27 November 2009

Queenco Leisure International Ltd

(the "Group" or "QLI"),

Third Quarter Results for the three months ended September 30, 2009

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, 2009.

Financial Highlights for the three months ended September 30, 2009

- Gross revenues were €41.1 million (2008: €48.0 million)
- Net Revenues were €28.7 million (2008: €33.5 million)
- EBITDA was €6million (2008: €12.0 million)
- Profit before tax was €3.4million (2008: €9.3 million)
- EPS was 0.3¢ (2008: 1.0¢)
- Earnings per GDR (each GDR representing 10 ordinary shares) was 3¢ (2008: 10¢)
- Balance sheet remains strong with net cash position of €26.5 million as at September 30, 2009

Operating and Business Highlights

- Lower spend per head has continued to impact revenues in Q3, however, Q3 showed an improvement over the previous quarter
- Successfully maintained number of visits across all our casinos
- Customer loyalty remained strong through continued delivery of superior customer service
- Focusing on marketing and on keeping the level of operating costs at the lowest level possible.

Ron Be'ery, Executive Chairman of QLI, commented on the results:

"The operating environment has been extremely challenging over the last eighteen months, however, there have been signs that market conditions are improving. Both Net Revenues and EBITDA were better in Q3 compared to Q2 of 2009 while in 2008 the Q3 results were not as strong as Q2, due to the impact of the financial crisis. Looking ahead, if this trend continues, we believe our strategy of investing to maintain customer loyalty during the downturn will mean we are well positioned to benefit from the anticipated improvement in the gaming environment.

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

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

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Chief Executive's Review

Introduction

I am pleased to report that the Group remains in a strong financial position, despite the downturn in the world economy which has reduced spend across the gaming sector. Our casinos remained cash generative in the first nine months of 2009, number of visits has remained constant and we have a balance sheet with net cash of approximately €26.5 million. Our financial performance in the period under review has again been affected by the reduction in spend per head, as customers remain cautious during this difficult economic environment, resulting in net revenues reducing by 14.4% to €28.7 million.

Since the change in the economic environment began, our strategy has been based around ensuring the business is in a strong position to take advantage of any recovery. We believe we are now beginning to see signs of a recovery in our casino operations. As we enter into the fourth quarter, our investment in maintaining customer loyalty is beginning to be rewarded.

Summary of financial performance

Results for the nine months ended September 30, 2009

Gross revenues were €123.0 million (2008: €151.3 million) whilst net revenues were €86.6 million (2008: €105.8 million). EBITDA reduced to €17.8 million (2008: €39.3 million). Net profit was €5.1million (2008: €17.7 million). Basic earnings per share was 0.5¢ (2008: 2.8¢) and earnings per GDR (each GDR representing 10 ordinary shares) were 5¢ (2008: 28¢).

Results for the three months ended September 30, 2009

Gross revenues were €41.1 million (2008: €48.0 million), whilst net revenues were €28.7 million (2008: €33.5 million). As previously indicated, revenue and profits were affected by the general economic slowdown and while customers continued to visit our casinos, spend per head was down compared to the same period in 2008. EBITDA was €6 million (2008: €12 million), a decrease mainly attributed to the reduction in net revenue. Net profit was €1.9 million (2008: €5.7 million). This decrease was caused by a decline of €6 million in EBITDA, an increase of €1 million in depreciation and amortization that was offset by increase of €0.9 million in the net interest income and decrease of €2.1 million in income tax, due to a decrease in profit before tax.

Basic earnings per share was 0.3¢ (2008: 1¢) and earnings per GDR (each GDR representing 10 ordinary shares) were 3¢ (2008: 10¢)

Operational Review

Results by casino for the nine months ended September 30, 2009

Casino	Gross Gaming Revenue (EUR m)		Net Revenue (EURm)		EBITDA (EURm)		Visits (000's)		Gross Win per Visit (EUR)		QLI's Economic Interest
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
Loutraki	155.4	196.4	107.1	133.8	32.7	57.7	850	872	183	225	38.5%
Rodos	24.3	27.1	17.3	19.3	4.8	6.2	122	130	199	208	91.6%
Palace	13.0	17.3	12.3	16.7	2.2	6.1	81	80	161	215	83.3%
Belgrade	7.8	10.5	7.2	8.2	(2.0)	(3.8)	203	127	39	83	34.6%

*Loutraki is consolidated in the report at 53% between January and June 2008 and 50% onwards, 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 March 31, 2009, while the balance sheet is consolidated at 100% in Loutraki's financial statements starting at March 31, 2009.

Results by Casino for the three months ended September 30, 2009

Casino	Gross Gaming Revenue (EUR m)		Net Revenue (EURm)		EBITDA (EURm)		Visits (000's)		Gross Win per Visit (EUR)		QLI's Economic Interest
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
Loutraki	50	61.3	35.0	42.5	11.7	18.1	279	285	179	215	38.5%
Rodos	9.6	10.6	6.9	7.6	2.6	3.3	53	55	181	194	91.6%
Palace	3.1	4.7	2.8	4.5	-0.5	0.6	25	25	123	189	83.3%
Belgrade	2.2	4.1	2.0	2.6	(0.7)	(1.0)	70	43	31	94	34.7%

*Loutraki is consolidated in the report as 50% while the results of Rodos and Palace 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, and the third quarter has been no exception. Our investment over the last two years in new gaming facilities and complementary services have ensured that Loutraki maintains its visit numbers at 850,020 for the year to date. As in previous years, this figure will exceed one million by the year end, reflecting the scale of the property and its continuing appeal amongst domestic customers. However, as our customers have been affected by the downturn, Loutraki has in turn seen a further decrease in the drop and average win per visit, which is down by 16.5% for the three months to September 30, 2009. Gross gaming revenues for the third quarter were down by 18.5% to €50 million (2008: €61.3 million), while net revenues decreased by 17.8% to €35 million (2008: €42.5 million).

During the third quarter period, the casino generated EBITDA of €11.7 million (2008: €18.1 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 60% more visits than in the same period last year, taking the total for the third quarter to 69,790. During the three and nine months ended September 30, 2009 Casino Beogard has affected negatively QLI EBITDA by €0.3 million and €0.9 million respectively.

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, 2009 decreased by 9% to €9.6 million (2008: €10.6 million), while net revenues decreased by 9.9% €6.9 million (2008: €7.6 million). The decrease in the net revenue resulted in EBITDA of €2.6 million (2008: €3.3 million).

Casino Palace

The gaming environment in Bucharest is competitive, and as we approach elections in Romania, speculation surrounding the future of the country's tax policy is creating uncertainty among our high roller customers. 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, 2009 were down to €3.1 million (2008: €4.7 million), while net revenues were €2.8 million (2008: €4.5 million).

For the three months to September 30, 2008 the casino generated negative EBITDA of € 0.5 million (2008: €0.6 million), reflecting the fall in net revenues and the largely fixed structure of gaming tax in Romania.

SaSaZu

SaSaZu is still in the start-up phase of operations. In October we opened our slot-machine hall. This follows the successful opening of our restaurant, which recently won an award as the best restaurant in Prague, and our new nightclub there is now one of the leading clubs in the Czech Republic. As part of our long-term future plans we are examining an option to open a casino on this site.

Strategic Review

In July 2009 the board of Y.Z. Queenco, the parent company of QLI, announced that it was exploring the possibility of a merger between the two companies. A further announcement was delivered on the September 24 when the company and Y.Z. Queenco both, separately announced that a special committee of their respective board of directors was appointed for the purpose of examining the terms of the merger, including the amount of Y.Z. ordinary shares to be issued in exchange for each outstanding share of QLI. Explorations of such a venture are in the preliminary stages and no formal approach has been made. The Company will update the market on future progress.

Future Projects

The Group continues to follow developments in the global economic environment and gaming sector, in anticipation of recovery signs in the economies of our target countries, to determine the correct timing for developing our pipeline of projects. We will continue to invest in the improvement of our existing entertainment centres, while simultaneously going forward with planning phases at reduced costs for future projects, giving us the ability to implement our plans within short time periods.

Outlook

Trading patterns from the second quarter of 2009 have continued into the third quarter of the year 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 offering our customers a superior gaming and leisure experience, 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. We have begun the implementation of organizational restructuring and we hope to see the results of our efforts in the second half of the year. We have not seen an improvement in the economic situation in our target countries as of yet, but we continue to believe in QLI's abilities to maintain its leading role in the emerging markets gaming sector once the outlook for the gaming industry improves.

Financial Review for the three and nine months ended 30 September 30, 2009

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 €86.6 million for the nine months ended September 30, 2009 compared to €105.8 million for the same period in 2008, a decrease of €19.2 million or 18.1% and gross gaming revenues amounted to €117.6 million for the nine months ended September 30, 2009 compared to €146.8 million for same period in 2008, a decrease of €29.2 million or 19.9%. For the nine months ended September 30, 2009, approximately 66.1%, 20.7%, 11.1% and 2.1% 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 current global economic crises that reduced the average win per visit across the Group operations. Of the total gross revenues amounting to €123 million for the nine months ended September 30, 2009, €5.4 million was derived from other revenues, compared to €4.5 million in the same period in 2008. The increase of €0.9 million is mainly attributable to the SaSaZu operation.

Net revenues amounted to €28.7 million for the three months ended September 30, 2009 compared to €33.5 million for the same period in 2008, a decrease of €4.8 million or 14.3% and gross gaming revenues amounted to €38.8 million for the three months ended September 30, 2009 compared to €46.1 million for the same period in 2008, a decrease of €7.3 million or 15.8%. For the three months ended September 30, 2009, approximately 64.3%, 24.8%, 8.1% and 2.8% 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 current global economic crises that reduced the average win per visit across the Group operations. Of the total gross revenues amounting to €41.1 million for the three months ended September 30, 2009, €2.3 million were derived from other revenues, compared to €1.9 million in the same period in 2008. The increase of €0.4 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 consumables expenses.

Cost of revenues amounted to €40.2 million for the nine months ended September 30, 2009 compared to €37.9 million for the same period in 2008, an increase of €2.3 million or 6.1%. The increase in cost of revenues is primarily attributable to the consolidation of Casino Belgrade as from the 2nd quarter 2009 (until March 31, 2009 Casino Belgrade results were included in the company financial statements under the equity method) and the increase in Prague expenses operation that began operating in the 1st quarter of 2009.

Cost of revenues amounted to €13.2 million for the three months ended September 30, 2009 compared to €12.6 million for the same period in 2008, a decrease of €0.6 million or 4.7%. The increase in cost of revenues is primarily attributable to the consolidation of Casino Belgrade for the first time in the 2nd quarter 2009 (until March 31, 2009 Casino Belgrade results were included in the company financial statements under the equity method) and the increase in Prague expenses operation that began operating in the 1st quarter 2009. That was offset by a reduction of €0.6 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 €12.2 million for the nine months ended September 30, 2009 no change compared to the same period in 2008. Selling and marketing expenses amounted to €4.7 million for the three months ended September 30, 2009 compared to €4.3 million for the same period in 2008.

General and administrative expenses

General and administrative expenses consist primarily of the headquarter's 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 million for the nine months ended September 30, 2009 compared to €15.6 million for the same period in 2008, an increase of €0.4 million. The increase in general and administrative consolidated expenses is primarily attributable to an increase in expenses with respect to staff cost, professional services and an increase in consumables and sundry expenses.

General and administrative expenses amounted to €4.8 million for the three months ended September 30, 2009 compared to €4.2 million for the same period in 2008, an increase of €0.6 million. The increase in general and administrative consolidated expenses is primarily attributable to an increase in expenses with respect to professional services, consumables and sundry expenses.

EBITDA

QLI's consolidated EBITDA amounted to €17.8 million for the nine months ended September 30, 2009 compared to €39.3 million for the same period in 2008. The decrease in the EBITDA of €21.5 million is primarily attributable to the decrease of €19.2 million in net revenues.

QLI's consolidated EBITDA amounted to €6million for the three months ended September 30, 2009 compared to €12 million for the same period in 2008. The decrease in the EBITDA of €6 million is primarily attributable to the decrease of €4.8 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 €0.6 million for the nine months ended September 30, 2009 compared to €2.5 million for the same period in 2008, a decrease of €1.9 million. The decrease in investment income is primarily attributable to the reduction in interest rates accrued on bank deposits.

Investment income for the three months ended September 30, 2009 decreased by to €1 million compared to the same period in 2008. 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 loans.

Finance costs amounted to €1 million for the nine months ended September 30, 2009 compared to €2.3 million for the same period in 2008, a decrease of €1.3 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, 2009 compared to €1.1 million for the same period in 2008, a decrease of €0.8 million. The decrease is primarily attributable to the decrease in finance cost on bank loans and in other finance costs

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 gains amounted to €2 million for the nine months ended September 30, 2009 compared to foreign exchange losses of €2.6 million for the same period in 2008. The foreign exchange gains are attributable to the strengthening of the Euro against the RON and the NIS.

Foreign exchange gains amounted to €1 million for the three months ended September 30, 2009 compared to foreign exchange losses of €0.1 million for the same period in 2008. The foreign exchange gains are attributable to the strengthening of the Euro against the RON and the NIS.

Tax

Taxes amounted to €5 million for the nine months ended September 30, 2009 compared to €10.5 million for the same period in 2008, a decrease of €5.5 million, or 52.49%. The decrease in taxes is primarily attributable to the decrease in profit before tax.

Taxes amounted to €1.6 million for the three months ended September 30, 2009 compared to €3.7 million for the same period in 2008, a decrease of €2.1 million, or 57.5%. The decrease in taxes is primarily attributable to the decrease in profit before tax.

The taxes include income of €0.6 million as a result of tax audit for the years 2007 and 2008 in Loutraki JV.

Profit

Profit amounted to €5.1 million for the nine months ended September 30, 2009 compared to €17.7 million for the same period in 2008.

Profit amounted to €1.9 million for the three months ended September 30, 2009 compared to €5.7 million for the same period in 2008

The decrease in profit is primarily attributable to the decrease in gross revenues, which was offset partially by an increase in net finance income and decrease in income tax compared to the same period in 2008.

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, 2009, QLI's consolidated cash and cash equivalents were €51.2 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)**	
	2009	**2008**	**2009**	**2008**
Cash flow from (used in) operating activities	(2,979)	1,459	7,181	24,067
Cash flow used in investing activities	(1,638)	(12,994)	(3,289)	(15,474)
Cash flow used infinancing activities	(1,023)	(2,254)	(7,513)	(11,834)
Net decrease in cash and cash equivalents	**(5,640)**	**(3,789)**	**(3,621)**	**(3,241)**
Foreign exchange rate	520	(1,797)	(2,180)	(1,186)
Cash and cash equivalents *beginning of the period*	56,334	77,170	57,015	76,011
Cash and cash equivalents *end of the period*	**51,214**	**71,584**	**51,214**	**71,584**

Operating Activities

QLI's consolidated net cash flow from operating activities amounted to €7.2 million for the nine months ended 30 September 2009. The cash inflows from operating activities is primarily attributable to the profit before tax of €10.1 million and adjustments of €2.9 million primarily attributable to €8.8 million depreciation and amortisation, which was offset by €2.8 million increase in receivables and €8.1 million income tax and interest paid.

For the period of three months ended September 30, 2009 QLI's consolidated net cash flow used in operating activities amounted to €3 million. The cash outflows for operating activities is primarily attributable to the profit before tax of €3.4 million and adjustments of €6.4 million primarily attributable to €3.3 million depreciation and amortisation, that was offset by decrease of €3.1 million in payables, €2 million increase in receivables and €3.4 million income taxes and interest paid in the period.

Investing Activities

For the nine months ended September 30, 2009 QLI's consolidated net cash outflow used for investing activities amounted to €3.3. The net cash outflow in the nine months ended September 30, 2009 is primarily attributable to €5.8 million cash outflow for purchase of property plant and equipment, €1.2 million cash outflow for investment in Belgrade casino during the 1st quarter in 2009 and €1.8 million net cash used for acquisition of subsidiary that was offset by €2.7 million cash inflow from realization of trading investment and by €2.3 million cash inflow from initial consolidation of Casino Belgrade.

For the three months ended September 30, 2009, QLI's consolidated net cash used in investing activities amounted to €1.6 million. The net cash outflow, is primarily attributable to €1.8 million net cash used in acquisition of subsidiary

Financing Activities

QLI's consolidated net cash outflow used for financing activities amounted to €7.5 million for the nine months ended September 30, 2009. The net cash outflow used for financing activities is primarily attributable to €2.6 million dividends paid to minority shareholders, €3.6 million share profit 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 €1million for the three months ended 30September 30, 2009. The net cash outflow used for financing activities is primarily attributable to €1 million used for repayment of Casino Rhodes bank loan.

Consolidated statements of comprehensive income
(In thousands of €)

	3 months ended 30 September		9 months ended 30 September		Year ended 31 December
	2009	**2008**	**2009**	**2008**	**2008**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	
Revenues	28,671	33,486	86,559	105,804	137,390
Operating costs					
Cost of revenues	(15,851)	(14,664)	(48,383)	(44,406)	(58,614)
Selling and marketing expenses	(4,669)	(4,331)	(12,226)	(12,235)	(15,510)
General and administrative expenses	(5,416)	(4,399)	(16,635)	(16,872)	(23,920)
Other operating expenses	-	-	(213)	-	(366)
Share of results of associates	-	(552)	(658)	(1,692)	(2,203)
Operating profit	**2,735**	**9,540**	**8,444**	**30,599**	**36,777**
Investment income	4	1,007	595	2,504	3,000
Finance costs	(269)	(1,095)	(957)	(2,265)	(2,992)
Foreign exchange gain (loss)	973	(114)	2,007	(2,581)	(384)
Profit before tax	**3,443**	**9,338**	**10,089**	**28,257**	**36,401**
Tax	(1,556)	(3,664)	(4,968)	(10,545)	(13,382)
Profit for the period	**1,887**	**5,674**	**5,121**	**17,712**	**23,019**
Other comprehensive income					
Exchange differences arising on translation of foreign operations	(350)	1,482	(2,012)	2,522	53
Total comprehensive income for the period	**1,537**	**7,156**	**3,109**	**20,234**	**23,072**
Profit (loss) for the period attributable to:					
Equity holders of the parent	913	3,445	1,926	9,992	13,367
Minority interests	974	2,229	3,195	7,720	9,652
	1,887	**5,674**	**5,121**	**17,712**	**23,019**
Total comprehensive income for the period attributable to:					
Equity holders of the parent	477	5,214	348	12,622	14,369
Minority interests	1,060	1,942	2,761	7,612	8,703
	1,537	**7,156**	**3,109**	**20,234**	**23,072**
Earnings per share					
Basic and diluted (¢)	0.3	1.0	0.5	2.8	3.8

Consolidated statements of financial position
(In thousands of €)

	As at		
	30 September		31 December
	2009	2008	2008
	Unaudited	Unaudited	
Non-current assets			
Intangible assets	23,542	8,403	8,233
Property, plant and equipment	131,743	105,788	108,322
Investment property	-	7,050	6,994
Interests in associates	-	11,945	11,435
Deferred tax asset	2,140	2,127	2,043
Other long term receivables	8,358	12,234	12,144
Total non-current assets	**165,783**	**147,547**	**149,171**
Current assets			
Inventories	887	754	760
Investments	6,190	2,466	9,107
Trade and other receivables	6,686	5,112	4,470
Cash and cash equivalents	51,214	71,584	57,015
Total current assets	**64,977**	**79,916**	**71,352**
Total assets	**230,760**	**227,463**	**220,523**
Current liabilities			
Accounts payable	(4,233)	(4,638)	(4,941)
Current tax liabilities	(2,703)	(7,308)	(5,352)
Other current liabilities	(41,484)	(29,560)	(23,012)
Bank overdraft and loans	(17,064)	(17,078)	(16,958)
Total current liabilities	**(65,484)**	**(58,584)**	**(50,263)**
Net current assets (liabilities)	**(507)**	**21,332**	**21,089**
Total assets less current liabilities	**165,276**	**168,879**	**170,260**
Non-current liabilities			
Long-term bank loans	(7,626)	(9,444)	(8,536)
Other long-term liabilities	(3,853)	(7,037)	(7,286)
Deferred tax	(1,341)	(1,818)	(1,795)
Provision for retirement benefits	(5,949)	(5,229)	(5,340)
Total non-current liabilities	**(18,769)**	**(23,528)**	**(22,957)**
Net assets	**146,507**	**145,351**	**147,303**

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

	As at		
	30 September		31 December
	2 0 0 9	2 0 0 8	2 0 0 8
	Unaudited	Unaudited	
Shareholders' equity			
Share capital	62,512	62,512	62,512
Share premium	130,998	130,998	130,998
Translation reserve	1,252	4,458	2,830
Other reserves	(7,950)	(7,950)	(7,950)
Accumulated deficit	(69,127)	(74,796)	(71,495)
Equity attributable to equity holders of the parent	**117,685**	**115,222**	**116,895**
Minority interest	**28,822**	**30,129**	**30,408**
Total Equity	**146,507**	**145,351**	**147,303**

The financial statements were approved by the board of directors and authorised for issue on 26 November 2009. They were signed on its behalf by:

Ron Be'ery
Executive Chairman of the Board

Itay Koppel
Chief Financial Officer

26 November, 2009

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

	Share Capital	Share Premium	Hedging & Translation reserve	Other reserve	Accumulated deficit	Parent	Minority Interest	Total Equity
For the nine months ended 30 September 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	-	-	(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)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(1,761)	(1,761)
Dividend	-	-	-	-	-	-	(2,586)	(2,586)
Profit for the period	-	-	-	-	1,926	1,926	3,195	5,121
Balance as at 30 September 2009	**62,512**	**130,998**	**1,252**	**(7,950)**	**(69,127)**	**117,685**	**28,822**	**146,507**
For the three months ended 30 September 2009 (unaudited)								
Balance as at 1 July 2009	**62,512**	**130,998**	**1,688**	**(7,950)**	**(70,206)**	**117,042**	**28,289**	**145,331**
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 (loss) for the period	-	-	-	-	913	913	974	1,887
Balance as at 30 September 2009	**62,512**	**130,998**	**1,252**	**(7,950)**	**(69,127)**	**117,685**	**28,822**	**146,507**

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

	Share Capital	Share Premium	Hedging & Translation reserve	Other Reserves	Accumulated deficit	Parent	Minority Interest	Total Equity
For the nine months ended 30 September 2008 (unaudited)								
Balance as at 1 January 2008	**62,512**	**130,998**	**1,828**	**-**	**(80,009)**	**115,329**	**31,041**	**146,370**
Translation differences	-	-	2,630	-	-	2,630	(108)	2,522
Expense resulting from grant of share options	-	-	-	-	1,508	1,508	-	1,508
Reverse of expense resulting from options granted to former CEO	-	-	-	-	(280)	(280)	-	(280)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(3,393)	(3,393)
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 (see note 4)	-	-	-	(7,950)	-	(7,950)	-	(7,950)
Profit for the period	-	-	-	-	9,992	9,992	7,720	17,712
Dividend *	-	-	-	-	(6,007)	(6,007)	(5,131)	(11,138)
Balance as at 30 September 2008	**62,512**	**130,998**	**4,458**	**(7,950)**	**(74,796)**	**115,222**	**30,129**	**145,351**
For the three months ended 30 September 2008 (unaudited)								
Balance as at 1 July 2008	**62,512**	**130,998**	**2,423**	**(7,950)**	**(78,472)**	**109,511**	**29,185**	**138,696**
Translation differences	-	-	1,769	-	-	1,769	(287)	1,482
Expense resulting from grant of share options	-	-	-	-	511	511	-	511
Reverse of expense resulting from options granted to former CEO	-	-	-	-	(280)	(280)	-	(280)
Profit share due to the municipality of Loutraki	-	-	-	-	-	-	(998)	(998)
Profit on cashflow hedge	-	-	180	-	-	180	-	180
Release of cashflow hedge to fixed asset	-	-	86	-	-	86	-	86
Profit for the period	-	-	-	-	3,445	3,445	2,229	5,674
Balance as at 30 September 2008	**62,512**	**130,998**	**4,458**	**(7,950)**	**(74,796)**	**115,222**	**30,129**	**145,351**

* representing 1.7 ¢ per share

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 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**

* representing 1.7 ¢ per share

Consolidated cash flow statements
(In thousands of €)

	Notes	3 months ended 30 September		9 months ended 30 September		Year ended 31 December
		2009	**2008**	**2009**	**2008**	**2008**
		Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	
Net cash from operating activities	3	**(2,979)**	**11,459**	**7,181**	**24,067**	**27,797**
Investing activities						
Interest received		-	1,173	530	2,635	2,635
Purchases of property, plant and equipment		(1,041)	(11,039)	(5,762)	(18,507)	(24,013)
Proceeds on sale of property, plant and equipment		10	-	53	-	341
Purchase of other intangibles		(18)	(11)	(102)	(35)	(73)
Advanced on fixed assets		-	(2,448)	-	(2,448)	(2,509)
Investment in an associate		-	-	(1,200)	(1,367)	(1,376)
Increase in other long-term receivables		-	(492)	-	(518)	(168)
Realisation of (Purchases) of trading investments		1,250	1,922	2,700	6,865	(735)
Instalments for the acquisition of a subsidiary		(2,964)	(2,964)	(2,964)	(2,964)	(2,964)
Initial consolidation of a subsidiary		-	-	2,331	-	-
Purchase of additional interest in joint venture entity		-	-	-	-	(*) (7,950)
Sale of interest in joint venture entity		1,125	865	1,125	865	865
Net cash used in investing activities		**(1,638)**	**(12,994)**	**(3,289)**	**(15,474)**	**(35,938)**
Financing activities						
Dividends paid to minority shareholders		-	-	(2,586)	(5,131)	(5,131)
Dividends		-	-	-	(6,007)	(6,007)
Repayments of borrowings		(950)	(910)	(950)	(11,510)	(12,420)
Repayments of other long term liabilities		(63)	(1,278)	(397)	(1,245)	(1,245)
Share of profits paid to Municipality of Loutraki		-	-	(3,562)	(3,871)	(4,371)
Increase (decrease) in bank overdrafts		(10)	(66)	(18)	15,930	15,959
Net cash used in financing activities		**(1,023)**	**(2,254)**	**(7,513)**	**(11,834)**	**(13,215)**
Net decrease in cash and cash equivalents		(5,640)	(3,789)	(3,621)	(3,241)	(21,356)
Effect of foreign exchange rate changes		520	(1,797)	(2,180)	(1,186)	2,360
Cash and cash equivalents at beginning of period		56,334	77,170	57,015	76,011	76,011
Cash and cash equivalents at end of period		**51,214**	**71,584**	**51,214**	**71,584**	**57,015**
Tax cash flow		(3,320)	(5,992)	(7,543)	(13,717)	(18,323)
Interest paid		(83)	-	(570)	(852)	(1,212)

*** Restated – see Note 2.3**

NOTE 1 - BASIS OF PREPARATION

Queenco Leisure International Ltd (the "Company" or "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 centers, 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 nine and three month periods ended 30 September 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 nine and three month periods ended 30 September 2009, were approved by the Board of directors on 26 November 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

2.1 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:

IFRIC 17 Distributions of Non-cash Assets to Owners
IFRIC 18 Transfers of Assets from Customers
Improvements to IFRSs issued in April 2009

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

2.2 Reclassifications

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

Such change, applied retroactively, has resulted in the reclassification of staff costs in the amount of Euro 1,988 thousand and Euro 683 thousand for the nine months and three months ended 30 September 2008, from Cost of Revenues to General and Administrative expenses (Euro 1,514 thousand for the nine months ended 30 September 2008) and to Selling and Marketing expenses (Euro 474 thousand for the nine months ended 30 September 2008).

2.3 Restatement

The consolidated cash flow statement for the year ended 31 December 2008 was restated in order to reflect the correction of an error in the presentation of the payment of Euro 7,950 thousand made following the exercise of an option for the purchase of minority interest as part of cash from operations and not, as appropriate, as part of the cash used in investing activities. As a result, cash from operations and cash used in investing activities increased to Euro 27,797 thousand and Euro 35,938 thousand, respectively (from the Euro 19,847 and Euro 27,988 thousand, respectively previously reported).

NOTE 3 - NOTES TO THE CONSOLIDATED CASHFLOW STATEMENTS

	3 months ended 30 September		9 months ended 30 September		Year ended 31 December
	2009	2008	2009	2008	2008
	Unaudited	Unaudited	Unaudited	Unaudited	
Profit before tax	**3,443**	**9,338**	**10,089**	**28,257**	**36,401**
Adjustments for:					
Depreciation of property, plant and equipment	2,646	1,872	7,239	5,852	7,672
Increase (decrease) in provisions	(596)	134	471	564	503
Loss on sale of property, plant and equipment	16	-	58	-	16
Amortisation of intangible assets	500	172	1,143	703	903
Investment income	(4)	(1,007)	(595)	(2,504)	(3,000)
Finance costs	269	1,095	957	2,265	2,992
Foreign exchange loss (gain)	(973)	114	(2,007)	2,581	384
Expense relating to grant of share options	166	231	442	1,228	1,154
Share of results of associates	-	552	658	1,692	2,203
Operating cash flows before movements in working capital	**5,467**	**12,501**	**18,455**	**40,638**	**49,228**
Decrease (increase) in inventories	(23)	(69)	(97)	1	(19)
Decrease (increase) in receivables	(1,950)	517	(2,772)	316	668
Increase (decrease) in payables	(3,070)	4,502	(292)	(2,319)	(*) (2,545)
Cash generated by operations	**424**	**17,451**	**15,294**	**38,636**	**47,332**
Income taxes paid	(3,320)	(5,992)	(7,543)	(13,717)	(18,323)
Interest paid	(83)	-	(570)	(852)	(1,212)
Net cash from operating activities	**(2,979)**	**11,459**	**7,181**	**24,067**	**27,797**

*** Restated – see Note 2.3**

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

On 31 December 2008, CHL, entered into an agreement with Casino Austria AG ("CAAG") for the purchase from CAAG of 51% of the shares of a 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 beginning of March 2009, all conditions for the closing were met and the Serbian Company's financial information is consolidated starting 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's interest in Grand Casino Brussels, by paying CAIH 50% or 87.5%, respectively, of CAIH's actual investment in the Brussels casino as defined. This option expired on 20 June 2009

In addition, Vasanta's board of directors resolved at its meeting on 28 April 2009 to accept the irrevocable offer that it 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 ordinary shares of PBS constituting 11.74% of the fully diluted share capital of PBS. The call option expired on 31 August 2009. On 3 September 2009, Vasanta received a letter from CAIH extending the exercise period of the Put Option until 31 March 2010.

The exercise price of the Put Option is Euro 49.5 million. In addition, Vasanta's board of directors resolved that, upon exercise of 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.

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

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 and fair value 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 1,614 thousand to the Group's results of operations for the period between the date of acquisition and 30 September 2009.

If the acquisition had been completed on the first day of the 2009 financial year, Group revenues for the nine months ended 30 September 2009 would have been Euro 87,807 thousand and Group profit would have been Euro 4,761 thousand.

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 Group companies in a total amount of Euro 4,420 thousand and Euro 1,208 thousand for the nine months and three months ended 30 September 2009 (Euro 6,252 thousand and Euro 833 thousand for the nine months and three months ended 30 September 2008).

In October 2009 a joint venture owned by a proportionate consolidated company (the."JV") and the tax authorities in Greece reached an agreement regarding a tax assessment for the years 2007 and 2008. According to the agreement the, JV will pay an additional tax for the years 2007 and to 2008 which is lower by Euro 1.2 million from the amount provided by it with respect to such years. Tax provisions in CHL were adjusted accordingly, resulting in a tax income of Euro 610 thousand in the Company's consolidated financial statements for the nine and three months ended September 30, 2009.

According to a draft tax law issued in November 2009 in Greece, a special one-off tax is expected to be applied on 2008 profits. No provision has been made by the JV pending the new law being passed. The JV estimates that if and when such one-off tax is applied in the manner appears in the draft tax law, the effect on it will be additional tax payment of approximately Euro 6 million.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

During the nine months ended September 30, 2009, the Group spent approximately Euro 5.8 million on capital expenditures (mainly for building and installations).

NOTE 7 – 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's best estimates of the fair value of the assets and liabilities of the Serbian Company. In addition, the Group recorded an additional amount 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 and fair value 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 8 – 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 expenses 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. On 1 August 2009, Mr Itay Koppel was appointed as the Company's 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.

3. The extraordinary shareholders meeting held on 14 September, 2009, approved the terms and conditions of the employment of Company's Chairman of the board of directors (the "Chairman") and its controlling shareholder, as follows:

   (a) The Chairman is entitled, from 26 March 2009 to a monthly fee of NIS 120 thousand, to a signatory bonus of NIS 340 thousand and to an annual bonus starting from 2010, of up to NIS 1,200 thousand per annum, subject to performance criteria. In addition, the Chairman is entitled to stock options representing 1.3% of the issued and outstanding capital of the Company on a fully diluted basis (see also 4 below)

   (b) The controlling shareholder is entitled, from 26 March, 2009 to management fees of GBP 133 thousand per annum (instead of the annual payment of GBP 200 thousand for which he was entitled as the former Chairman). In addition, the bonus which the controlling shareholder was entitled to receive according to the previous terms of employment, was cancelled.

4. The Board approved a stock option plan representing 4% of the issued and outstanding capital on fully diluted basis, to senior management including the Company's Chairman. In addition to the stock options representing 1.3% granted to the Chairman, stock options representing 0.3% of the issued and outstanding capital of the Company were granted to one of the Company's officers. The total value of the benefit embodied in the stock options granted is Euro 0.9 million. The Chairman's stock options were approved by the extraordinary shareholders meeting dated 14 September, 2009. The option plan is in accordance with section 102 of the Israeli Tax Ordinance (New Version), 1961 on capital gains route. The options are vested over a period of four years (25% of the stock options vest on March of each of the years 2010, 2011, 2012, 2013). The vested portion may be exercised no later than March 2015 and the exercise price is Euro 4.2 per GDR. The Chairman is also entitled, among other, to sell the vested stock options to the Company at a price based on the increase of the market price of the Company's parent company shares.

NOTE 9 – OTHER INFORMATION

As part of the decision making process within one of the privately-held companies through which the Company and Club Hotel Eilat control Casino Loutraki, , the parties have recently encountered certain disagreements with respect to the content of various decisions recently adopted by such company's board of directors.

On 24 September the Company`s Board of Directors instructed the management to examine the process of a merger between the Company and Y.Z Queenco Ltd (the parent company).