profits and dividends of Greek companies has radically changed. The regular tax rate of 24% applied on retained profits will gradually decrease to 20% in the year 2014 and on. Upon distribution of dividends, the tax will increase to a total of 40% on profits from the year 2010. However, the tax rate for the JV activities will increase to 25% on profits from the year 2010 and no additional taxation will apply upon dividend distributions.

According to a tax law issued at the end of 2009 in Greece, a special one-off tax was applied on the 2008 taxable income of companies in Greece. The tax was applicable also to CHL and the Rhodes Casino and was calculated on a scaled basis on the taxable income of 2008. As a result, the Company's 2009 consolidated statement of comprehensive loss includes a tax charge € 3.4 million with respect to such tax.

In May 2010, following the economical crisis in Greece, the Greek Parliament approved an additional, similar one-off tax. The tax is calculated on the basis of the 2009 profits resulting in an additional tax charge to the Group of € 2.1 million included in the Group's consolidated statements of comprehensive income for the nine and three months period ended in September 30 2010.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

During the nine months period ended September 30 2010, the Group spent approximately € 5,710 thousand on capital expenditures (mainly for renovations and equipment).

NOTE 7 - RELATED PARTY TRANSACTIONS

1. On April 13 2010 Mr. Ron Be'ery, the Company's then Chief Executive Officer, notified that he would end his tenure as Active Chairman of the Board of Directors of the company within three months after the day of his announcement. Mr. Be'ery continues to serve as a director of the Company and as deputy chairman. Upon Mr. Be`ery's formal completion of his tenure, the Board of Directors of the Company appointed Mr. Yigal Zilkha as its Active Chairman.

2. On October 7 2010 Mr. Itay Koppel, the Company's then Chief Financial Officer since August 1 2009, was appointed as Chief Executive Officer of the Company and Mrs. Dovrat Dagan was appointed to replace Mr. Koppel as Chief Financial Officer of the Company.

NOTE 8 - SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group is consolidating its business segments into one reporting segment based on the respective provisions of IAS 14 (up to and including 2008) and IFRS 8 (since 2009).

Geographical information:

The carrying amounts of non-current assets (fixed asset, investment property and intangible assets) in the Company's country of domicile (Israel) and in foreign countries based on the location of the assets are as follows:

	September 30		December 31
	2 0 1 0	**2 0 0 9**	**2 0 0 9**
	Unaudited		
Israel	1,313	1,221	1,338
Greece	91,669	95,416	91,158
Romania	4,771	6,661	6,242
Cambodia	13,022	11,890	12,368
Other foreign countries	21,107	28,411	30,293
	131,882	143,599	141,399

Revenues reported in the financial statements derive from the Company's country of domicile (Israel) and foreign countries based on the location of the customers, are as follows:

	3 months ended September 30		9 months ended September 30		Year ended December 31
	2 0 1 0	**2 0 0 9**	**2 0 1 0**	**2 0 0 9**	**2 0 0 9**
	Unaudited		**Unaudited**		
Israel	34	-	112	53	120
Greece	20,192	24,381	58,718	70,885	92,647

Romania	2,124	2,814	7,332	12,287	16,205
Other foreign countries	1,826	1,476	5,738	3,334	6,048
	24,176	28,671	71,900	86,559	115,020

NOTE 9 - OTHER INFORMATION

1. On July 22 2010, the Company announced that it had filed a lawsuit with the Central District Court of Israel, for declaratory reliefs and permanent injunctions with respect to the alleged violation of certain fiduciary duties by the representative of Vasanta Holdings Ltd. ("Vasanta"), Dasharta Holdings Ltd. and Agastia Holdings Ltd. (companies held directly or indirectly by QLI and Club Hotel Group (the "Joint Companies")) on the board of directors of Powerbrook Spain S.L. ("PBS") and with respect to his nomination as the representative of Vasanta on the board of directors of PBS, which the Company claims is null and void.

   For other legal proceedings, further information and background; please refer to the Company's annual report for the year ended December 31, 2009.

   According to the lawsuit, the Company moved for, inter alia, the following remedies:

   a. To declare that the appointment of the representative as the representative of the Joint Companies on the board of directors of PBS is null and void.
   b. To declare that the representative is not entitled to represent, in any way (including by merely being present), the Joint Companies, or any one of them, in meetings of the board of directors of PBS.
   c. To declare that the representative's participation in meetings of the board of directors of PBS is in violation of his fiduciary duties.

2. In addition to certain disagreements with the co-shareholder of 50% in Vasanta and a motion to approve a derivative claim as mentioned in Note 31 to the 2009 Financial Statement, on May 12, 2010, the Company announced that it has been served with a copy of a motion filed with the Tel Aviv District Court by Club Hotel Eilat Ltd. The remedies requested in the motion include:

   a. A declaratory order that Club Hotel Eilat Ltd is the owner of 3% of the shares of Dasharta Holdings Ltd.

   b. A declaratory order that the Company takes all necessary action to complete the registration of the above mentioned 3% shares in the name of Club Hotel Eilat Ltd.

   On June 20 2010 the Company submitted to the court its response to the motion, asking the court to reject the motion.

3. On October 31, 2010, the parties to the proceedings mentioned in 1 and 2 above, agreed to suspend all legal actions for a period of three months and to try and settle all disputes through a mitigation process.

4. On September 24, 2009, the Company announced that its Board has instructed the Company's management to examine the process of a merger between the Company and Y.Z. Queenco. Such merger was expected to be consummated through the issuance to the Company's shareholders of ordinary shares of Y.Z. Queenco, resulting in Y.Z. Queenco becoming the holder (directly and indirectly) of all of the outstanding share capital of the Company. On March 15, 2010, the Company announced that its Board has resolved not to pursue such a merger at this stage.

5. On September 19, 2010 the Company announced that a memorandum of understanding ("MOU") had been signed between the Company and Paradise Investment Co, Ltd, a Cambodian Company ("Paradise"), for the formation of a joint venture company ("**JV**") to carry out hotel, casino, restaurant and karaoke businesses as well as other associated businesses at the Holiday Palace Hotel in Sihanoukville , Cambodia ("the Property").

   According to the MOU:

   a. The **JV** shall be held 70% by the Company and 30% by Paradise.

   b. A long term lease agreement related to the property, for an initial term of 25 years shall be established between Paradise and the JV commencing on April 1, 2011.

   c. A monthly rental fee of $ 30,000 shall be paid quarterly by the JV. The first two rental years will be rent free to allow for renovation. The Company shall be responsible for the monthly rental fee.

   d. The Company shall enter into a casino and\or hotel management agreement with the JV.

   e. Paradise is obliged to procure all governmental approvals, licenses and permits for the JV including the casino license. The Company has to renovate the existing property and develop a new wing of the hotel.

   f. The Company paid an advance payment of $180,000 upon execution of the MOU. An additional amount of $180,000 shall be paid after the execution of a shareholder agreement, execution of a lease agreement, the issuance of a casino license and the grant of a registration certificate to the JV.

   g. An additional amount of $360,000 shall be paid by the Company upon the commencement of the first lease term and takeover of the property.

   h. The transaction under the MOU is subject to a definitive agreement, a shareholder agreement, a lease agreement all which shall be approved by the Board of Directors of the Company and any other required approvals from any related third party.