



13 September 2007

**Queenco Leisure International Limited**

**Announces the development of a luxury marina and leisure complex adjacent to Casino Rodos on the Island of Rhodes**

Queenco Leisure International Limited ("QLI" or the "Company") is pleased to announce that it has agreed to acquire a 50% shareholding in a Greek company from a consortium owned by third parties which has the rights to build and operate a new luxury marina and leisure apartment complex in the Island of Rhodes on land adjacent to Casino Rodos, one of QLI's main casinos. This will be a substantial new development with extensive leisure facilities. The new development is expected to increase the number of VIP casino customers, provide additional high quality accommodation adjacent to the casino and generate additional non casino related income.

QLI has agreed to acquire 50% of the Greek company's issued stock for a consideration of €5,000,000. As a condition of the purchase, QLI has also extended a loan to the sellers of €570,000. The cost of the project is estimated to be approximately €60,000,000 which will be provided to the Greek company in the form of non-recourse loans secured against the company which owns the marina and luxury apartments and not QLI or any of its subsidiaries.

Under the license agreement for Casino Rodos, the former shareholder of Casino Rodos, Emporiki Bank, committed to making a material investment of €59,000,000 in the Island of Rhodes by 13 September, as detailed in QLI's July 2007 prospectus. Casino Rodos S.A and Emporiki Bank are currently seeking confirmation that the project satisfies this commitment. The Company has the right to withdraw from the transaction if the commitment is not offset.

This development will help build on the significant levels of growth experienced by Casino Rodos over the past year generated by increased levels of marketing focused on attracting visitors from mainland Greece, the US, Turkey, Russia and China. For the six months ended 30 June 2007, Casino Rodos experienced an 18.1% rise in number of visits to 75,541 (2006: 63,985) a growth in gross gaming revenue of 31.7% to €16.4 million (2006: €12.4 million), and an increase in EBITDA of 130.0% to €4.3 million (2006: €1.9 million).

**Commenting of the announcement, Dror Mizeretz, CEO of QLI, said:**

'This is an excellent investment which will increase QLI's presence on Rhodes and help to expand the number of potential casino customers by attracting additional visitors to the island and will upgrade the accommodation facilities of the Casino. We believe that this new development will generate excellent returns for our shareholders and should fulfil the commitments for the casino licence.'

**For further information please visit [www.queencoleisure.com](http://www.queencoleisure.com) or contact:**

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**About Queenco Leisure**

- QLI is an emerging markets casino developer and operator. QLI operates and manages two of Greece's nine licensed casinos, Casino Palace in the centre of Bucharest and Casino Beograd in Belgrade.
  - Club Hotel Casino Loutraki ('Casino Loutraki'), is believed by the Company to be Greece's leading casino by drop and win with almost one million visits each year, and is located approximately 80 kilometers from Athens.
  - Casino Rodos, the only casino on the island of Rhodes, which was recently ranked one of the top ten casinos in Europe<sup>1</sup>.
  - Casino Palace is located in the centre of Bucharest in one of the City's most historic buildings.
  - Casino Beograd is located in the Hotel Jugoslavia in Belgrade and has an exclusivity licence within city limits for the next ten years.
- As at 18 June 2007, the Company operates approximately 1,400 slot machines and 130 gaming tables, and employs 2,470 people.
- The Company seeks to use the established highly cash generative market leading operations in Greece and Romania as a base from which to expand its casino portfolio in emerging markets.

QLI has an attractive pipeline of investment prospects, primarily in Central and Eastern Europe. These include the development of a nightclub and slot machine hall (with approximately 60 slot machines) in Prague. This is planned to open for business in late 2007, with the expectation of developing it into a full casino once the regulatory environment has become more developed.

- Currently the Company is at various stages of planning in a number of development projects in other strategically advantageous markets, including Romania, Bulgaria and Cambodia.
- The Company's business model is based on operating land-based casinos and associated leisure industries. It has no presence in, or intention of entering, the online gaming market.

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<sup>1</sup> ISA Casinos Guide