



2 October 2013

### **Sale of Prague Operations**

Queenco Leisure International Ltd., the emerging markets entertainment center and casino developer and operator (the "Company" or "QLI"), today announces the execution of an agreement (the "Agreement") with a third party (the "Purchaser") for the sale of QLI's operations in Prague (the "Prague Operations"), which include an events hall and a restaurant under the SaSaZu brand.

Under the Agreement, QLI shall assign to the Purchaser its right to the repayment of shareholders loans previously extended by QLI to the Prague Operations in the amount of approximately Euro 12.2 million, in consideration for the payment by the Purchaser of Euro 800,000 (scheduled to be paid in several installments until 27 July 2014).

Subject to and immediately after the payment by the Purchaser of the entire consideration as set forth above, QLI shall transfer to the Purchaser the entire share capital of the two Czech corporations holding Nadji Club s.r.o (the Czech company operating the Prague Operations), and the entire intellectual property rights in the SaSaZu brand and trademark. It is clarified that the shares of the Czech corporations and the SaSaZu trademark will be held in trust and shall be transferred to the Purchaser only after the payment of the entire consideration.

In order to secure the obligations of the Purchaser, the controlling person of the Purchaser shall deliver to QLI a personal guarantee.

The Purchaser is entitled to terminate the Agreement until the earlier to occur of July 27, 2014 or the payment of the entire consideration under the Agreement (the "Interim Period"), in the event that: (a) the Prague Operations are vacated from their current premises by virtue of the relations between the Prague Municipality (the owner of the premises) and Delta Center a.s. (the primary lessee of the premises, from which Nadji Club s.r.o sub-leases the premises); or (b) if a notice for the vacation of the premises is received by Nadji Club s.r.o. from the Prague Municipality and/or from any legal authority (for further information regarding this matter, please see our annual report for the year 2012, under "Business Review – Operations in Prague, Czech Republic"). In such event, QLI shall refund the consideration received from the Purchaser until such termination less Euro 200,000.

Commencing with the execution of the Agreement, QLI shall not be involved in the management of the Prague Operations, which will be managed by the Purchaser or on its behalf; however, during the Interim Period, the Purchaser undertakes to update QLI regarding any development and/or negotiations concerning the lease of the premises or the Agreement.

Queenco Leisure International Ltd.

**For further information about the Company please visit [www.queenco.com](http://www.queenco.com) or contact:**

**Queenco Leisure International Ltd.**

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