

ANNUAL REPORT

2003

GROUPE PARTOUCHE

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Supervisory Board

Isidore Partouche
Chairman

Marcel Partouche
Vice-Chairman

Maurice Sebag
Member

Gaston Ghrenassia
Member

Executive Board

Hubert Benhamou
Chairman

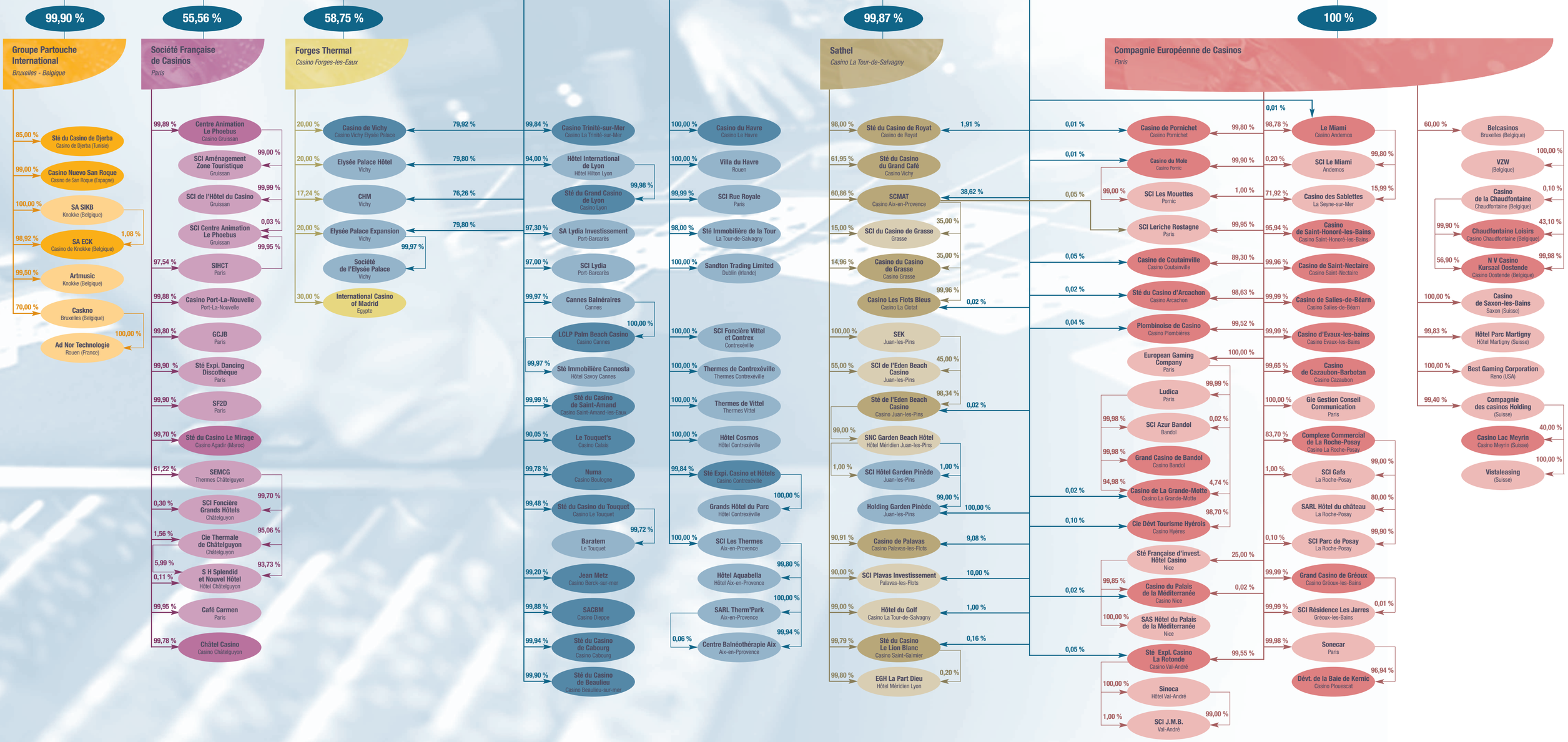
Patrick Partouche
General Manager

Ari Sebag
General Manager

Richard Partouche
General Manager

Katy Zenou
General Manager

GROUPE PARTOUCHE



GROUPE PARTOUCHE



TURNOVER
in millions of euros

435,66

CONSOLIDATED NET INCOME
in millions of euros

17,66

AVERAGE WORKFORCE

5347

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD



ast year, Groupe Partouche's primary focus was on consolidating our leadership position.

This is why our Executive Board quietly set about refinancing our Public Cash Offer for Compagnie Européenne de Casinos, turning to our advantage a more favourable set of financial conditions. As ever, the family shareholder lent its full support to the Group on this occasion.

We vigorously defended our values, based on respecting all of our partners, and saw that they were readily assimilated by the numerous establishments that have recently joined our Group. The Supervisory Board over which I preside would like to sincerely congratulate all of our staff for their sterling efforts.





Saint-Amand Pasino.

Clientele satifiscation has always been our key objective, and with this in mind, Groupe Partouche has taken a pro-active, energetic stand in the drive against gambling addiction, true to the tradition of all bona fide casino operators.
We have also been busy promoting our vision for the profession: a service-driven leisure business, perfectly controllable and controlled by the sector's supervisory bodies, thus marking a clean break with the past.

For all of these reasons, I reiterate my belief that as long as we maintain our energy and drive, Groupe Partouche will remain at the forefront of our sector for a long time to come.

Isidore Partouche







MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD



Fiscal year ending 31 October 2003 was a year of contrasts.

Groupe Partouche suffered the effects of a tough economic environment: our unbroken run of high growth since we first introduced slot machines slowed down quite abruptly, compounded by the recent rises in State levies. But we reacted, efficiently and effectively.

The Group has now proudly assumed its status as the leading gaming group in France.

Still very well represented at the higher echelons of the French national casino ranking, with Lyon Vert returning to second position, and three other Groupe Partouche casinos now among the ten largest in France, we have been able to create new growth drivers in this country, strengthening our position for years to come.

After a long, hard-fought competition in Le Havre, we were selected to create a casino for this big city whose new-found dynamism looks extremely promising. And as I write, several new casinos are also about to open throughout France.

The casino at Saint-Amand-les-Eaux, has proved a great success since it re-opened on 1 January 2004 as a "Pasino", the innovative concept developed by Isidore Partouche. Our development strategy is clearly paying off.



Le Lyon Vert Casino.

Satisfied with the Group's reactivity and confident in our future, we have maintained our operating margin growth objectives. We noted with satisfaction that the Compagnie Européenne de Casinos establishments, which were consolidated during the previous fiscal year, fell in line with our other casinos in this regard.

Our unyielding focus on cost control, optimising our scope of consolidation and renegotiating our borrowings (accompanied by a substantial gesture of support from our principal shareholder), have enabled us to significantly enhance our financial position.

The stronger and fitter Groupe Partouche is now ideally positioned to take on new challenges, such as the current concentration of the casino sector, competitive bidding procedures in major French cities such as Toulouse and Lille, or those beyond the French borders, such as Brussels.

As long as we all remain vigilant, we can be sure that Groupe Partouche has a very bright future ahead of it indeed.

Hubert Benhamou

Forges-les-Eaux Casino.



Aix-en-Provence Pasino.



La Grande Motte Casino.



OUR PROFESSION & REGULATORY FRAMEWORK



Our profession

France authorises the following games:

Table games:

Boule, French roulette, English and American roulette. Casino Stud Poker, Blackjack, Baccarat - Chemin de Fer and Trente et Quarante (cards).
Craps (dice).

Automatic games:

Slot machines are legally defined as automatic machines incorporating games of chance and comprise “roll machines” and “video games”.
The Group has a large number of slot machines (4,339 at 31 October 2003 and 4,470 at 31 January 2004).

Other activities:

In addition to its gaming activities, the Group produces the balance of its turnover from the hotel and restaurant trade, a complementary activity to its core business and an important way of offering its clientele the very best in accommodation and hospitality.



Strict regulatory framework

According to French Law, gaming activity is strictly prohibited and can result in prosecution under the terms set out in Article 410 of the Penal Code. The Law of 15 June 1907 created an exception to this prohibition, allowing casinos to be opened in seaside and health resorts and thermal spas. Law 88-13 of 5 January 1988 extends this authorisation to include conurbations with a population of more than 500,000 that offer specific tourist and cultural activities.

Licences to open casinos are granted by the Ministry of the Interior with due notice from the local council of the area in which the activity is to be carried out, following an investigation and on the basis of a list of specifications drawn up by the municipality. The latter then issues a business concession to the enterprise after verifying that the conditions of the tender procedure defined by Law 93-122 of 29 January 1993 (the Sapin Act) have been met.

A National Gaming Board made up of fifteen senior civil servants and five Members of Parliament is responsible for examining gaming licence applications and renewals.

An Order issued by the Ministry of the Interior fixes the period of the concession, the type of games authorised and the casino’s operating conditions.

Licences may be cancelled by the Ministry of the Interior in the event of the failure to comply with the Order’s specifications or with the legal or statutory provisions concerning gaming activities in casinos.

Casinos that have obtained the necessary licence must operate under a manager and an executive committee who are responsible for ensuring total compliance with applicable laws, regulations and the Order’s specifications. The nomination of the manager and the executive committee members is subject to the prior approval of the Ministry of the Interior.

Approval is also required for hiring all gaming employees who are granted a professional gaming employee card.

The administration and operation of casinos are subject to a very detailed set of regulations, as is each type of gaming activity.

Tax levies:

Tax levies are applied to gross gaming revenue after deducting a 25% tax allowance, and in certain cases, an additional maximum allowance of 5% for high quality artistic productions and/or an additional 5% allowance for investments in hotel facilities.

The progressive scale of taxes payable to the French state based on casinos’ gross gaming revenue is indicated in the table below:

GROSS GAMING REVENUE

10 %	up to	€ 58,000		
15 %	from	€ 58,001	to	€ 114,000
25 %	from	€ 114,00	to	€ 338,000
35 %	from	€ 338,001	to	€ 629,000
45 %	from	€ 629,001	to	€ 1,048,000
55 %	from	€ 1,048,001	to	€ 3,144,000
60 %	from	€ 3,144,001	to	€ 5,240,000
65 %	from	€ 5,240,001	to	€ 7,337,000
70 %	from	€ 7,337,001	to	€ 9,443,000
80 %	above	€ 9,443,000		

Local authorities levy a maximum rate of 15% on the same tax base as the State levy. However, the combined total of the state and local authority levies cannot exceed 80% of the tax base. Where the combined total would otherwise exceed the 80% threshold, the local authority’s share is deducted from the State’s share.

Moreover, a fixed-percentage levy is charged on the very first euro of revenue generated. This levy is charged at the rate of 0.5% on table games and 2% on slot machine income.

From 1996, a 3% CRDS (Contribution to the Repayment of Social Debt) tax has been levied on gross gaming revenue, followed in 1997 by a 3.40% CSG (General Social Contribution) levy on slot machine gross gaming income. Since January 1998 the rate of CSG has been increased to 7.5% and is now calculated on a reduced basis of 68% of slot machines’ gross gaming revenue.

Slot machines have a statutory pay-out rate of at least 85%.

Until 30 April 2002, the State levy was calculated on the theoretical amount that the machines were expected to receive (number of coins or tokens recorded as received, multiplied by their unitary value), multiplied by the machine’s redistribution rate. Casinos benefited from a “slide” on slot machines, since the difference between the theoretical return and the actual return (based on the fact that the players do not bet the maximum number of coins on each go) was tax exempt.

The ministerial Order of 12 April 2002 (enacted on 1 May 2002) modified this system, abandoning the notion of theoretical receipts and basing the various tax levies on actual receipts, subject to a 15% maximum rebate coefficient.

Casino games – Groupe Partouche SA’s core business – are not subject to value added tax (VAT).







BACKGROUND
GROUPE PARTOUCHE



Saint-Amand Casino in 1973.

1973

Arriving in France from Algeria, where he was a Philips representative, Mr. Isidore Partouche bought, with the help of his brothers and sisters, the Saint-Amand-les-Eaux casino, together with its spa and mineral water source.

The popularity of the casino was restored thanks to a family-orientated marketing strategy.

1976

The Le Touquet casino was bought from Mr. Lucien Barrière and the establishment returned to its long-standing reputation.

1982

Creation of the Calais casino (SA Le Touquet's).

1986

Acquisition of the Forges-les-Eaux casino, 110 km from Paris, and opening of the Boulogne-sur-Mer casino.

1988

Acquisition of the Dieppe Casino (SA CBM).

1989

The Fécamp, Bagnoles-de-l'Orne and Vichy casinos joined the Group.

1991

Groupe Partouche's casinos were finally granted their first slot machines operating licences.
The Group also took control of the Lyon Vert casino in La Tour-de-Salvagny that year, together with its subsidiaries, the Saint-Galmier and Juan-les-Pins casinos.

1992

The towns of Royat and Chamalières selected the Group to re-open the Royat casino. Fécamp and Bagnoles-de-l'Orne casinos were sold.

1994

Groupe Partouche took control of the Aix-en-Provence and La Ciotat casinos and in December of the same year acquired the Palavas casino.

1995

Acquisition of a jointly-controlled stake in the Grasse casino leaving management responsibility to the Boucau Group.

On 29 March 1995, Groupe Partouche SA made its début listing on the Paris Stock Exchange Second Marché (Sicovam Code 5354) with a view to enhancing Group's profile, consolidating its position in France and providing it with extra financial muscle to drive the business forward, particularly internationally.

In September 1995, the Group negotiated the acquisition of the prestigious Belgian casino of Knokke-le-Zoute.

1996

The Group purchased Générale des Eaux's minority stake in Société Fermière du Casino Municipal de Cannes, listed on the spot market of the Paris Stock Exchange. This company operates the Croisette casino and controls the Hotel Majestic and the Gray d'Albion in Cannes.

The Group opened in association with Club Méditerranée, a casino in Agadir (Morocco).

1997

Acquisition of the 4-star Hotel which was renamed the Meridien-Garden Beach. This transaction brought together the hotel and the Juan-les-Pins casino properties, constituting a cohesive asset.

The town of Cabourg selected Groupe Partouche to reopen its Grand Casino.

1998

The Group's 25th anniversary was celebrated in April 1998 and the Djerba Pasino opened the same year; an innovative concept: a combined entertainment centre and casino.



Casino Le Lydia.



Casino Le Pharaon.

In June 1998, the Carlton Casino Club in Cannes was acquired from UK-based London Clubs International.

On 2 November 1998, the Group purchased Vivendi's 99% stake in Cannes Balnéaire, the company which owns the Cannes Palm Beach, with a view to re-opening the establishment, considered to be the most prestigious casino in France.

On the same date, Groupe Partouche SA was transferred to the monthly settlement segment of the Paris Stock Exchange Premier Marché.

1999

On 1 July the Hilton hotel in Lyons' Cité Internationale complex was opened: the future home of a new casino. Abroad, the San Roque Grand Casino in Andalucia was inaugurated and the Hilton Bucharest's casino was created and inaugurated by Groupe Partouche.

In October, the Group acquired a majority stake in Société Française de Casinos, which operates four casinos, three of which are located in Auvergne and one on the Narbonne Coast.

2000

In February, acquisition of the Lydia in Port-Barcarès, a sea-resort near Perpignan.

April saw the opening of the first casino in a major French city by the Mayor of Lyon, Mr Raymond Barre. In Aix-en-Provence, the Group took over the Aquabella Hotel and went on to acquire the town's spa.

2001

In July, the Le Pharaon casino located in Lyons' Cité Internationale complex was granted a licence to operate 200 slot machines.

The Aix-en-Provence Pasino opened the same month: an addition to the ranks of this hugely successful new breed of casinos.

At the end of the fiscal year, Groupe Partouche acquired the Savoy, a 4-star hotel in Cannes with 106 rooms: an ideal complement to the Carlton casino and the Palm Beach.

In November, the Bucharest casino was sold and the Contrexéville casino, hotels and thermal spa business unit was acquired, together with the Vittel thermal spa.

2002

Thanks to its successful Public Cash Offer for Compagnie Européenne de Casinos, between January and April 2002, Groupe Partouche acquired 22 additional casinos, including 18 in France and four abroad.

In August, the transfer of the Cannes-based Casino Carlton to the Palm Beach was officially approved.

In December, the casinos based at La Bourboule and Le Mont-Dore were sold together with the company intended to oversee the creation of a casino in Alvignac.

2003

In January, the slot machines floor at Plombières-les-Bains casino was officially opened (50 slots).

In June, Le Havre and Port-la-Nouvelle selected Groupe Partouche to operate a casino.

In July, Groupe Partouche's first Swiss casino was launched in Meyrin, overlooking Geneva's international airport, with 150 slot machines and table game facilities (English roulette, stud-poker and black-jack).

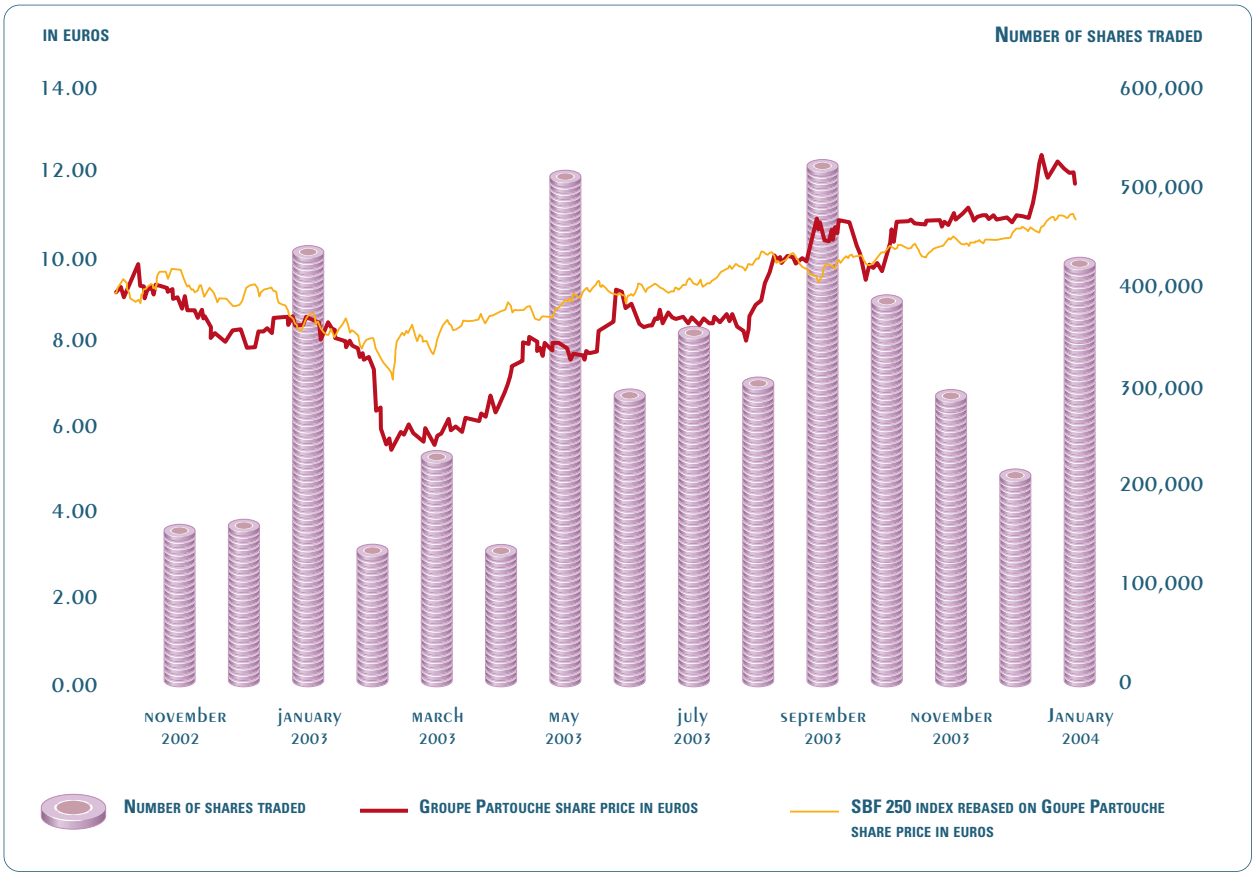
In September, the Group sold its casino in Spa (Belgium) and received authorisation to open La Trinité-sur-Mer casino.

On 28 December 2003, Saint-Amand-les-Eaux casino changed location and was transformed into a Pasino, 30 years after its acquisition.



Pasino Saint-Amand in 2003.

Movements in Groupe Partouche SA's share price



Financial review

	2001	2002	2003
in euros			
Share price at 31/10	*57,9*	*66,6*	*68,4*
*Number of shares as at 31/10**	*6 156 774*	*6 156 774*	*6 156 774*
Market capitalisation	*356 477 215*	*410 041 148*	*421 123 342*
Earnings per share	*5,57*	*3,65*	*2,87*
Net dividend per share	*0,80*	*0,00*	*0,00*
Total payout (€ million)	*4,93*	*0,00*	*0,00*
%			
Payout ratio	*14,36 %*	*0,00 %*	*0,00 %*
Net stock yield	*1,38 %*	*0,00 %*	*0,00 %*

* The nominal value was reduced from €14 to €2 at the Extraordinary General Meeting held on Monday, 10 November 2003. Mechanically, the number of shares was multiplied by 7; the share capital now comprises 43,097,418 shares with a par value of €2.

EXECUTIVE BOARD REPORT TO THE COMBINED ANNUAL AND EXTRAORDINARY GENERAL MEETING

Of friday 23 april 2004

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EXECUTIVE BOARD REPORT TO THE COMBINED GENERAL MEETING

OF FRIDAY 23 APRIL 2004

Ladies and Gentlemen,

In compliance with the law and the Articles of Association, we have convened you to this Annual General Meeting in order to report to you on the position and activities of our company and of the Group during the year ended 31 October 2003 and to invite you to adopt the annual meeting resolutions relating to: the approval of the holding company and consolidated financial statements for the said year, the appropriation of the holding company's earnings, the approval of regulated agreements, setting-up of a procedure enabling the company to buy back its own shares pursuant to the provisions of article L.225-209 of the Code of Commerce, the distribution of directors' fees to the members of the Supervisory Board, the renewal of the mandate of a principal statutory auditor and its secondary auditor, and the appointment of a new principal and secondary statutory auditor.

We have also convened you to the Extraordinary General Meeting in order to submit for your approval the resolutions relating to the so-called "global delegation" provision, resulting from the provisions of article L.225-129-III of the Code of Commerce and the thirteenth resolution relating to the principle of a capital increase reserved for employees pursuant to the provisions of articles L.225-129 VII and L.225-138 of the Code of Commerce and article L.443-5 of the Labour Code.

I. Executive Board Report to the Annual General Meeting

Fiscal year ended 31/10/03 includes 12 months of results in respect of CEC Group, which was acquired in 2002. The prior year comparatives for the year ended 31/10/02 only consolidated CEC's results from the second half of the year onwards. The pro forma accounts presented for information purposes in the notes to the consolidated financial statements were prepared on the basis of Groupe Partouche's consolidated financial statements for the year ended 31 October 2002, incorporating CEC's consolidated financial data for the first half of the year in respect of subsidiaries which were included within Groupe Partouche's scope of consolidation.

The principal changes in consolidation scope during the year ended 31 October 2003 stem from:

- the disposal of the La Bourboule and Mont-Dore casinos at the beginning of the fiscal year followed by that of Spa casino in early September 2003,
- for the first-time, consolidation of companies in the Meyrin (Swiss) business unit.

1.1 Group activities

Position and trends for the fiscal year ended 31 October 2003

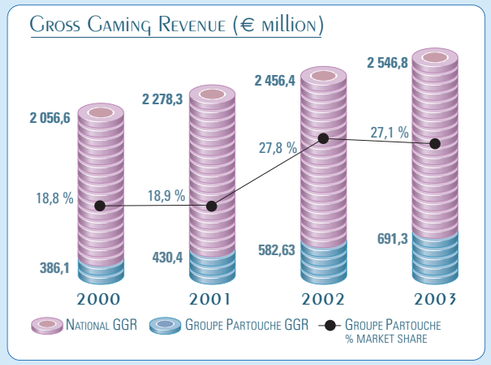
The Group's turnover came to €435.7 million, up by 17.1% compared to the previous fiscal year, but stable compared with 2001/2002 pro forma. This somewhat flat business growth line reflects a generally adverse business climate, stemming from the state of the economy and the downturn in international tourism, together with the impact of the new tax on Gross Gaming Revenue (GGR) which came into force in May 2002 and affected the entire fiscal year in 2003.

Gaming in France

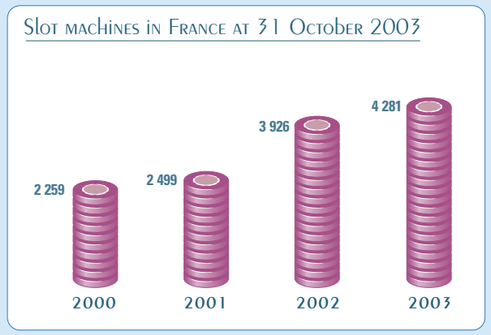
Casinos generated GGR of €2,546.8 million in fiscal year 2003, up by 3.7% from the previous year. At 31 October 2003, Groupe Partouche operated a total of 180 casinos, four more than a year earlier.

Groupe Partouche remains the leading French casinos group, commanding a market share of 27.2%.

Groupe Partouche generated actual GGR of 691,3 M€ (or 684,7 M€ based on 2002 pro forma). This rise (+ 10,8 M€ after stripping out the effects of the disposals of La Bourboule and Mont-Dore) is chiefly attributable to Aix-en-Provence (+ 6,6 M€), La Tour de Salvagny (+ 4,9 M€) and Plombières (+ 4,1 M€). The main negative impacts came from Cannes (– 3,7 M€), Forges-les-Eaux (–3 M€), Andernos-les-Bains (– 4,7 M€) and Arcachon (– 2,5 M€).



Slot machines generated 91.6% of Groupe Partouche's total GGR in fiscal year 2003. The Group received a large number of additional slot machines licences throughout the year, particularly towards year-end, adding 473 machines to bring its total to 4,281 at 31 October 2003. Low GGR growth combined with the spectacular rise in the number of slots meant that the daily average GGR per slot fell from €458 in 2002 to €445 in 2003.



Gaming abroad

Business outside France surged 31.1%, or 30,6 M€ in GGR terms (compared with 23,4 M€ on the basis of 2002 pro forma), thanks primarily to the launch of Meyrin casino in Switzerland, which generated GGR of €8.3 million in less than four months since its opening.

In Belgium, newly-authorised slot machines were rolled out in Knokke and Ostend with low averages during the start-up phase.



Levies

The total amount of State and local authorities levies in France and overseas came to €399,2 M€ (compared with 379,7 per 2002 pro forma, representing a rise of + 5,1 %).

In France, the ceiling placed on the "slide" allowance of 15% of actual slot machine GGR led to a heavier tax burden: total levies represented 387,3 M€, or 56% of GGR (compared with 54.5% based on 2002 pro forma).

Expressed as a proportion of GGR, levies are still lower outside France at 38.5%, despite rising siginificantly as a result of Meyrin, representing a total tax burden of 11,9 M€.

Given the rise in French levies, total Net Gaming Revenue (NGR) came to 322,8 M€, lower than 2002 pro forma NGR of 328,3 M€.

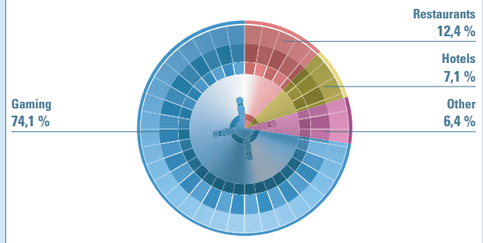
Other activities

The Group's other business activities, mainly hotels and restaurants, generated total revenue of 112,8 M€, compared with 110,0 M€ per 2002 pro forma. The bulk of this rise was achieved thanks to our Lyon-based hotels: Hilton and Méridien Part Dieu.

Consolidated net turnover (€ million)



Consolidated turnover by business segment

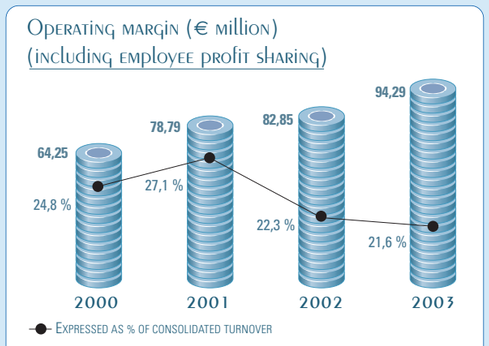


Consolidated results

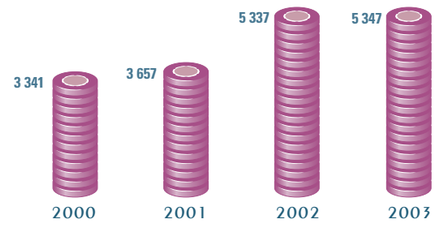
In compliance with article L.325-100 of the Code of Commerce, we present to you the Group's Management Report and its consolidated financial statements for the year under review, which we submit for your approval. The Group's operating income came to 94,3 M€ versus 82,9 M€ in 2002, up by 13.8%. Maintaining operating income at a level comparable with 2002 pro forma (96,0 M€), with an operating margin of 21.6% of turnover, is quite a commendable achievement, in the prevailing business climate.

Certain casinos were particularly hard hit for several different reasons: In Lyon, Le Pharaon was severely exposed to the new tax and Forges-les-Eaux, Andernos-les-Bains and Arcachon saw substantial changes in their competitive environment, while Juan-les-Pins casino lost some of its Italian clientele. Moreover, the major initiatives undertaken to enhance the appeal of Palm Beach casino in Cannes affected the summer season. However, two factors helped absorb most of this negative impact: first, the successful integration of Compagnie Européenne de Casinos (CEC), acquired during fiscal year 2002, which produced excellent performances at casinos such Pornichet, La Roche Posay, Pornic and Cazaubon-Barbotan, together with Plombières which received its first slot machines, and secondly, the savings generated by the merger of the two holding companies.

Operating margin (€ million)
(including employee profit sharing)



Group workforce



The Group's overall level of borrowings was modified in fiscal year 2002 in the wake of the CEC acquisition. The debt-servicing costs over an entire fiscal year led to net finance costs of 33,1 M€, versus 22,4 M€ in 2002.

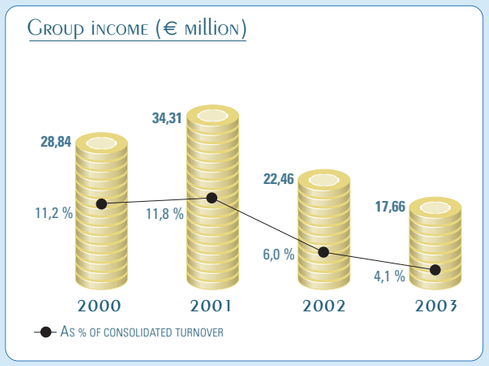
Income on ordinary activities before tax held steady at 61,2 M€ versus 60,4 M for fiscal year 2002.

Exceptional items reflect the impact of disposals made during the fiscal year and represent net income of 3,8 M€.

Amortisation of goodwill on acquisition came to 22,4 M€ (13,8 M€ in 2002), reflecting the impact of the CEC acquisition over a complete fiscal year. The Group's tax burden fell sharply year-on-year as a result of provisioning for shares in one of the Group's subsidiaries, which generated a tax saving of 4,2 M€.

Net income attributable to consolidated companies came to 23,8 M€ compared with 25,2 M€, down by 5.5%. Group's share was 17,7 M€, with net income attributable to minority interests rising as a result of the disposals of La Bourboule and Mont-Dore casinos and the new operation at Meyrin, in which the Group holds a 40% stake.

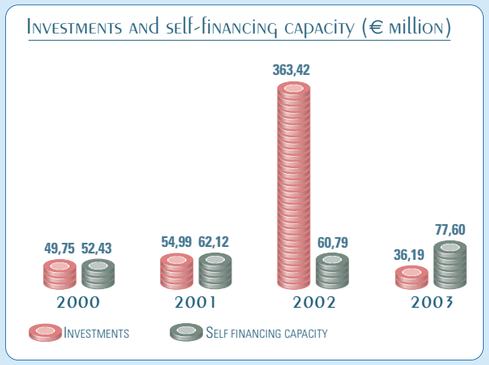
Group income (€ million)



Investments and financing

The Group's investments related mainly to the creation of new casinos: the construction of the Group's third Pasino at St-Amand-les-Eaux and the creation of Meyrin casino on the outskirts of Geneva. The total cash outflow from investment activities net of disposals came to 36,2 M€. With a self-financing capacity of 77,6 M€ and a particularly favourable change in working capital requirements of 17,0 M€, thanks to the reimbursement of a tax receivable from the French state, the Group increased its cash holdings by 13,4 M€ while at the same time reducing its borrowings by 34,9 M€.

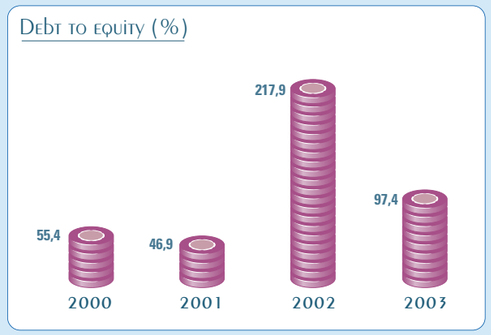
Investments and self-financing capacity (€ million)



We should recall that at the end of August 2003, Groupe Partouche refinanced its debt with the support of its parent company, Financière Partouche, which provided a 100 M€ injection of equity equivalents. The Group's gearing was therefore substantially improved at fiscal year-end 2003:

in millions of euros	2003	*2002*
Equity and equity equivalents	356,4	*226,7*
Gross financial debt	408,1	*544,4*
Financial debt net of cash	345,1	*494,1*
Gearing	97 %	*218 %*





Outlook

Business in fiscal year 2004 should get a boost from the opening of La Trinité-sur-Mer casino, the recently authorised re-opening of Port Barcarès casino (Le Lydia) and the expected opening of five casinos (Le Havre, Nice, Port-la-Nouvelle, Saint-Cast-le-Guildo and La Tremblade), together with additional slot machines licences in France. More slots have already been awarded for Saint-Amand-les-Eaux (30), La Grande-Motte (30), Salies-de-Béarn (20), Hyères (30), Dieppe (21), Bandol (10) and Agon-Coutainville (5) casinos.

In addition to these growth drivers, Groupe Partouche is taking part in a number of major competitive bidding procedures, notably in Toulouse, Lille, Blotzheim and Brussels.

Significant post balance sheet events

At the end of December 2003, St-Amand-les-Eaux was transferred to new location which now houses the Group's third Pasino, after Djerba and Aix-en-Provence, and has been warmly received by its patrons.

Groupe Partouche's 43rd casino in France, La Trinité-sur-Mer opens for business on Thursday 4 March 2004. For the time being, the fourth gaming establishment in Le Morbihan only offers its patrons' the game of Boule while it hopes to receive its first slots authorisations at some point in the future.

On 2 March 2004, Groupe Partouche published the following press release with regard to turnover for the first quarter of fiscal year 2003/2004:

€ million	*From 01/11/03 to 31/01/04*	*From 01/11/02 to 31/01/03*	*Variation*
Tables Games GGR	12,3	*11,3*	*8,5 %*
Slot machines GGR	174,1	*157,8*	*10,3 %*
Total GGR	**186,4**	169,1	10,2 %
Levies	89,8	*81,6*	*10,1 %*
Net gaming revenue	96,6	*87,6*	*10,3 %*
Turnover other activities	22,4	*24,5*	*(8,5 %)*
TOTAL CONSOLIDATED TURNOVER	**119,0**	**112,1**	**6,2 %**

Turnover for the first quarter of fiscal year 2004 was 119.0 M€ rising 6.2 % compared with the first quarter of the previous year. This impressive growth rate is attributable to a general upturn in business, particularly in January, and the new contribution of Meyrin casino in Switzerland, which generated a revenue of 4,2 M€.

1.2 Subsidiaries and equity affiliates

Activity of consolidated companies

Information on the activity of consolidated companies is presented in the list of subsidiaries and equity affiliates.

Additional information on the activity of subsidiaries and equity affiliates for the year ended 31 October 2003 is also provided in the list of consolidated companies (in the front section of this report) as well as in the following section.

All references to the national ranking of casinos relate to the classification drawn up by the Interior Ministry's gaming board.

France

Saint-Amand-les-Eaux (Société du casino de Saint-Amand)

Saint-Amand-les-Eaux, the leading casino in the Nord-Pas-de-Calais region (northeastern France) and the twelfth largest casino nationally (up two places), continued to post increased gaming revenue and moved to new premises on 29 December 2003. This new Pasino, which recorded an average daily GGR of 582 € during the fiscal year, was granted 30 new slots in January 2004. With its three restaurants and showroom which can host over one thousand people Saint-Amand-les-Eaux looks set to be a huge success as it extends its appeal to a broader clientele.

Calais (Le Touquet's)

Calais casino had a year of transition: it received an additional 20 slots and its gaming floor was given a refit. Profit levels were maintained by keeping a tight rein on operating expenses.

Boulogne-sur-Mer (Numa)

Casino revenue rose 3%, propelling Boulogne-sur-Mer two places higher in the national ranking. The casino continues to act as a venue for a wide range of cultural and entertainment events in the town. A review is currently underway to decide whether to transfer the casino to a new location.

Le Touquet (Sté du casino du Touquet)

Turnover at Le Touquet rose over 5.4%, with a 15% jump in restaurant revenue, providing further confirmation of its reputation as a quality dining venue. Theme-bar revenue was 8.5% higher, thanks to further enhancements to the reception facilities for patrons and an exciting line-up of entertainment events.

Berck-sur-Mer (Jean Metz)

Berck-sur-Mer rose six places in the national casino ranking and achieved a 7.2% increase in slot machine revenue, thanks to its focus on reception quality and conviviality. The casino has a gourmet two-Michelin-fork restaurant, La Verrière.

Forges-les-Eaux (Forges Thermal)

Ranked ninth nationally, Forges-les-Eaux is among the top casinos in France, and is proving resilient despite the introduction of slot machines at Enghien-les-Bains, thanks to its own 260 slots, which generate an average daily GGR per slot of €504, well above the national average.

As the leading casino in the Haute-Normandie region (northern France), it celebrated its centenary this year. Table game revenue improved 16.8%, and Boule kept its number four place in the national ranking.

The casino resort offers high-quality facilities at a variety of sites, including a luxury hotel, Folie du Bois des Fontaines, where revenue soared 19%, a golf course at Saint-Saëns, which had an exceptional year with revenue jumping 23%, and a leisure centre operated by Club Méditerranée, which managed to hold its turnover steady despite a tougher business environment for this major brand.

A sustained calendar of entertainment shows and events make the casino one of the leading entertainment venues in the region: in 2003, the first post-summer literary festival, Feuilles d'Automne, was held and proved an unmitigated success.

Dieppe (SA du Casino et des Bains de Mer)

Dieppe's casino revenue fell as a result of lower visitor numbers from the Paris region after the slot machine floor was opened at Enghien-les-Bains. Nonetheless, the reception facilities introduced last year, is proving a huge success throughout the casino and its L'Horizon restaurant enjoys the reputation as one of the finest dining destinations in the area.

Thanks to its "short-break" package, which includes one night's hotel accommodation and dinner on the traditional gaming floor, the hotel achieved an occupancy rate of over 53%. Interior refurbishment work will enhance the quality of accommodation in 2004.

Le Havre

The restaurant La Villa, which is rated 18/20 by Gault-Millau, and ranks number one in the Petit Normand guide, saw revenue rise 7%. Elected "Best Chef in Normandy" in 2003 by Gault-Millau, Jean-Luc Tartarin has recently been rewarded by Le Havre's Chamber of Commerce for his energy, drive and his contribution to enhancing Le Havre's reputation. He also received his first star in the 2004 Michelin guide.

The Group was also selected by the Le Havre municipality to run the city's future casino. A temporary casino will open in the first half of 2004, pending its permanent home at the former Stock Exchange building. This new flagship casino is expected to be a huge success in such a promising catchment area as the Le Havre region.

Cabourg (Sté du Grand Casino de Cabourg)

Slot machines GGR rose 14.3%, while restaurant revenue recorded a sustained growth rate of 13.7%. The casino continues to host leading cultural events organised in Cabourg, including the Romantic Film Festival, Epona, the Adami Festival, Salon du Livre, and more.

Agon-Coutainville (Casino de Coutainville)

Gross gaming revenue at Agon-Coutainville edged up 2.6%. A number of interior enhancements will be made in 2004. Moreover, a new 80-cover restaurant and 200-seat reception hall together with a slot machines floor refit will improve the casino's appeal.

Pleneuf - Val André (Sté d'Exploitation du Casino de la Rotonde)

The extension to the slot machines floor in the summer of 2003 helped lift gaming revenue by more than 3%. From its excellent location in the sea resort of Val André, the casino's showroom will host the International Cinema Animation Festival next year. This venue continues to provide entertainment for the resort all year round with its programme of live shows and films.

Plouescat (SA Développement de la baie de Kernic)

Plouescat climbed three places in the national ranking, with GGR almost 5% higher than the prior year, thanks to 14 additional slots installed on 2 August 2003.

Pornichet (Casino de Pornichet)

Pornichet's 175 slot machines helped drive gaming revenue 5.1% higher. The casino rose five places in the national ranking, confirming its place as the premier gaming venue in the Pays de Loire region (western France). The casino plans to file requests for additional slots licence and refurbish its multi-purpose hall in 2004.

Pornic (Casino du Mole)

Pornic posted a 5.8% increase in GGR. Once again this year, the casino hosted the fourth edition of the Pornic Blues Festival, a resounding success generating an influx of some eight thousand visitors in two days.

La Roche Posay (Complexe commercial de la Roche Posay)

The only casino in the Vienne region (western France), La Roche Posay, which is ideally located near the city of Poitiers, rose four places in the national ranking during the year. Gross gaming revenue rose 9.8% and slot machines generate an average GGR of €559 per day.

On 8 September 2003, the casino received 52 additional slots, bringing its total number of slots to 130, and thus helping it meet patrons' expectations. The casino hotel, listed as three-star since June, saw its revenue shoot up by 47%. All of the other sectors of activity recorded excellent growth, especially the restaurant side where revenue jumped 29.3%.

Saint-Honoré-les-Bains (Casino de Saint-Honoré-les-Bains)

This leading provider of live events and entertainment at the Saint-Honoré-les-Bains resort posted a 2.9% rise in casino revenue.

Restaurant revenue surged 34% higher thanks to a refurbishment leaving it with increased capacity and more convivial facilities.

Contrexéville (Sté d'Exploitation du Casino et d'Hôtels de Contrexéville)

Contrexéville's gaming revenue rose 2.7%, a commendable performance in light of the local competitive environment. The casino is the main attraction among a range of facilities managed by Groupe Partouche at the Contrexéville and Vittel spa resorts, which include a luxury hotel and a thermal spring.

The casino's Cosmos hotel with its thermal spa and Aquarius health and beauty centre posted excellent revenue growth of over 39%.

The Contrexéville spa resort, which is renowned for the quality of its thermal pools, also saw its revenue surge 33% higher than the previous year, while the Vittel spa complex posted top-line growth of over 15%.

Plombières-les-Bains (Plombinoise de Casino)

With the installation of 50 new slots in January 2003, Plombières can now play a leading role in developing the resort. Patrons' reception facilities have been enhanced thanks to a new car park.

Lyon (Grand Casino de Lyon)

Le Pharaon joined the select club of France's ten-largest casinos at tenth place.

From its location in the heart of the city in the prestigious Cité Internationale complex, Le Pharaon draws patrons from the Hilton Hotel as well as from other tenants of the complex which is well-served by transport links and has become the leading resort destination in the city.

Table game revenue rose more than 13%. This excellent growth performance should be sustained, thanks to the 50 additional slots licence received on 23 October 2003 and constant refinements to the casino's hospitality services;

Le Pharaon hosts a regular calendar of shows and entertainment events, making it one of the leading venues in the city, with the Biennial Dance and Contemporary Art Festival. Entertainment revenue rose 124%.

Hotel revenue at the Hilton Hotel, which has 201 rooms and is located beside Lyon's Tête d'Or park, rose 19.1% despite persistently tough economic conditions.

Hôtel Méridien Part Dieu, the highest hotel in Europe, posted hotel revenue growth of 8.3% and maintained a satisfactory occupancy rate for its 245 rooms.

La Tour de Salvagny (Sathel)

Le Lyon Vert, the leading casino in the Rhône region with 400 slot machines, climbed two places in the national ranking, growing gross gaming revenue by 7.5% to reach second-place. Its position now reflects the exemplary quality of amenities offered by this flagship casino. Restaurants revenue rose 10.5%.

The construction of a hotel in the immediate vicinity of the casino offering superior quality facilities, represents a major capital investment and will enable the Lyon Vert to further enhance its amenities for patrons. The hotel will offer an excellent complement to La Rotonde, the casino's two-Michelin-star restaurant managed by its chef Philippe Gauvreau, who was awarded one of six "Griffe Lyonnaise" (local creative talent) prizes for launching the "Grastrogones" festival (Young Gastronomes) designed to promote the art of gastronomy among children.

Saint-Galmier (Le Lion Blanc)

Saint-Galmier's total GGR edged up 1.9%, despite a big drop in table game revenue, propelling it two places higher in the national ranking. The casino achieved an average GGR of €510 per day, and obtained 31 additional slots on 23 October 2003, helping it to enhance the quality of amenities offered to its slot machines clientele.

The casino continues to be a major contributor to the resort's events and entertainment line-up, and its two-Michelin-fork restaurant La Paillote is recognised as one of the top dining options in the region.

Évaux-les-Bains (SA du Casino d'Évaux-les-Bains)

Évaux-les-Bains, the only casino in the Limousin region (central France), saw its gross gaming revenue soar 22.4%. On 29 October 2003, it obtained 20 additional slots, meaning that it could start the new fiscal year with a total of 50 slot machines. The new car park has helped to enhance the quality of customer reception facilities.

Vichy (Casino du Grand Café et Casino de Vichy)

The creation of a new slot machines floor and the refurbishment of the old floor helped lift gaming revenue (by 4.3%) at Casino du Grand Café, the leading casino in Allier (central France). Restaurant revenue also improved by over 17.8%. The freshly-renovated dancefloor and the first edition of the Vichy jazz festival helped make 2002/3 a hugely successful year.

Élysée Palace posted a decline in gaming revenue as it waited to move into new premises and modernise its facilities.

The new venue at Centre des Quatre Chemins, which is emblematic of the city's commercial renaissance, will allow this casino to offer new amenities, providing an ideal complement to the other Vichy casino, with a vast multi-purpose hall and cinema multiplex.

A request for 100 slot machines licence will be filed when the casino is transferred to its new location.

Châtel-Guyon (Chatelcasino)

An exceptional year for the Châtel-Guyon casino which saw its gaming revenue rise by 16% following the refurbishment of the slot machine floor and a very exciting programme of entertainment events that was put together in association with the town's own representatives. The increase in visitor numbers had a very favourable impact on non-gaming businesses which grew by 17.4%.

Hôtel Le Splendid, located in an expansive parkland setting close to the casino, also posted a revenue increase of over 5%.

Royat (Sté du Casino Municipal de Royat)

Royat held on to its top ranking in the Auvergne region (central France) despite its lower gaming revenue. The restaurant and kitchen facilities were completely renovated in fiscal year 2003 to enhance customer amenities and the appeal of the venue as a whole.

Saint-Nectaire (Le Casino de Saint-Nectaire)

Overall, gaming revenue rose 2.9%. The casino hopes to benefit in the future from the development of Parc Vulcania.

Andernos (Le Miami)

For the second year running, the Andernos reported a sharp decline in GGR following the introduction of slot machines at the Bordeaux casino in May 2002. Non-gaming revenue was also affected by the impact of lower visitor numbers in gaming. However, the refurbishment of the slot machines floor and the renovation of the façade, which was completed in July 2003, appear to have enhanced the casino's appeal to its client base.

Arcachon (Société du Casino d'Arcachon)

Arcachon casino also suffered the effects of competition from Bordeaux casino, but to a lesser extent. Total revenue declined by 20%, which was also due to a period of closure while the dancefloor was being renovated. However, the casino continues to be a leading entertainment venue for the resort, hosting a full line-up of events during the summer season.

Cazaubon-Barbotan (Société du Casino de Cazaubon-Barbotan-les-Thermes)

Cazaubon casino's gaming revenue remained stable, despite a 2% rise in slot machines revenue.

Salies-de-Béarn (Société du Casino de Salies-du-Béarn)

For the second full-year's operation of the slot machines floor gaming revenue rose 10.2%. The 20 additional slots licensed in January 2004 will considerably enhance the level of customer service.

Gruissan (Centre d'Animation Le Phoebus)

As the leading casino in the Aude region (southwestern France), Le Phoebus climbed a further two places in the national rankings, increasing its gross gaming revenue from slot machines by more than 7%. With an average GGR of € 527 per day, the casino added 21 slots on 1 September 2003.

The casino's hotel continues to post a satisfactory performance, achieving a growth rate of almost 16%.

Palavas-les-Flots (Casino de Palavas)

With gaming revenue up 3.1% and average daily GGR of 544 €, the casino achieved growth in all of its activities, notably its restaurant, Le Carré, which saw its first full-year of business.

La Grande-Motte (Casino de la Grande-Motte)

Casino de la Grande-Motte reinforced its position as the leading casino in the Languedoc-Roussillon region (southwestern France). Gaming revenue was up 1%. It operates 130 slots with an excellent average daily GGR of 618 €, and the casino received licence for 30 additional slots to be installed in the first half of 2004.

Gréoux-les-Bains (Société du Grand Casino de Gréoux -les-Bains)

The only casino in the Alpes de Haute-Provence region (southeastern France), Gréoux-les-Bains saw its turnover grow by more than 10%, and was granted 20 additional slots in 2004.

Aix-en-Provence (Société du Casino Municipal d'Aix Thermal)

The leading casino in the Bouches-du-Rhône (southeastern France), climbed two more places to become the fifth largest casino nationally. The Pasino achieved GGR growth of more than 13% from slot machines. This performance, which also includes the best daily average in the Group of 693 € per slot, enabled the Pasino to obtain a further 80 slots, taking its total to 280 units on 6 March 2003.

Entertainment events hosted during the year featured several leading international performers and have helped establish the casino showroom as one of the leading venues in the region while generating increased trade for the casino.

The casino's four themed restaurants, whose quality has been widely recognised (two-Michelin-forks), provide a varied range of dining options. Restaurant revenue grew by over 15.1%, while banqueting rose 40%.

In order to meet the needs of rising visitor numbers, additional car parking facilities with over 400 places are planned for the near future.

The Pasino concept has demonstrated its worth and is serving as a blueprint for the Group's deployment to new locations, such as Saint-Amand-les-Eaux which opened on 29 December 2003.

With its brand new swimming pool and its 110 rooms, Hôtel Aquabella's revenue rose 8.3%, achieving a very satisfactory occupancy rate. Its restaurant L'Orangerie (two Michelin forks), with its striking glass and steel structure, remains one of the most popular dining venues in the area.

In the vicinity of the hotel the Sextius thermal spa, an increasingly popular fitness centre, increased its revenue this year by 21.6%.

La Ciotat
(Société des Brasseries et Casinos Les Flots Bleus)

La Ciotat's 40 slot machines lifted GGR 6.4% to a daily average of 538 €. It therefore rose four places in the national ranking. Efforts made to enhance quality and reception facilities at the restaurant paid off, helping it to achieve restaurant revenue growth of over 25%.

The casino also took part in the first Salon nautique de Marseille 2003 at La Ciotat.

Bandol (Grand Casino de Bandol)

Bandol casino maintained its gross gaming revenue and recorded one of the best daily averages in the Group of 592 €. It now ranks in 24th place nationally.

Hyères (Compagnie pour le Développement du Tourisme Hyèrois)

The leading casino in the Var region, Hyères lifted gaming revenue by 6.7%. An additional 20 slots were installed on 1 February 2003, thereby allowing the casino to achieve the very satisfactory daily average of 542 €.

Grasse (Casino de Grasse)

Grasse, which is managed by our 50%-equity partner, lifted its slot machines revenue by over 6%, allowing it to climb two places in the national rankings, while growth at the restaurant topped 31%.

Cannes (LCL France Casino Palm Beach)

During the first full year after the casino transferred to the Palm Beach, it suffered the impact of the events in Iraq, which hit international visitor numbers to Cannes and led to a 15% decrease in its gaming revenue. It nevertheless remains the number two venue for traditional games in France. On 14 August 2003, 50 new slot machines were installed, yielding a 3.8% rise in actual slots revenue. The development of other activities: a theme bar, the opening of the private beach and the creation of dining facilities on the slot machines floor, contributed to a highly satisfactory level of revenue.

The casino continues to position itself as a leading entertainment venue in the city of Cannes, hosting an excellent line-up of events.

The 106-room Savoy hotel saw its revenue rise 7.8% and remains an integral part of the Palm Beach complex.

Juan-les-Pins (Eden Beach Casino)

Gaming revenue at the Juan-les-Pins was hit by the fall in visitor numbers to this resort.

Its Le Grill restaurant received a publicity boost in 2003 when it was awarded the 2003 Gould trophy for the best restaurant in Antibes - Juan-les-Pins.

The 175-room Meridien Garden Beach hotel, complete with health and fitness centre managed to limit the decline in business.

Its La Plage restaurant (2 Michelin forks) is an undeniable addition to the establishment which is ideally located between pine-grove and seafront on a private beach.

Beaulieu-sur-Mer (Grand Casino de Beaulieu)

Beaulieu-sur-Mer casino suffered a slight decline in its gaming revenue as a result of the lower tourist numbers, mainly Italian visitors.

Casinos outside France

Belgium:

The Belgium casinos in Knokke, Chaudfontaine and Ostend benefited from new legislation authorising them to operate slot machines. In August 2003, 50 and 40 slots were installed at Knokke and Ostend casinos, respectively. With the competition from Lunapark, slot machines have not been met with the enthusiasm that was expected.

Switzerland:

The Meyrin casino, which is ideally located between Geneva and its international airport opened for business on 13 July 2003, for a renewable concession term of 20 years. It began its first year of operation with 150 slot machines, achieving gross gaming revenue of over 8,2 M€ and a daily average of 392 €.

Spain:

Gross gaming revenue at San Roque casino rose more than 27% during the fiscal year. With operating expenses now under control, results have improved significantly.

Tunisia:

Djerba is still affected by the effects of international events and its gaming revenue inched up just 1.18%. It nevertheless managed to increase its operating margin still further thanks to efforts made to rein in operating expenses.

Morocco:

Gaming revenue at Agadir casino fell this year. However, lower expenses enabled it to improve its operating margin.

Other information

Investments made by Groupe Partouche SA

- International Casino of Madrid, Egypt (30%).

Additional investments

- San Roque (+ 24%)
- ADNOR (+ 49 %)
- SCI Miami (+ 29,94 %)

Divestments

In November 2002, Le Mont-Dore and La Bourboule casinos were divested, together with the company owning the project to open the Alvignac casino. In September 2003, Spa casino in Belgium was also sold.

List of subsidiaries and equity affiliates

A list of subsidiaries and equity affiliates is provided in the notes to the consolidated financial statements in the table of consolidated companies.

Research and development

No R&D activities were engaged during the year.

Changes to accounting policies, procedures and methods

Details of changes are provided in the notes to the consolidated financial statements.

2004 Communication plan

Quarter 1 turnover	week 10
Quarter 2 turnover	week 25
First half-year results	week 31
Quarter 3 turnover	week 38
Quarter 4 turnover	week 51
Results for the fiscal year	week 6 of 2005

1.3. The share capital of Groupe Partouche SA

1.3.1. Shareholding information (L.233-13)

We present the identity of persons holding directly or indirectly at 31 October 2003, more than 5%, 10%, 20%, 33.33%, 50%, or 66.66% of the share capital or voting rights to the Annual General Meetings.

This list has changed as follows for the fiscal year under review (see table below).

Moreover, JP Morgan Chase Investor Services acting as registered intermediary now owns 5.62% of the share capital since providing notification of having crossed the shareholding threshold, dated 8 April 2003.

Finally, FMR Corp and Fidelity International Limited (FIL) who owned 0.38% and 4.67%, respectively, representing a combined total of 5.05% of the share capital, now own less than 5% of the share capital since notification of having decreased their shareholding below the threshold dated 3 June 2003.

Identity of the main shareholder groups	*2002 (n-1)*	*2003 (n)*
Financière Partouche SA	*62,30 %*	62,30 %
Sogesic SARL	*4,62 %*	4,62 %
Partouche family	*3,71 %*	3,73 %
Subtotal	70,62 %	**70,65 %**
Public	*29,38 %*	29,35 %
TOTAL	**100,00 %**	**100,00 %**

Note: Schroder Investment Management Limited now holds 8.31% of the share capital since providing notification of having crossed the shareholding threshold, dated 5 March 2004.

1.3.2. Self-held shares under the share buyback programme

The share buy-back programme, authorised by the Extraordinary General Meeting held on 4 April 2000, that was included in a Memorandum of Information approved by the COB on the 14 March 2000 under the reference number 00-305, ended on 3 October 2001.

As part of the granted authorisation and according to the objectives determined by the General Meeting, the Company has acquired 2,738 shares on the stock market at an average price of €61.64 for a total amount of €168,767, excluding transaction fees. No shares were sold.

At the end of the 2002, the Company held 2,738 shares valued at €61.64 (purchase price). This represents 0.04% of the company's share capital.

The Extraordinary General Meetings held on 2 April 2001 and 9 April 2002 authorised the Executive Board to buy the Company's own shares on the market, pursuant to the provisions of Article L. 225-209 of the Commercial Code, mainly for the purposes of regulating the share price, the delivery of shares by way of exchange for external growth operations or for any other purpose that is in the company's interest.

The maximum purchase price was fixed at €100 per share and the minimum sale price at €50 per share. This authorisation, granted for 18 months, was never applied.

1.3.3. Authorisation to grant the Executive board powers to buy back the company's own shares under the terms of article L.225-209 of the Commercial Code

The Executive Board proposes that the General Meeting grant it the authorisation, pursuant to articles L.225-209 and subsequent of the Commercial Code, to carry out a share buyback programme subject to the following conditions:

- the Company may perform transactions in its own shares for any purpose, particularly, to buy and sell shares in accordance with market conditions, or use the shares bought back as consideration to make acquisitions, or to enable share purchase options to be granted to company officers and employees, or within the scope of a financial or asset management strategy;
- the number of shares that the Company may buy under the share buyback programme may not cause the number of such shares held by the Company to exceed 10% of its share capital;
- the Company may purchase such shares at a maximum price of €30 per share and sell them at a minimum price of €10 per share. These prices are fixed subject to any adjustments relating to modifications in the Company's share capital;
- shares may be bought and sold under this programme by any means on a regulated or over-the-counter market (including a simple purchase, recourse to any financial instrument or derivatives, or options); the maximum portion of share capital that may be purchased or sold in the form of a bloc of shares is equal to the total permitted by the share buyback programme.

This authorisation:

- would terminate the authorisation to conduct transactions in the Company's shares granted to the Executive Board under the terms of the fifth resolution of the Annual General Meeting of 15 April 2003;
- would have a maximum period of validity of 18 months commencing on the date of the General Meeting until 23 September 2006.

1.3.4. Employee share ownership

Pursuant to the terms of article L.225-102 of the Commercial Code, we hereby confirm that no shares were held by employees in a corporate saving plan on the last day of the fiscal year, 31 October 2003.

1.4. Results – Appropriations

Review of the holding company's financial statements, Groupe Partouche SA and its results

Review of the holding company's financial statements

Turnover came to 7 465 K€, the lion's share of which came from 6 138 K€ of management fees received from the subsidiaries.

The operating loss was 13 314 K€, compared with 3 006 K€ in the prior year after the amortisation of capitalisable expenses related to the Public Cash Offer carried out in fiscal year 2002, together with the debt refinancing expenses.

Financial items generated net income of 2 920 K€; finance costs, which mainly comprised interest on borrowings of 32 393 K€ and the creation of a provision for the impairment in value of shares of 12 266 K€, were offset by financial income, primarily dividends received from subsidiaries of 39 721 K€.

Net income from exceptional items of 2 134 K€ due primarily to the disposal of subsidiaries during the fiscal year, lessened the loss of 10 394 K€ on ordinary activities before tax.

The tax saving, which was chiefly attributable to the application of the group tax consolidation structure was 23 455 K€, and Groupe Partouche SA's net income was 15 195 K€.

The company's balance sheet totalled 776 120 K€. While the structure of its assets remained broadly unchanged, the structure of liabilities and equity was revamped thanks to the debt restructuring transaction completed in August 2003 with a 100 000 K€ current account contribution being made by the Group's majority shareholder, Financière Partouche.

Proposed appropriation of net income

We invite you to approve these annual financial statements (balance sheet, income statement and notes), as submitted to you and showing net income of 15 194 134 € which we propose be appropriated as follows:

Net income for the year	*15 194 134 euros*
To the legal reserve	*13 300 euros*
The balance	*15 180 834 euros*

is allocated in its entirety to Retained earnings, which, after appropriation, totals 105 261 633 €.

As required by law, the General Meeting formally records that the dividends distributed for the last three fiscal periods, together with the corresponding tax credits were:

Fiscal year ending:	*Net dividend in euros*	*Tax credit in euros*
31 October 2000	*10 324 535,60*	*5 162 267,80*
31 October 2001	*4925 419,00*	*2 462 709,50*
31 October 2002	*0,00*	*0,00*

Expenses that may not be deducted for tax purposes (CGI 39-4)

Pursuant to the provisions of Article 233 quater of the French General Tax Code ("CGI"), we hereby inform you that the financial statements for the period under review include an amount of 13 536 € which corresponds to expenses that may not be deducted for tax purposes in light of the provisions of Article 39-4 of the CGI.

Income for the last five fiscal periods

The table showing the Company's income for the last five fiscal periods is included in the notes to the financial statements of the holding company.

Review of the consolidated financial statements

Pursuant to Article L. 225-100 of the Commercial Code and after having heard the report of the Executive Board, we hereby submit for your approval the consolidated financial statements for the fiscal year ended 31 October 2003.

1.5. Agreements subject to Articles L. 225-86 et seq. of the Commercial Code

Pursuant to Article L. 225-88 of the Commercial Code, we invite you to approve agreements falling under Article L. 225-86 of the Commercial Code, applied during the fiscal year, following the authorisation granted by your Supervisory Board.

Your Statutory Auditors have been informed of such agreements that they include in their special report.

1.6. Compensation and benefits in kind paid to each company officer by the Company and its subsidiaries (art. L.225-102-1-al.1)

(cf. executive and supervisory bodies section, page 98).

1.7. List of all mandates and functions performed at all companies by each of the company officers during the fiscal year (art. L.225-102-1-al.3)

(cf. executive and supervisory bodies section, pages 94 to 97).

1.8. Company management and control

Status of mandates of members of the Supervisory Board

We hereby inform you that none of the mandates of the members of the Supervisory Board expired during the year.

Renewal of the mandate of one of the principal statutory auditors and its associated secondary auditor

The mandates of Mr José David, principal statutory auditor and Mr Emmanuel Quiniou, secondary statutory auditor are set to expire on the date of this General Meeting. We therefore propose that you renew their functions for a further period of six years, namely until the Annual General Meeting called to approve the financial statements for the year ending 31 October 2009.

Appointment of a new principal statutory auditor and its associate secondary statutory auditor

The mandates of KPMG Audit, principal statutory auditor and Mr Gérard Rivière, secondary statutory auditor are set to expire at the end of this meeting and they have expressed their wish not to have their mandates renewed. We therefore propose that you appoint as their replacement BDO Gendrot, 25 Quai Carnot - 92000 Saint-Cloud as principal statutory auditor and Fiduciaire MCR as secondary statutory auditor, headquartered at 232, Avenue du Prado – 13000 Marseille for a period of six fiscal years, namely until the completion of the Annual General Meeting called to approve the financial statements for the fiscal year ending 31 October 2009.

Directors' fees

We hereby inform you that no directors' attendance fees will be granted to the members of the Supervisory Board.

1.9. Employee relations and environmental issues

Information on employee relations and environmental issues provided in accordance with article L.225-102-1 of the Commercial Code:

Employee relations

Our people make us what we are

At the end of the fiscal year, Groupe Partouche had 5,347 employees, and an average headcount remaining in line with the prior year.

This stability stems mainly from our finely calibrated management of joiners and leavers, together with the close supervision of our teams.

88% of the Group's employees are employed under open-ended contracts.

Women make up 39% of our total workforce.

We have 558 executive level staff.

Work organisation

Each casino's work schedule is managed entirely at the local level. Schedule planning is driven by two factors specific to our sector. First, the fact that our establishments are open 365 days a year means that we have to use a team rota system and secondly, a large number of our employees work at night, due to the very nature of the gaming, restaurant, and entertainment businesses.

Working time reduction agreements were negotiated and signed at certain subsidiaries.

Subcontracting is only used on a relatively small scale, as our key professional specialities cannot be easily outsourced. During the fiscal year, subcontracting represented €2.6 million, chiefly attributable to the provision of security services.

Rewards and loyalty enhancements

Total payroll including social charges came to €163 million, and the combined total of profit sharing paid by the subsidiaries came to €7.1 million.

Employee communication

Each subsidiary, irrespective of whether or not it has employee representative bodies, makes sure that there is free and open communication, an essential ingredient for employee relations within the company.

By managing our staff "in real time", and allowing our subsidiaries to remain independent, our management teams can continually adapt to changing employee relations dynamics.

Health and safety

Groupe Partouche strives to give its patrons additional guarantees with respect to food and drink hygiene by anticipating potential risks.

To this effect, an independent laboratory is responsible for systematically controlling all of the subsidiaries' restaurant facilities.

The work currently underway will lead to the implementation of a Quality Charter, to be applied by all of our subsidiaries.

Moreover, 1,187 catering staff will be given specially adapted training on food and drink health hygiene.

This exemplary level of commitment is part of Groupe Partouche's longstanding policy of providing quality hospitality services and respecting our clientele.

Moreover, a system of internal risk assessment documents is implemented and updated every year, enabling, notably the Health & Safety, Security and Working Conditions Committees, to minimise any risks to the health and safety of our employees.

Ongoing, permanent identification of risks and ways of mitigating them lie at the heart of this process.

Rather than simply adhering to the letter of the law, Groupe Partouche has made this a moral principle, a core component of our essential values of respecting people at the workplace.

Training to keep a competitive edge

Our businesses are constantly changing, which naturally means that our employees need to be willing to embrace change.

For example, slot machines floor computerisation and our ceaseless efforts to optimise the profit centres require our staff to continually update their training.

This training notably involves sending our staff – senior gaming staff – on weekend training programmes, before starting their new role.

Employing and integrating disabled staff

Groupe Partouche ensures that its legal and moral obligations are fulfilled; each subsidiary remains free to make its own hiring and charity contribution decisions.

Caring and sharing

Groupe Partouche focuses its efforts at the local level, preferring to contribute to the local communities in which it operates. Examples abound, particularly in the realm of sporting events and shows, and can be found in the company magazine Players Magazine, which is distributed to our patrons and employees.

Our plethora of charitable contributions and support for non-profit associations help make Groupe Partouche a leading player in the social and economic fabric of its subsidiaries' local communities.

Environmental issues

Even though its business only has a very low level of exposure to industrial risks, the potential environmental consequences for the Group via its subsidiaries are as follows:

1. Water, raw materials and energy resources; use of land; airborne waste; water and land; noise, olfactory and waste pollution:

Groupe Partouche and its subsidiaries do not produce much airborne and waterborne waste with a direct impact on the environment. All of the used water is directly channelled into a sewerage network operated by the company's regional authority. Very little airborne waste is produced. The main impacts produced by the Group are moderate CO2 emissions due to energy consumption.

The Group does not carry out any activity which may have a major olfactory or sound impact on the environment.

2. Measures taken to limit impacts on the biological ecosystem, natural habitats and protected species of animals and vegetation:

Our activity in the leisure business has no impact on the ecosystem, natural habitats and protected species of animals and vegetation.

Our Group strives to ensure that its establishments and activity are optimally adapted to the surrounding scenery, in order to integrate its sites into the natural environment.

3. Environmental assessment and accreditation procedures taken with respect to the environment:

Our main business in the leisure sector does not require any assessment or accreditation procedures with respect to the environment, in contrast to industrial companies.

4. The measures taken, where applicable, to ensure that the company's activity complies with applicable legal and regulatory provisions in this respect:

Groupe Partouche has taken the necessary measures to ensure that its activities comply with the legal and environmental regulations with respect to the environment. In all of its principal sites, an employee is responsible for "environmental affairs".

5. Expenses incurred to mitigate the consequences of the company's activity on the environment:

The amount of expenses incurred to mitigate the consequences of the company's activity on the environment remains marginal.

6. Existence within the company of internal environmental management, employee training and information departments, resources set aside to mitigate environmental risks and the organisation set up to deal with pollution accidents with consequences beyond the group's own establishments:

Since our business has very little environmental impact, Groupe Partouche does not have an internal environmental management department and specific employee training in this regard.

7. The amount of provisions and guarantees for environmental risks, except where this information may lead to a serious prejudice for the company in a current lawsuit:

None of Groupe Partouche's current or formerly-owned establishments had to make provisions or guarantees for environmental risks during 2003.

8. The amount of indemnities paid during the course of the fiscal year with regard to the execution of a legal decision relating to environmental issues and action taken to repair damages caused thereby:

No indemnities with regard to the execution of a legal decision relating to environmental issues was paid during the fiscal year.

9. Information relating to the objectives which the company assigns to its foreign subsidiaries with respect to points 1 to 6 above:

Information relating to the environmental objectives which Groupe Partouche assigns to its foreign subsidiaries on points 1 to 6 have been circulated in Belgium, Switzerland, Spain, Tunisia and Morocco.

II. Executive Board Report to the Extraordinary General Meeting

Global authorisations for a capital increase

We have also convened an Extraordinary General Meeting in order to submit to you several resolutions which would have the effect, after the decision of the Meeting, of granting the Executive Board the authorisations which will allow it to carry out issues of transferable securities leading to a capital increase of your company with or without shareholders' pre-emptive subscription rights being maintained.

These delegations will be granted, in accordance with the law, for a period of 26 months commencing on the date of this Meeting.

These resolutions fall under the "global delegation" provisions of article L.225-129-III of the Commercial Code. They will therefore have the effect of rendering null and void the previous authorisations granted by the Extraordinary General Meeting of 9 April 2002.

These resolutions aim to grant the Executive Board the greatest possible liberty of action in the best interests of the company. They facilitate the development of the company's business by raising the necessary capital on the financial markets.

The authorisations covered by the resolutions submitted for your approval will grant the Executive Board the possibility of opting for the most favourable types and terms of issues available in light of the wide range of securities and the constant evolution of the stock markets and to use these delegations during a Public Cash Offer or Public Exchange Offer.

Your Executive Board will thus be able to issue shares in the company, as well as any securities with an immediate and/or deferred equity component.

The total maximum par value amount of share capital increases to be conducted immediately or in the future may not exceed 500,000,000 euros, a ceiling which excludes the total par value of shares which may be issued to preserve the rights of holders of securities conferring entitlement to shares.

These issues may be made with or without the pre-emptive subscription rights of shareholders being maintained. Preferential subscription rights are cancelled in order to accelerate the placement of issues and thereby facilitate completion.

In the event of an issue without pre-emptive subscription rights, the amount received or to be received by the company for each share issued, after taking into consideration, where standalone share warrants are issued, the issue price of the said warrants, should at least be equal to the average of the share price recorded on the stock market for the company's share during the 20 days period preceding the beginning of the issue of the shares or any other security, after adjusting this average according to the date that the securities will start to enjoy rights.

Authorisation for a capital increase reserved for employees

Moreover, under the provisions of the Employee Savings Act of 19 February 2001 which create the obligation before any decision is taken with regard to capital increases, to invite the Meeting to approve a proposed resolution with regard to the performance of a capital increase under the conditions laid down by article L.443-5 of the Labour Code.

The purpose of this increase is to enable the amounts paid into one or more Company Savings Plan(s) (PEE) to be set aside in whole or in part, directly or via a Company Mutual Fund (FCPE), to the subscription of shares issued under conditions (notably price), fixed by applicable regulations.

For the sole purpose of meeting legal requirements, a resolution for a capital increase in favour of employee shareholders has been presented to you. It contains a simple authorisation for a capital increase and a wide-ranging delegation granted to the Executive Board.

Your Executive Board invites you to approve this resolution even if the current position of the company with regard to employee savings programmes means that it is unlikely to effectively use this delegation.

On this basis, after reading the reports presented by the statutory auditors, we invite you to vote on the following agenda and proposed resolutions.

The Executive Board

III. Observations of the Supervisory Board to the Combined Shareholders' Meeting of Friday, 23 April 2004 at 10 a.m.

Ladies and Gentlemen,

The Executive Board of our Company convened you to the Combined Annual and Extraordinary General Meeting in compliance with the law and the Articles of Association, in order to report to you on the position and activities of our company and of the Group during the year ended 31 October 2003 and to invite you to approve the financial statements for the said year and the appropriation of earnings.

You have heard the reports of the Executive Board and the Statutory Auditors.

We were kept regularly informed of the performance and the activities of your Company and its Group and we have carried out the specific procedures we deemed necessary in order to fulfil our mission of supervision.

We note with satisfaction the results of the Company, which reflect the quality of the business strategy implemented by the Executive Board under the aegis of its Chairman, within a general environment marked by a slowdown in the leisure business, and a heavier burden of our sector-specific levies.

Consequently, pursuant to Article L. 225-68 of the new Commercial Code, we have examined and verified the financial statements submitted to us by the Executive Board and we have no specific observations to make concerning the report of the Executive Board or the financial statements.

We hope that all of the proposals presented to you by the Executive Board in its report will receive your approval, and that you will adopt both the annual and extraordinary meeting resolutions submitted to you.

The Supervisory Board

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CONSOLIDATED BALANCE SHEET

YEARS ENDED 31 OCTOBER

Assets (net values)

€'000	Notes	2003	Pro forma 2002	2002	2001
INTANGIBLE ASSETS					
Set-up costs		749	*665*	*665*	*1 071*
Capitalised research and development costs		466	*102*	*102*	*14*
Franchises, patents, licences and trademark		572	*604*	*604*	*854*
Internally generated goodwill		7 121	*7 353*	*7 353*	*5 708*
Goodwill on acquisition	2	380 915	*385 740*	*393 621*	*72 562*
Other intangible assets		1 102	*1 145*	*1 145*	*764*
Intangible assets	1	**390 924**	395 611	403 492	80 973
TANGIBLE FIXED ASSETS					
Land		18 709	*18 769*	*18 769*	*12 322*
Buildings		232 687	*240 228*	*240 228*	*144 555*
Machinery and equipment		41 996	*35 578*	*35 578*	*27 579*
Other tangible fixed assets		51 415	*53 673*	*53 673*	*29 465*
Assets under construction		4 720	*3 607*	*3 607*	*8 596*
Deposits and downpayments		14 276	*897*	*897*	*1 064*
Tangible fixed assets	3	**363 802**	352 752	352 752	223 581
FINANCIAL INVESTMENTS					
Investments in associate	4	36 215	*43 184*	*43 180*	*48 448*
Investments in securities		48	*60*	*60*	*6*
Loans	6	1 262	*1 188*	*1 188*	*1 090*
Other long-term investments		2 305	*1 578*	*1 578*	*1 033*
Financial investments		**39 830**	46 011	46 006	50 577
FIXED ASSETS		**794 557**	794 374	802 250	355 131
CURRENT ASSETS					
Raw material	7	2 521	*2 385*	*2 385*	*1 890*
Semi-finished and finished goods	7	477	*470*	*470*	*170*
Goods held for resale	7	4 196	*4 372*	*4 372*	*840*
Downpayments to suppliers		942	*378*	*378*	*400*
Trade receivables	8	12 880	*9 828*	*9 828*	*8 141*
Deferred tax		1 555	*8 805*	*1 940*	*2 903*
Other receivables	9	35 610	*51 280*	*51 280*	*28 993*
Treasury shares		291	*169*	*169*	*168*
Other marketable securities	10	7 000	*3 388*	*3 388*	*20 670*
Cash at bank and in hand	10	55 637	*46 698*	*46 698*	*25 743*
Deferred charges	11	7 506	*7 297*	*7 297*	*5 929*
CURRENT ASSETS		**128 615**	135 071	128 206	95 847
Prepayments and accrued income		9 710	*2 564*	*2 564*	*1 138*
TOTAL ASSETS		**932 882**	932 008	933 019	452 116

Shareholders' Equity and Liabilities (net values)

€'000	Notes	2003	Pro forma 2002	2002	2001
Share capital		86 195	*86 195*	*86 195*	*86 195*
Share premium		9 411	*9 411*	*9 411*	*9 411*
Consolidated reserves		110 017	*79 617*	*86 637*	*56 681*
Group revaluation reserve		128	*139*	*122*	*81*
Group net income for the year		17 657	*17 261*	*22 459*	*34 314*
SHAREHOLDERS' EQUITY	12	**223 408**	**192 622**	**204 824**	**186 682**
Minority interests	12	24 877	*18 636*	*19 154*	*10 823*
Net income attributable to minority interest		6 155	*3 279*	*2 752*	*3 108*
MINORITY INTERESTS		**31 032**	**21 915**	**21 905**	**13 931**
Contingency provisions	13	6 371	*5 242*	*5 242*	*2 163*
Loss provisions	13	3 751	*4 710*	*4 710*	*1 679*
CONTINGENCY AND LOSS PROVISIONS	13	**10 122**	**9 953**	**9 953**	**3 842**
Bank loans and overdrafts	14	391 754	*534 741*	*527 017*	*132 755*
Other borrowings	14	116 303	*17 333*	*17 333*	*7 966*
Downpayments from clients		2 468	*2 039*	*2 284*	*997*
Trade notes and accounts payable		18 514	*19 012*	*19 012*	*13 392*
Tax and social charges	15	88 513	*80 350*	*80 265*	*58 482*
Deferred tax liability	18	16 513	*18 666*	*15 047*	*1 082*
Liabilities to fixed assets suppliers	16	10 314	*11 334*	*11 334*	*13 823*
Other liabilities	17	13 354	*14 352*	*14 352*	*10 513*
Deferred income		10 585	*9 692*	*9 614*	*8 651*
LIABILITIES		**668 319**	**707 518**	**696 259**	**247 661**
Accruals		–	–	*78*	*0*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**932 882**	**932 008**	**933 019**	**452 116**

CONSOLIDATED INCOME STATEMENT

YEARS ENDED 31 OCTOBER

€'000	Notes	2003	*Pro forma 2002*	*2002*	*2001*
Sales of goods held for resale		1 256	*1 420*	*1 386*	*1 269*
Sales of services		434 399	*436 931*	*370 599*	*289 274*
NET TURNOVER		**435 655**	438 351	371 985	290 543
Goods capitalised		717	*322*	*322*	*530*
Operating subsidies		385	*386*	*215*	*276*
Reversals of depreciation, amortisation, provisions and expense transfers	1	20 638	*13 332*	*9 809*	*5 419*
Other income		405	*389*	*287*	*351*
Operating income		**457 801**	452 780	382 619	297 119
Purchases and change in inventories	2	25 980	*26 280*	*23 125*	*17 456*
Other purchases and external expenses	2	100 905	*97 947*	*81 155*	*58 711*
Tax		21 785	*22 256*	*18 699*	*14 048*
Personnel costs	3	163 195	*160 788*	*135 118*	*95 917*
Depreciation and amortisation charges on fixed assets		33 852	*33 199*	*28 041*	*20 059*
Impairment of current assets		4 134	*4 164*	*3 261*	*3 127*
Contingency and loss provisions		1 791	*1 683*	*1 244*	*690*
Other expenses		11 872	*10 507*	*9 125*	*8 326*
Operating expenses		**363 514**	356 824	299 768	218 334
OPERATING INCOME		**94 288**	**95 956**	**82 850**	**78 785**
Financial income		**1 586**	8 297	2 617	1 927
Financial costs		**34 705**	35 286	25 040	9 492
FINANCIAL ITEMS	4	**(33 119)**	**(26 990)**	**(22 423)**	**(7 565)**
INCOME ON ORDINARY ACTIVITIES BEFORE TAX		**61 168**	**68 966**	**60 427**	**71 220**
Exceptional income		**27 775**	18 318	16 783	5 979
Exceptional expenses		**23 936**	17 948	12 397	5 938
EXCEPTIONAL ITEMS	5	**3 839**	**369**	**4 386**	**41**
Amortisation of goodwill on acquisition		22 383	*21 695*	*13 815*	*5 137*
Corporate income tax		16 546	*26 419*	*22 995*	*27 926*
Deferred tax		1 830	*681*	*2 793*	*775*
Share in earnings of equity affiliates		436	–	–	–
TOTAL INCOME		**487 162**	**479 395**	**402 019**	**305 024**
TOTAL EXPENSES		**463 350**	**458 855**	**376 808**	**267 602**
Net income attributable to consolidated companies		23 812	*20 540*	*25 211*	*37 422*
GROUP INCOME		**17 657**	**17 261**	**22 459**	**34 314**
NET INCOME ATTRIBUTABLE TO MINORITY INTEREST		**6 155**	**3 279**	**2 752**	**3 108**
NET EARNINGS PER SHARE		**3,87**	**3,34**	**4,09**	**6,08**

Total number of shares: 6 156 774.

CONSOLIDATED CASH FLOW STATEMENT

YEARS ENDED 31 OCTOBER

Consolidated cash flow statement

€'000	2003	*2002*
OPERATING ACTIVITIES		
Net income attributable to consolidated companies	23 812	*25 211*
Depreciation and amortisation	56 478	*42 175*
Provisions	(87)	*(5 080)*
Change in deferred tax	1 830	*2 793*
Gain on sale of fixed assets	(4 865)	*(4 314)*
Elimination of share in equity affiliates	436	–
Self-financing capacity	**77 604**	60 786
Change in working capital requirements	*17 034*	*3 845*
NET CASH INFLOW FROM OPERATING ACTIVITIES	**94 639**	**64 630**
INVESTMENTS ACTIVITIES		
Purchase of intangible and tangible fixed assets	(51 901)	*(28 819)*
Purchase of financial investments	(1 872)	*(5 923)*
Liabilities payable to suppliers of fixed assets	(935)	*(5 524)*
Disposal of fixed assets	4 133	*3 486*
Impact of change in Group structure and others	14 381	*(326 642)*
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(36 194)**	**(363 422)**
FINANCING ACTIVITIES		
Change in borrowings	(34 859)	*312 382*
Capitalised expenses	(8 394)	*(1 488)*
Dividends paid	(1 550)	*(7 631)*
NET CASH (OUTFLOW) INFLOW FROM FINANCING ACTIVITIES	**(44 803)**	**303 263**
Impact of currency fluctuations	(247)	*(57)*
INCREASE IN BANK BALANCES AND CASH	**13 394**	**4 413**
Opening cash position	49 226	*44 813*
Closing cash position	62 620	*49 226*

Consolidated change in operating working capital requirements

€'000	2003	*2002*
Assets		
Trade receivables	(3 192)	*(543)*
Inventories and semi-finished goods	1	*(182)*
Other receivables	16 813	*6 885*
Prepaid expenses	(238)	*598*
Advances and downpayments	(564)	*271*
SUBTOTAL	**12 821**	**7 028**
Liabilities		
Trade payables	(184)	*(843)*
Tax and social security liabilities	7 156	*(1 790)*
Other operating liabilities	(2 943)	*(1 154)*
Advances and downpayments	185	*603*
SUBTOTAL	**4 213**	**(3 183)**
CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS	**17 034**	**3 845**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - GROUP SHARE AND MINORITY INTERESTS

€'000	Share capital	Share premium	Translation reserve	Consolidated Group reserves	Consolidated Group income	Shareholders' equity - Group	Minority interests
POSITION AT 31 OCTOBER 2001	*86 195*	*9 411*	*81*	*56 681*	*34 314*	**186 682**	**13 931**
Translation adjustment	–	–	*41*	–	–	*41*	*8*
Distribution of GP SA dividends	–	–	–	*(4 923)*	–	*(4 923)*	–
Distribution of subsidiaries' dividends	–	–	–	–	–	–	*(2 708)*
Change in the scope of consolidation	–	–	–	–	–	–	*7 891*
Other movements	–	–	–	*565*	–	*565*	*32*
Appropriation of 2001 earnings	–	–	–	*34 314*	*(34 314)*	–	–
Net income for 2002 fiscal year	–	–	–	–	*22 459*	*22 459*	*2 752*
POSITION AT 31 OCTOBER 2002	*86 195*	*9 411*	*122*	*86 637*	*22 459*	**204 824**	**21 905**
Translation adjustment	–	–	6	–	–	6	(227)
Distribution of GP SA dividends	–	–	–	–	–	–	–
Distribution of subsidiaries' dividends	–	–	–	–	–	–	(1 556)
Change in the scope of consolidation	–	–	–	–	–	–	4 755
Other movements	–	–	–	921	–	921	–
Appropriation of 2002 earnings	–	–	–	22 459	(22 459)	–	–
Net income for 2003 fiscal year	–	–	–	–	17 657	17 657	6 155
POSITION AT 31 OCTOBER 2003	**86 195**	**9 411**	**128**	**110 017**	**17 657**	**223 408**	**31 032**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED 31 OCTOBER

Key events of the fiscal year

With the support of its parent company, on 26 August 2003, Groupe Partouche refinanced 62.3% of its debt. Financière Partouche, Groupe Partouche's family shareholder injected 100 M€ of equity equivalents into its subsidiary in the form of a subordinated current account.

The balance of the previous syndicated loan was refinanced under the aegis of Natexis Banques Populaires, Lead Arranger, with HSBC-CCF, Crédit Lyonnais and CIC- Lyonnaise de Banque acting as Co-Arrangers, for a new 330 M€ syndicated loan, repayable over seven years under more favourable conditions.

Groupe Partouche, which owned 439,536 bonds issued by Compagnie Européenne de Casinos, announced its decision to convert them into shares.

Compagnie Européenne de Casinos' General Meeting of 3 October 2003 therefore decided to perform a capital increase in favour of Groupe Partouche via the creation of new shares subscribed by Groupe Partouche by converting its bonds.

In June 2003, Groupe Partouche was selected under Le Havre's competitive tender procedure to operate the town's future casino, and signed a list of contractual specifications for a period of 18 years.

In July 2003, Groupe Partouche opened the casino in Meyrin, Switzerland, in which it has a 40% equity stake. At the beginning of the fiscal year, the group sold Casino du Mont-Dore, Casino de La Bourboule, SCI Mont-Dore and in September 2003, it sold Spa casino in Belgium.

Accounting policies

Accounting standards

The Group's consolidated financial statements were prepared in accordance with French accounting standards as defined by CRC Regulation 99-02.

The financial statements of foreign companies were prepared on the basis of accounting standards in force in their countries in order to apply the policies generally accepted by the Group.

Since CEC was consolidated for a six-month period in the consolidated financial statements for the year ending 31 October 2002, pro forma accounts were prepared for 2002, presenting the impact of this acquisition on the fiscal year as a whole, in order to facilitate comparison with the current year. The pro forma accounts were prepared using Groupe Partouche's accounting policies.

Preparing the transition to International Financial Reporting Standards (IFRS)

Conscious of the issues related to the transition to IFRS, Groupe Partouche took the necessary measures to ensure the success of this transition as of 1 November 2005.

We intend to deal with these issues both at a conceptual and an operational level thanks to our newly-formed strategy and coordination team, assisted by external consultants.

The major part of our analysis will deal with tangible fixed assets.

Consistent systems and standards used within the Group will facilitate the small number of modifications to our information systems.

Consolidation methods

The full consolidation method is applied in the case of all of the subsidiaries over which the Group has exclusive control, either directly or indirectly.

Companies in which the Group has joint control with one or several other partners are consolidated under the proportional consolidation method. This method was applied to SA du Casino de Grasse and SC du Casino de Grasse.

Companies over which Groupe Partouche has significant influence are equity-accounted. This method is applied for the first time this fiscal year in the case of the following four companies: International Casino of Madrid (Egypt), Société Française d'Investissement d'Hôtels et de Casinos, SA Casino du Palais de la Méditerranée and SAS Hôtel du Palais de la Méditerranée.

Changes in accounting presentation and policies commencing 1 November 2002

The first-time application of CRC Regulation 2000-06 in respect of liabilities did not have an impact on opening shareholders' equity, nor on net income for the period 1 November 2002 to 31 October 2003.

Foreign currency translation methods

1. FOREIGN COMPANIES' FINANCIAL STATEMENTS

Foreign companies' financial statements are initially prepared in each subsidiary's local currency. Balance sheet items are translated into euros on the basis of the exchange rates prevailing at the closing date of the fiscal year. Shareholders' equity items are translated on the basis of the historical exchange rates, with translation differences from the previous fiscal year being accrued under the heading "translation differences" included in shareholders' equity.

The income statement and cash flow headings are translated using an average rate during the fiscal year.

2. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Receivables and payables expressed in foreign currencies are translated on the basis of the exchange rate prevailing at 31 October 2003. Income, expenses and transaction flows are translated on the basis of the exchange rate prevailing at the date they were posted. The gains and losses resulting from the translation of the assets and liabilities are listed in the income statement, as provided by the preferential method of Regulation 99-02.

Intangible assets

1. GOODWILL ON ACQUISITION

On the acquisition of the shares of a consolidated company, the separately identifiable assets and liabilities are valued at their total fair value based on the Group's intended utilisation. The corresponding assets and liabilities are therefore recognised in the balance sheet at this revised value.

Goodwill on acquisition is the difference between the acquisition cost of the shares and the value of the corresponding proportion of revalued net assets at the date of acquisition, after deducting any external expenses directly related to the acquisition.

In the casino business, external growth transactions (acquisitions, etc.) generate positive goodwill on acquisition, since the activity of the acquired casinos is generally limited to table games. It is by taking account of future profitability, resulting in particular from the likelihood of obtaining slot machines, that the goodwill on acquisition is justified, after deduction of any specific assets which may have been charged.

In accordance with the Group accounting policy, goodwill on acquisition is amortised on a straight-line basis over a period of 20 years, in view of the long-term and beneficial nature of the investments concerned.

If the criteria indicated above are not met, and particularly if authorisation to operate slot machines is not obtained or where the profitable capacity is less than that originally estimated for a consecutive period of three years after obtaining the initial slot machines licence, Groupe Partouche may review its position with regard to the residual amortisation period of the related goodwill on acquisition.

2. INTERNALLY GENERATED GOODWILL

In light of the sector in which the Group operates, the business itself can constitute significant identifiable assets which may be recognised when effective control of the consolidated companies is assumed. In this case, only separately identifiable assets are taken into account, in respect of which changes in value may be effectively monitored over time. Any internally generated goodwill generated by assets that are not separately identifiable is fully impaired.

Group companies' internally generated goodwill (excluding development rights) is amortised over a period of 20 years. Should the company's business activities decline, or should any components of internally generated goodwill become obsolete, the amortisation period may be reviewed.

3. OTHER INTANGIBLE ASSETS

Other intangible assets are amortised over their expected useful economic lives:

• Start-up costs	5 years
• Patents and licences	1 to 2 years
• Software	1 to 3 years

Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet at historical cost (acquisition price plus acquisition-related expenses) or at production cost.

The Group generally uses the straight-line method of depreciation, over the following expected useful lives:

• Buildings	20 to 50 years
• Equipment, fixtures and fittings	5 to 10 years
• Vehicles	4 to 5 years
• Office and Computer Equipment	2 to 5 years

Moreover, slot machines within the Group are depreciated on a straight-line basis over five years and the coins and chips over ten years.

Long-term investments

Long-term investments are recognised in the balance sheet at acquisition cost net of any transaction-related expenses, or at contribution value.
When their fair value falls below gross value, a provision for impairment is recognised for the difference. The fair value of the investments is based on their value-in-use or market value. This value may be determined by:
• calculating the net asset value based on the subsidiaries' latest annual financial statements, adjusted for any unrealised capital gains (internally generated goodwill, buildings, deferred tax, etc.),
• forward-looking data such as profitability prospects,
• stock market prices.

Inventories

Inventories are valued on a "first-in, first-out" basis.

Receivables

Receivables are recognised at their face value. An impairment provision is set aside whenever their fair value, based on the likelihood of their being recovered, is less than their book value.

Marketable securities

Marketable securities are recognised in the balance sheet at the lower of acquisition cost and market value. The market value of shares is determined on the basis of the average stock market price during the last month of the fiscal year.

Deferred tax

The Group calculates its taxes in accordance with the tax legislation in force in the countries where the income is taxable.

Deferred taxes are determined each year for each tax entity using the liability method based on eachcompany's tax position or on the income of all the companies that are included in the tax consolidation groups.

Deferred tax assets relating to loss carry-forwards and to depreciation that is deemed to be deferred (ARD) are only recognised if the tax entity is reasonably certain that it will recover such in later years.

Contingency and loss provisions

Contingency and loss provisions mainly comprise:
• tax and social security claims by the relevant public administrations, estimated on the basis of data available at the end of the fiscal year,
• progressive jackpots,
• provisions for retirement benefits of companies entering the scope of consolidated since the application of CRC Regulation 99-02 (the method used to estimate this provision is explained below in the paragraph entitled "Retirement benefit commitments").

Capital leases

PROPERTY LEASES

Property assets held under capital leases are recognised as if they had been acquired outright. The value of the assets financed in this way is recognised as an asset and depreciated in accordance with the depreciable lives indicated in the paragraph related to tangible fixed assets. The corresponding liabilities are recorded under financial debts as liabilities in the consolidated balance sheet.

OTHER CAPITAL LEASES

Other capital leases are not restated. The capitalisation of these assets would not have had a significant impact on the consolidated balance sheet. The corresponding lease payments are recognised under the operating expenses of the period to which they relate. The amount of commitments related to these contracts is disclosed under off balance sheet commitments given.

Retirement benefit commitments

As provided by the regulations and law of each country, the Group's companies have mandatory commitments in respect of retirement bonuses.

These commitments have been subject to an actuarial valuation using the prospective method. The entire amount of the expense corresponding to the rights acquired by employees is determined on the basis of agreements in place at each company. This valuation takes into account probabilities that employees will remain in Group employment until retirement, mortality rates based on gender, expected change in salary levels and financial discounting. An individual set of assumptions is applied by each subsidiary. A 5.5% discount rate is applied.

The Group did not use its option of recognising these commitments as provisions in the consolidated financial statements for the year ended 31 October 2003. Within the Group, retirement benefit commitments are entirely contracted in France and relate solely to retirement bonuses. The amount of the commitments related to these contracts is disclosed under off balance sheet commitments given. Retirement benefit commitments relating to companies that joined the Group's consolidation scope since the application of CRC Regulation 99-02 are subject to a provision for losses based on an assessment of the fair value of the assets and liabilities of the companies in question at their date of acquisition. The provisions are not updated at the fiscal year-end. Any valuation difference is recognised under off balance sheet commitments given.

Specific observations concerning accounting standards

1. The chart of accounts for spa resort casinos (Decree of 27 February 1984) requires the application of specific regulations regarding investment subsidies resulting from own-use tax levies.

Own-use levies refer to the casinos' additional net receipts from applying a revised progressive scale of levies (27 November 1986), 50% of which should be set aside to improve the tourism-related capital assets as specified by the Decree. Investment subsidies recognised under shareholders' equity in the subsidiaries' financial statements are restated under "deferred income" in the consolidated financial statements and form the bulk of this account heading.

2. In accordance with the casino chart of accounts, the Group provides for progressive jackpots at the end of the fiscal year.

3. Since the 31 October 1997 year-end, and in order to comply with the recent interpretation of the chart of accounts applicable to spa resort casinos, Group casinos do not account for the inventory face values of coins and chips under cash at bank and in hand and other liabilities. Only coins and chips in circulation are recorded under other liabilities.

4. Since the 31 October 1999 year-end, the Group capitalises interest relating to investments exceeding €15.2 million in the company accounts of the relevant subsidiary until the corresponding investments come into operation.

Distinction between ordinary income and extraordinary income

The extraordinary revenue and expenses included in the consolidated income statement include exceptional items resulting from ordinary activities, and extraordinary items. Extraordinary items resulting from ordinary activities are those whose occurrence is not related to the company's ordinary activities, either because their amounts or impact are of abnormal nature or because they very rarely occur.

Segmental information

€ million, Years ended 31 October	2003	2002	2001
TURNOVER			
Games	322,8	*270,2*	*209,2*
Restaurants	54,0	*46,3*	*38,2*
Hotels	30,8	*29,2*	*25,6*
Other	28,1	*26,2*	*17,5*
CONSOLIDATED TOTAL	**435,7**	**371,9**	**290,5**

€ million, Years ended 31 October	2003	2002	2001
TURNOVER			
France	406,7	*353,6*	*277,6*
Europe (excluding France)	25,1	*14,3*	*7,8*
Other	3,8	*4,0*	*5,1*
CONSOLIDATED TOTAL	**435,7**	**371,9**	**290,5**

Notes to the balance sheet

Note 1 – Intangible assets

CHANGES IN GROSS VALUES

€'000, Years ended 31 October	2002*	Newly acquired companies	Increase	Decrease	2003
Internally generated goodwill	*10 379*	*12*	*185*	*1 639*	8 938
Goodwill on acquisition	*435 490*	*–*	*15 669*	*6 528*	444 631
Other	*8 548*	*553*	*1 684*	*905*	9 880
TOTAL	**454 417**	**565**	**17 538**	**9 072**	**463 449**

AMORTISATION

€'000, Years ended 31 October	2002*	Newly acquired companies	Increase	Decrease	2003
Internally generated goodwill	*3 026*	*–*	*369*	*1 578*	1 817
Goodwill on acquisition	*41 869*	*–*	*22 371*	*525*	63 716
Other	*6 031*	*–*	*1 422*	*461*	6 992
TOTAL	**50 926**	**–**	**24 162**	**2 563**	**72 525**

NET VALUES

€'000, Years ended 31 October	2003	2002
Internally generated goodwill	7 121	*7 353*
Goodwill on acquisition	380 915	*393 621*
Other	2 889	*2 517*
TOTAL	**390 925**	**403 492**

* These amounts include foreign exchange translation differences at the year-end closing exchange rate of foreign companies. They are not material.

Comments :

- The reduction in gross Internally generated goodwill is due chiefly (in the amount of €1.5m) to the write-off of internally generated goodwill following the transfer of the operation of Cannes Carlton casino to the Palm Beach site.
- The increase in Other intangible assets stems mainly from the €0.715m increase in respect of Caskno.

Note 2 – Goodwill on acquisition

SUMMARY OF GOODWILL ON ACQUISITION

€'000, Years ended 31 October	Goodwill on acquisition 2003 Gross	Amortisation	Net	2002 Net
Holding companies				
GROUPE PARTOUCHE SA	369 566	41 155	328 411	*354 932*
FORGES THERMAL	635	195	440	*58*
ÉLYSÉE PALACE EXPANSION	2 904	1 288	1 615	*1 761*
SFC	6 887	1 246	5 642	*6 790*
SIHCT	373	75	298	*461*
SCI THERMES	864	154	711	*754*
SEMCG	942	165	777	*824*
GROUPE PARTOUCHE INTERNATIONAL	9 505	2 716	6 788	*5 875*
SIKB	119	54	65	*71*
SATHEL	18 382	9 004	9 378	*10 319*
SEK	8 705	5 254	3 451	*3 927*
AIX THERMAL	1 676	794	882	*966*
C.E.C	7 743	554	7 188	*6 883*
CASINO PALM BEACH	6 518	652	5 866	–
ROCHE POSAY	222	11	211	–
CIE CASINOS HOLDING	9 510	397	9 113	–
CASKNO	80	2	78	–
CONSOLIDATED TOTAL	**444 631**	**63 716**	**380 915**	**393 621**

BREAKDOWN OF GROSS GOODWILL ON ACQUISITION BY ACTIVITIES AT 31 OCTOBER 2003

Casinos	400 160
Other	44 471
CONSOLIDATED TOTAL	**444 631**

BREAKDOWN OF CHANGES

€'000, Years ended 31 October	
Net value 2002	393 621
INCREASE (gross values)	
Swiss business unit	9 948
Sandton	3 066
San Roque	1 364
Equity accounted	649
Other	616
DECREASE	
Disposals (net values)	(5 966)
Amortisation charges	(22 383)
NET VALUE 2003	**380 915**

Note 3 – Tangible fixed assets

CHANGE IN GROSS VALUES

€'000, Years ended 31 October	2002*	Newly acquired companies	Increase	Decrease	2003
Land	*19 903*	*19*	*864*	*1 225*	19 561
Buildings	*315 198*	*67*	*6 377*	*6 781*	314 860
Machinery and equipment	*106 102*	*–*	*19 501*	*6 612*	118 991
Other	*95 761*	*42*	*9 212*	*4 799*	100 216
Assets under construction	*3 607*	*711*	*2 090*	*1 689*	4 720
Advances and downpayments	*897*	*–*	*13 640*	*261*	14 276
TOTAL	**541 468**	**839**	**51 683**	**21 367**	**572 623**

DEPRECIATION

€'000, Years ended 31 October	2002*	Newly acquired companies	Increase	Decrease	2003
Land	*1 350*	*–*	*177*	*676*	852
Buildings	*76 340*	*129*	*10 273*	*4 569*	82 173
Machinery and equipment	*70 572*	*–*	*11 876*	*5 453*	76 995
Other	*42 246*	*28*	*9 613*	*3 086*	48 801
TOTAL	**190 508**	**157**	**31 940**	**13 784**	**208 821**

* These amounts include foreign exchange translation differences at the year-end closing exchange rate of foreign companies.

NET BOOK VALUES

€'000, Years ended 31 October	2003	2002
Land	18 709	*18 769*
Buildings	232 687	*240 228*
Machinery and equipment	41 996	*35 578*
Other	51 415	*53 673*
Assets under construction	4 720	*3 607*
Advances and downpayments	14 276	*897*
TOTAL	**363 803**	**352 752**

"Other" tangible fixed assets break down as follows at 31 October 2003:

€'000, Years ended 31 October	Gross values	Depreciation
Technical and office equipment	1 866	1 413
Vehicles	15 412	10 489
Other	82 938	36 899
TOTAL	**100 216**	**48 801**

Comments:

Buildings:

• The increase in Buildings is due primarily to the renovation of Lac Meyrin casino in the amount of 3 650 K€ and the refurbishment of Hyères and Forges casinos for 569 K€ and 530 K€, respectively. The decrease in this account is attributable to the disposal of fixed assets in Saxon casino of 3,7 M€.

• Fixed assets resulting from restated finance leases had an 8,6 M€ impact on Buildings (gross).

Machinery and equipment:

• The increase in Machinery and equipment, includes the refurbishment of Meyrin (2,8 M€), Aix-en-Provence (1,6 M€), Palm Beach (949 K€), Knokke (908 K€), Ostend (907 K€), La Roche Posay (759 K€), and Plombières (757 K€) casinos.

Advances and downpayments:

• The increase came mainly from advances made for the construction of St-Amand Pasino of 13,4 M€.

Note 4 – Non-consolidated investments in associates

Companies that are deemed insignificant with regard to their turnover, their total assets, their net worth and net income and those held solely on a provisional basis, are not consolidated.

'000, Years ended 31 October	2003 Gross value	2003 Depreciation	2003 Net value	2002 Net value
Non-consolidated owned more than 50 % (1)	1 683	1 578	*105*	*6 786*
Non-consolidated owned 20 to 50 % (2)	355	142	*213*	*28*
Non-consolidated owned less than 20 % (3)	36 459	571	*35 888*	*36 367*
TOTAL	**38 497**	**2 291**	**36 206**	**43 180**

Comments:

No dividends have been paid by these companies.

(1) The substantial change in this account is due to the first-time consolidation of companies that were not consolidated previously.

(2) In a competitive tender procedure for the opening of a casino in the Netherlands, Groupe Partouche International acquired a 40% equity stake for 200 K€.

(3) The year-on-year change in this account concerns the sale of minority stakes in companies in liquidation. Société Fermière du Casino Municipal de Cannes (SFCMC) represents 35 308 K€ of the total amount. The share price of SFCMC on 31 October 2003 was 534 €.

Note 5 – Equity affiliates

Group share in the equity and earnings of equity affiliates:

'000, Years ended 31 October	% Ownership	Share in loss	Gross value of shares
International Casino of Madrid (Egypt)	17,6 %	(39)	300
Société Française d'investissements d'Hôtels et de Casinos	25 %	(386)	500
Casino du Palais de la Méditerranée	25 %	(2)	40
Hôtel du Palais de la Méditerranée	25 %	(9)	40
TOTAL		**(436)**	

Note 6 – Loans

Loans fall due as follows:

€'000, Years ended 31 October	Total	– 1 year	1 to 5 years	+ 5 years
Gross	1 654	1 240	256	158
Provision	(392)			
NET AMOUNT	**1 262**			

The loan provision is mainly for the Aix-en-Provence casino (0.2347 M€).

Note 7 – Inventories

€'000, Years ended 31 October	2003	2002
Gross	7 198	*7 234*
Provision	(5)	*(7)*
NET AMOUNT	**7 193**	**7 227**

Note 8 – Trade receivables

€'000, Years ended 31 October	2003	2002	– 1 year	1 à 5 years	+ 5 years
Gross	20 854	*16 821*	13 868	47	6 939
Provision	(7 973)	*(6 993)*			
NET AMOUNT	**12 881**	**9 828**			

Casino Palm Beach trade receivables represent €8.357 million of gross up by, €3.190 million.

The provision for impairment of trade receivables essentially covers cheques or credit card payments made by casino patrons and that are not honoured, including €3.364 million recorded at the Palm Beach.

Note 9 – Other receivables

€'000, Years ended 31 October	2003	2002
Corporate Income Tax	9 340	*19 104*
VAT	8 289	*8 724*
Other taxes	2 727	*2 133*
Employee advances and downpayments	246	*338*
Social benefits	113	*201*
Sundry receivables	28 446	*35 355*
Gross total	49 161	*65 855*
Provision	(13 551)	*(14 575)*
NET AMOUNT	**35 610**	**51 280**

BREAKDOWN

€'000	– 1 year	1 à 5 years	+ 5 years
NET	33 958	372	1 280

The change in the gross total mainly results from decreases in the following:

• the receipt of Groupe Partouche SA's corporation tax receivable of 7,2 M€.

• the debit balance current accounts, notably at Groupe Partouche SA and CEC, of 2,1 M€ and 4,4 M€, respectively.

The provision for impairment of other receivables chiefly comprises €5.3 million in respect of SOGEA's provision for the HIL receivable and €3.9 million recognised in the books of CEC, of which €2 million relates to the Budapest current account.

Note 10 – Cash and cash equivalents

€'000, Years ended 31 October	2003	2002
Listed securitie	-	*1*
SICAV-type mutual fund units	6 011	*1 241*
FCP-type mutual fund units	152	*1 432*
Certificates of deposit	457	*425*
Unlisted shares and share equivalents	385	*295*
*Treasury shares**	291	*169*
Accrued interest on marketable securities	1	*2*
Provision for impairment	(6)	*(7)*
Marketable securities (net)	**7 291**	3 557
Positive cash balances	**55 637**	46 698
NEGATIVE CASH BALANCES	**62 929**	**50 255**

* Stock market price of Groupe Partouche shares at 31 October 2003: €68.4.

Note 11 – Prepaid expenses

€'000, Years ended 31 October	2003	2002
NET TOTAL	**7 506**	7 297

The components of this accounting heading are essentially related to operations and are attributable to all of the companies in the Group's consolidation scope.

Note 12 – Change in shareholders' equity and minority interests

12.1 COMPOSITION OF THE SHARE CAPITAL

The share capital at 31 October 2003 is fixed at 86,194,836 euros, divided into 6,156,774 fully-paid shares with a par value of 14 euros each. The shares are in registered or in bearer form, at the choice of the shareholders. In accordance with the articles of association, all of the shares registered carry a single voting right per share.

12.2 GROUP SHARE OF SHAREHOLDER'S EQUITY

Please see the summary table at the beginning of the consolidated financial statements section of this report.

12.3 CHANGE IN MINORITY INTERESTS

Minority interests totalled €31.032 million at 31 October 2003 compared with €21.905 million at 31 October 2002.

This movement is primarily attributable to changes in the scope of consolidation of €4.755 million, with the following main components:

- consolidation of Lac Meyrin casino (40%-owned): €4.057 million,
- the purchase of the minority interests in San Roque: €0.13 million,
- disposals: (0.839) €M,
- other consolidation scope changes: €0.237 million.

Net income attributable to minority interests comes to €6.155 million, with the corresponding share of the dividend payout being €1.556 million.

Note 13 – Contingency and loss provisions

Claims in respect of additional assessments made by state tax and social security administrations are provided for in the amount of the estimated risks based on available data at the year-end close.

PROVISION FOR CONTINGENCIES

€'000, Years ended 31 October	2003	2002
Tax and social security re-assessments	10	*303*
Employee arbitration	4 013	*2 616*
Other provisions for contingencies	2 348	*2 323*
TOTAL	**6 371**	**5 242**

PROVISION FOR LOSSES

€'000, Years ended 31 October	2003	2002
Jackpots	638	*483*
Retirement benefit provisions	245	*282*
Tax and social security re-assessments	1 819	*3 420*
Other provisions for losses	1 049	*525*
TOTAL	**3 751**	**4 710**

Other provisions for losses includes negative equity of equity affiliates in the amount of €0.342 million.

BREAKDOWN OF REVERSALS OF PROVISION FOR CONTINGENCIES AND LOSSES

€'000, Years ended 31 October	2002	Non-utilised provisions	Utilised reversals	Reversals	2003
Reversals/Provision Contingencies and losses	*9 953*	*2 976*	*1 071*	*1 736*	**10 122**

Note 14 – Borrowings

BANK BORROWINGS

€'000, Years ended 31 October	2003	2002	– 1 year	1 to 5 years	+ 5 years
Bank loans	386 028	*520 019*	48 029	212 769	125 230
Accrued interest on borrowings	215	*327*	215		
Restated capital lease	5 418	*5 969*	604	3 435	1 379
Bank overdrafts	93	*702*	93		
TOTAL	**391 754**	**527 017**	**48 941**	**216 204**	**126 609**

Groupe Partouche refinanced the syndicated loan obtained for the acquisition of CEC. This loan now represents the major portion of the Group's bank debt and has the following characteristics:

Original loan amount: 330 M€.

Credit envelope for investment: 25 M€ unused at fiscal year-end.

Principal outstanding at the year-end: 326 700 K€

Term: 7 years

Rate: variable rate based on 3-month Euribor, with a decreasing banking margin in proportion to an improved ratio of Consolidated financial debt net of cash / Consolidated operating income plus depreciation, amortisation and operating provisions, less reversals of depreciation, amortisation and operating provisions.

Guarantees: pledging of the shares of the principal subsidiaries of the Group.

The syndicated loan also includes certain financial ratios that evolve over time, based on the Group's consolidated data, non-compliance with which would constitute a mandatory early repayment event:

- The ratio of Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals / Finance costs must be greater or equal to 3.50 at 31/10/2004.
- The ratio of Available cash flow after tax and exceptional items before debt servicing costs / Debt servicing costs must be greater or equal to 1 at 31/10/2004.
- The ratio of Financial debt net of cash / Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than or equal to 3.75 at 31/10/2004.
- Investments net of disposals are limited to 21.5 M€ for fiscal year 2004, excluding the investment credit envelope.

OTHER LOANS

€'000, Years ended 31 October	2003	2002	– 1 year	1 à 5 years	+ 5 years
Other borrowings	108 002	*9 247*	70	0	107 932
Employee profit-sharing	6 699	*6 390*	539	5 790	370
Deposits and guarantees	619	*693*	338	44	237
Liabilities in respect of shareholdings in associated entities	983	*1 002*	983		
TOTAL	**116 303**	**17 333**	**1 930**	**5 834**	**108 539**

The change in Other borrowings is due to a 100 M€ advance granted by Financière Partouche to Groupe Partouche SA in accordance with the shareholder advance agreement signed on 29 August 2003.

BREAKDOWN BY INTERESTS RATE AT THE YEAR END

€ million, excluding accrued interest, fiscal years ended 31 October	2003 Before interest rate hedging	2003 After interest rate hedging	2002 Before interest rate hedging
Fixed rate financial debt	18,80	245,17	*27,42*
Variable rate financial debt	367,23	140,86	*492,60*
FINANCIAL DEBT AT YEAR END	**386,03**	**386,03**	*520,02*
Average interest rate – fixed	5,52 %	6,36 %	*5,70 %*
Average interest rate – variable	3,99 %	3,81 %	*5,66 %*
AVERAGE INTERESTS RATE AT THE YEAR END	**4,06 %**	**5,43 %**	**5,66 %**

At the fiscal year-end, the outstanding principal of variable-rate loans represented 95% of total borrowings. We have therefore hedged a portion of the interest-rate fluctuation risk that this implies. Two contracts for exchanging variable rate into fixed rate loans (5.275% and 5.145%) cover the total amount of the debt for an amount of €7.768 million at the balance sheet date. Various zero-premium collars were subscribed to hedge the syndicated loan for a period of three years and to limit the impact of a potential rise in the reference interest rate (3-month Euribor) to a maximum of 4.50% and 5.25%. The total amount of syndicated loan principal in respect of which hedging has been obtained comes to €218.6 million at 31 October 2003, an amount which will gradually decrease as the capital is repaid.

Note 15 – Tax and social security liabilities

€'000, Years ended 31 October	2003	2002
Personnel costs	3 706	*4 029*
Employee profit sharing	7 569	*7 572*
Social security	8 152	*7 931*
Accrued vacation	12 270	*11 948*
Gaming levies-		
Other tax	50 529	*45 000*
Corporate income tax	3 013	*713*
VAT	3 274	*3 072*
TOTAL	**88 513**	**80 265**

The movement in this account heading is mainly due to a net rise in gaming levies of €5.049 million.

This increase is due to the first-time consolidation of Lac Meyrin casino in the amount of €1.014 million, while the remainder is attributable to all consolidated companies.

Note 16 – Liabilities in respect of fixed assets

€'000 Years ended 31 October	2003	2002
LIABILITIES IN RESPECT OF FIXED ASSETS	**10 314**	**11 334**

Note 17 – Other liabilities

€'000 Years ended 31 October	2003	2002
Current accounts of associates	3 065	*3 799*
Other	10 289	*10 553*
TOTAL	**13 354**	**14 352**

"Other" mainly comprises deferred charges and sundry operating liabilities of €7.184 million and €2.885 million, respectively, allocated between all of the Group's companies.

Note 18 – Deferred tax assets and liabilities

The deferred tax assets recognised in these consolidated financial statements are offset by taxable entity.

€'000 Years ended 31 October	2003	2002
DEFERRED TAX ASSET	**1 555**	**1 940**
DEFERRED TAX LIABILITY	**16 513**	**15 047**

TAX LOSSES AVAILABLE FOR CARRYFORWARD AND DEPRECIATION TREATED AS DEFERRED (ARD)

Tax losses available for caryforward and ARD that have not been recognised as deferred tax assets:

€'000, Years ended 31 October	2003
TAX LOSSES	**138 474**
DEPRECIATION TREATED AS DEFERRED (ARD)	**23 174**

Note 19 – Commitments

CAPITAL LEASE COMMITMENTS

Restating the value of assets financed by capital lease would have had the following impact on financial aggregates:

Value of assets financed by capital lease totals:

€'000, Years ended 31 October	2003
GROSS VALUE	**1 229**
Depreciation charge for the year	188
Accumulated depreciation carried forward	746
Accumulated theoretical depreciation	934
NET VALUE	**295**

The Group's commitments in respect of the residual purchase price and remaining rental payments are as follows:

€'000, Years ended 31 October	2003
Less than one year	57
One to five years	49
More than five years	–
LEASE PAYMENTS OUTSTANDING	**106**
Residual purchase price	18
Subtotal	**88**
Of which interest	9
LIABILITIES IN RESPECT OF CAPITAL LEASES	**79**

RETIREMENT BENEFIT COMMITMENTS

As provided by the regulations and law of each country, the Group's companies have mandatory commitments in respect of retirement bonuses.

These commitments have been subject to an actuarial valuation using the prospective method. The entire amount of the expense corresponding to the rights acquired by employees is determined on the basis of agreements in place at each company. This valuation takes into account probabilities that employees will remain in Group employment until retirement, mortality rates based on gender, expected change in salary levels and financial discounting. An individual set of assumptions is applied by each subsidiary. A 5.5% discount rate is applied.

The Group did not use its option of recognising these commitments as provisions in the consolidated financial statements for the year ended 31 October 2003. Within the Group, retirement benefit commitments are entirely contracted in France and relate solely to retirement bonuses. The amount of the commitments at 31 October 2003 is €0.793 million.

OFF BALANCE SHEET FINANCIAL COMMITMENTS

Commitments given: Contractual obligations and commercial commitments

COMMITMENTS GIVEN AT 31 OCTOBER 2003 €'000s	Total	Payments falling due – 1 year	1 à 5 years	+ 5 years
Long term liabilities (Bank debts with guarantees)	366 761	*41 046*	*201 264*	*124 451*
Obligations in respect of finance leases (other than hire purchase agreements)	1 262	*516*	*737*	*9*
Operating leases (property leases, non-property asset rentals)	53 813	*7 253*	*19 946*	*26 614*
Irrevocable purchase obligation (Vendor credit)	1 848	*442*	*1 406*	
Other long-term obligations (Guarantees and pledges)	12 311	*9 668*	*2 643*	
TOTAL	**435 995**	**58 926**	**225 996**	**151 074**

OTHER COMMERCIAL COMMITMENTS GIVEN AT 31 OCTOBER 2003	Total	Amounts of commitments by period – 1 year	1 to 5 years	+ 5 years
Letter of credit (LCR BOR)	0			
Other commercial commitments	18 059	*4 573*	*5 420*	*8 066*
TOTAL	**18 059**	**4 573**	**5 420**	**8 066**

The presentation of off balance sheet commitments above includes all significant off balance sheet commitments as defined under applicable accounting standards.

Commitments received at 31 October 2003

Guarantees	641
TOTAL	**641**

Note 20 – Average workforce

at 31 October	2003	2002
Executive staff	558	*465*
Non-executive staff	4 789	*4872*
TOTAL AVERAGE WORKFORCE	**5 347**	**5 337**

Group companies employed 5,347 people, including 629 who work outside France and 2,342 who work in the gaming sector.

Note 21 – Directors' remuneration

Total compensation (including benefits in kind) granted to members of the Executive Board and Supervisory Board of Groupe Partouche SA in respect of services rendered in fiscal year 2003 for controlled entities, amounts to €1.348 million.

Notes to the income statement

Note 1 – Reversals of depreciation, amortisation and provisions and expense transfers

€'000, Years ended 31 October	2003	2002	2002 Pro forma
Reversals of depreciation, amortisation and provisions	5 281	*2 691*	*3 654*
Expense transfers	15 357	*7 118*	*9 678*
TOTAL	**20 638**	**9 809**	**13 332**

The change in Expense transfers of 8 239 K€ corresponds to the expenses borne by Groupe Partouche in connection with the renegotiation of one of its loans in the amount of 7 999 K€.

Note 2 – Other purchases and external expenses

€'000, Years ended 31 October	2003	2002	2002 Pro forma
Raw materials	13 991	*12 599*	*14 823*
Capital lease payments on current assets	222	*348*	*348*
Capital lease payments on fixed assets	–	*110*	*110*
Fixed assets leases	8 491	*8 366*	*8 985*
Current assets lease	3 335	*2 642*	*3 098*
Maintenance	9 960	*8 842*	*10 390*
Insurance premiums	2 330	*2 084*	*2 698*
External staff	2 603	*2 098*	*2 276*
Professional fees	11 982	*10 841*	*15 540*
Advertising	21 609	*16 310*	*20 216*
Entertainment	2 221	*2 163*	*2 599*
Post and telecoms	2 481	*1 997*	*2 339*
Banking fees	11 291	*2 917*	*3 809*
Other	10 388	*9 838*	*10 716*
TOTAL	**100 905**	**81 155**	**97 947**

The change in Other purchases and external expenses is due mainly to the increase in the banking services of Groupe Partouche's holding company in connection with the loan refinancing operation of August 2003.

Note 3 – Personnel costs

€'000, Years ended 31 October	2003	2002	2002 Pro forma
Wages and salaries	112 679	*93 204*	*111 214*
Social security costs	43 408	*36 013*	*42 459*
Employee profit sharing	7 108	*5 901*	*7 115*
TOTAL	**163 195**	**135 118**	**160 788**

Note 4 – Financial items

€'000, Years ended 31 October	2003	*2002*	*2002 Pro forma*
Income from marketable securities	12	*17*	*1 130*
Other interest income	810	*1 321*	*2 217*
Provision reversals, expense transfers	205	*44*	*3 524*
Positive exchange differences	265	*564*	*715*
Net gain on the sale of marketable securities	294	*671*	*712*
Total financial income	**1 586**	2 617	8 297
Interest and equivalent expenses (1)	(31 961)	*(23 854)*	*(34 687)*
Negative foreign exchange differences (2)	(2 744)	*(1 186)*	*(599)*
Total finance costs	**(34 705)**	(25 040)	(35 286)
FINANCIAL ITEMS	**(33 119)**	**(22 423)**	**(26 990)**

Comments:

(1) At fiscal-year 2003 year-end, this includes:

• interest expense on Group borrowings, including 25 038 K€ in loan interest recognised in the financial statements of Groupe Partouche SA

• interest rate cover in the amount of 4 803 K€.

(2) The chief component of this variation is the translation into euros of the financial statements of foreign subsidiaries.

Note 5 – Exceptional items

€'000, Years ended 31 October	*Expense*	2003 *Income*	*Total*
EXCEPTIONAL INCOME ON MANAGEMENT TRANSACTIONS		2 960	
EXCEPTIONAL INCOME ON CAPITAL TRANSACTIONS		20 811	
Asset disposals		19 180	
Subsidies		1 631	
PROVISION REVERSALS AND EXPENSE TRANSFERS		1 778	
OTHER EXCEPTIONAL INCOME		2 226	
Total exceptional income			**27 775**
EXCEPTIONAL EXPENSES ON MANAGEMENT TRANSACTIONS	(6 644)		
Fines, tax and social security re-assessments	(1 755)		
Other expenses on management transactions	(4 889)		
EXCEPTIONAL EXPENSES ON CAPITAL TRANSACTIONS	(14 316)		
EXCEPTIONAL DEPRECIATION, AMORTISATION AND PROVISION CHARGES	(1 392)		
Provisions for tax and social security claims	(467)		
Other provision charges	(925)		
OTHER EXCEPTIONAL EXPENSES	(1 584)		
Total exceptional expenses			**(23 936)**
EXCEPTIONAL ITEMS			**3 839**

The principal exceptional item of 3,5 M€ relates to the realised capital gain on the sale of consolidated shares.

Note 6 – Corporate income tax and deferred tax

ANALYSIS OF THE TAX EXPENSE

€'000, Years ended 31 October	2003	*2002*
INCOME BEFORE TAX	**65 008**	*64 813*
Current tax	16 546	*22 995*
Deferred tax	1 830	*2 793*
TOTAL TAX EXPENSE	**18 376**	*25 788*
EFFECTIVE TAX RATE	**28,27 %**	*39,79 %*

The Group's tax expense decreased significantly in 2003 as a result of the provisioning of shares in one of the Group's subsidiaries generating a tax saving of 4,2 M€.

TAX PROOF

€'000, Years ended 31 October	2003
Income from ordinary operations (including employee profit sharing)	*61 168*
Exceptional item	*3 839*
Amortisation of goodwill on acquisition	*(22 383)*
INCOME BEFORE TAX	**42 624**
Total consolidation adjustments	18 976
Losses	70 274
INCOME TAXABLE AT THE CURRENT RATE OF CORPORATE INCOME	131 874
French corporate income tax rate	*34,33 %*
Tax charge based on current corporate income tax rate (theoretical)	(45 277)
Temporary timing differences	*91*
Permanent differences	*24 573*
Adjustments with no tax impact	*3 495*
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	*1 670*
Utilisation of tax losses carried forward and depreciation treated as deferred (ARD)	*(25 109)*
Tax credit and other	*22 181*
Group tax charge	(18 376)
CONSOLIDATED NET INCOME BEFORE TAX AND THE AMORTISATION OF GOODWILL ON ACQUISITION	**65 008**
Reconstituted Group tax rate	*28,27 %*

In France, Groupe Partouche has set up four tax consolidation groups with the following subconsolidation group heads:

• Groupe Partouche SA (Groupe Partouche, Azur Bandol, Baratem, Bourbonnaise de casino, C.D.T.H, Cannes Balnéaires, Casino d'Evaux-les- Bains, Casino de Bourbon Lancy, Casino de Contrexéville, Casino de Gréoux- les-Bains, Casino de la Grande-Motte, Casino de Palavas, Casino de St-Cast-le- Guildo, Casino de Salies-de-Béarn, Casino de St-Amand, Casino de St-Nectaire, Casino du Touquet – Les Quatre Saisons, Casino le Lion Blanc, Casino municipal d'Aix Thermal, Casino municipal de Royat, Compagnie Européenne de Casinos, Développement baie de Kernic, Eden Beach Casino, European Gaming Company, Grand casino de Bandol, Grand casino de Beaulieu, Grands hôtels du Parc, Hôtel Cosmos, Jean Metz, Lucida, Numa, Plombinoise de casino, SACBM, SATHEL, SEK, Société du casino d'Arcachon, Sonecar, Sté de brasserie et casino Les Flots Bleus, Thermes de Contrexéville, Thermes de Vittel, Villa du Havre).

• SFC (Société française de Casinos, Amenagt Zone Tour. Gruissan, Café Carmen, Casino de Port-la-Nouvelle, Centre Animation Le Phoebus, Chatel Casino, G.C.J Beaulieu, S.E.D, S.F.2.D, SIHCT).

• SEMCG (S.A. SEMCG, S.A.R.L Cie Thermale de Châtel-Guyon, SCI Foncière des Grands Hôtels, S.A. Sté hôtelière Splendid Hôtel).

• Hôtel International de Lyon (HIL, GCL).

The saving generated by this tax consolidation came to a total of €23.543 million.

BREAKDOWN OF CORPORATE INCOME TAX

€'000, Years ended 31 October	2002 Before tax	2002 Tax	2002 After tax	2003 Before tax	2003 Tax	2003 After tax
Income from ordinary operations	*60 427*	*(25 578)*	*34 849*	61 168	(14 973)	46 195
Exceptional items	*4 386*	*515*	*4 901*	3 839	(1 573)	2 266
Amortisation of goodwill on acquisition	*(13 815)*	*–*	*(13 815)*	(22 383)	–	(22 383)
Deferred tax	*–*	*(2 793)*	*(2 793)*	–	(1 830)	(1 830)
Tax credits	*–*	*2 068*	*2 068*	–	–	
TOTAL	**50 998**	**(25 787)**	**25 211**	**42 624**	**(18 376)**	**24 248**

Information on the parent company

€'000, Years ended 31 October	2003
Turnover	7 465
NET INCOME	**15 194**

Scope of consolidation

Note 1 – List of consolidated entities

The following companies are consolidated by Groupe Partouche SA:

Companies at 31 October 2003	*Headquarters*	*Percentage Control*	*Percentage Interest*	*Consolidation method*
Casinos				
SA CASINO DE SAINT-AMAND	*FRANCE*	*99,99*	*99,99*	*FC*
SA GRAND CASINO DE CABOURG	*FRANCE*	*99,94*	*99,94*	*FC*
SA CASINO DU GRAND CAFÉ	*FRANCE*	*61,95*	*61,87*	*FC*
SA GRAND CASINO DE BEAULIEU	*FRANCE*	*99,90*	*99,90*	*FC*
SA FORGES THERMAL	*FRANCE*	*58,75*	*58,75*	*FC*
SA CASINO ET BAINS DE MER DE DIEPPE	*FRANCE*	*99,88*	*99,88*	*FC*
SA JEAN METZ	*FRANCE*	*99,20*	*99,20*	*FC*
SA LE TOUQUET'S	*FRANCE*	*90,05*	*90,05*	*FC*
SA CASINOS DU TOUQUET	*FRANCE*	*99,48*	*99,48*	*FC*
SA CASINOS DE VICHY	*FRANCE*	*99,92*	*91,67*	*FC*
CASINO DE CONTREXÉVILLE	*FRANCE*	*99,84*	*99,84*	*FC*
SA NUMA	*FRANCE*	*99,78*	*98,78*	*FC*
SA GRAND CASINO DE LYON	*FRANCE*	*99,98*	*93,98*	*FC*
SA LCL FRANCE et Cie (CASINO PALM BEACH)	*FRANCE*	*100,00*	*99,97*	*FC*
SA PHOEBUS CASINO GRUISSAN	*FRANCE*	*99,89*	*55,49*	*FC*
SA ECK	*BELGIUM*	*100,00*	*99,90*	*FC*
SA CASINO LE MIRAGE	*MOROCCO*	*99,70*	*55,39*	*FC*
SA GRAND CASINO DE DJERBA	*TUNISIA*	*85,00*	*84,91*	*FC*
CASINO NUEVO DE SAN ROQUE	*SPAIN*	*99,00*	*98,90*	*FC*
SA SATHEL	*FRANCE*	*99,87*	*99,87*	*FC*
SA CASINO MUNICIPAL DE ROYAT	*FRANCE*	*99,91*	*99,78*	*FC*
SA CASINO LE LION BLANC	*FRANCE*	*99,95*	*99,81*	*FC*
SA EDEN BEACH CASINO	*FRANCE*	*99,78*	*99,65*	*FC*
SA CASINO MUNICIPAL D'AIX THERMAL	*FRANCE*	*99,48*	*99,40*	*FC*
SA CASINO DES FLOTS BLEUS	*FRANCE*	*99,98*	*99,38*	*FC*
SA CASINO DE PALAVAS	*FRANCE*	*99,99*	*99,87*	*FC*
SA CASINO DE GRASSE	*FRANCE*	*49,96*	*49,73*	*PC*
SA CASINO CHÂTEL GUYON	*FRANCE*	*99,78*	*55,43*	*FC*
CASINO DE PORNICHET	*FRANCE*	*99,81*	*99,81*	*FC*
CASINO DE PORNIC	*FRANCE*	*99,91*	*99,91*	*FC*
CASINO D'ANDERNOS	*FRANCE*	*99,79*	*99,79*	*FC*
CASINO D'ARCACHON	*FRANCE*	*98,65*	*98,65*	*FC*
CASINO DE CAZAUBON	*FRANCE*	*99,65*	*99,65*	*FC*
CASINO DE SALIES DE BEARN	*FRANCE*	*99,99*	*99,99*	*FC*
CASINO DE LA GRANDE-MOTTE	*FRANCE*	*99,74*	*99,73*	*FC*
CASINO DE GRÉOUX	*FRANCE*	*99,99*	*99,99*	*FC*
CASINO DE SAINT-NECTAIRE	*FRANCE*	*99,96*	*99,96*	*FC*
CASINO DE ÉVAUX-LES-BAINS	*FRANCE*	*99,99*	*99,99*	*FC*
CASINO DE SAINT-HONORÉ	*FRANCE*	*95,94*	*95,94*	*FC*
CASINO DE PLOMBIÈRES	*FRANCE*	*99,56*	*99,56*	*FC*
CASINO D'OOSTENDE	*BELGIUM*	*99,98*	*59,99*	*FC*
CASINO DE CHAUDFONTAINE	*BELGIUM*	*100,00*	*59,99*	*FC*
CASINO DE LA ROCHE POSAY	*FRANCE*	*89,70*	*89,70*	*FC*
CASINO DE AGON COUTAINVILLE	*FRANCE*	*89,36*	*89,35*	*FC*
CASINO DE HYÈRES	*FRANCE*	*98,80*	*98,80*	*FC*
CASINO DE VAL ANDRÉ	*FRANCE*	*99,60*	*99,60*	*FC*
CASINO DE PLOUESCAT	*FRANCE*	*96,95*	*96,93*	*FC*
CASINO DE BANDOL	*FRANCE*	*99,99*	*99,98*	*FC*
*CASINO LAC MEYRIN**	*SWITZERLAND*	*40,00*	*39,76*	*FC*
Hotels				
SA HÔTEL INTERNATIONAL DE LYON	*FRANCE*	*94,00*	*94,00*	*FC*
SNC GARDEN BEACH HÔTEL	*FRANCE*	*100,00*	*99,66*	*FC*
SARL AQUABELLA	*FRANCE*	*99,80*	*99,80*	*FC*
HÔTEL CASINO PHOEBUS	*FRANCE*	*99,99*	*55,49*	*FC*
IMMOBILIÈRE CANNOSTA SAVOY	*FRANCE*	*99,97*	*99,94*	*FC*
SNC EGH - LA PART DIEU	*FRANCE*	*100,00*	*99,87*	*FC*
SNC HÔTEL DU GOLF	*FRANCE*	*100,00*	*99,87*	*FC*
SPLENDID HÔTEL	*FRANCE*	*99,84*	*33,93*	*FC*
GRANDS HÔTELS DU PARC	*FRANCE*	*100,00*	*99,84*	*FC*
HÔTEL COSMOS	*FRANCE*	*100,00*	*100,00*	*FC*
SARL SINOCA	*FRANCE*	*100,00*	*99,60*	*FC*

* New companies.

Companies	Headquarters	Percentage Control	Percentage Interest	Consolidation method
Other companies				
SA CANNES BALNÉAIRES PALM BEACH	FRANCE	99,97	99,97	FC
SA C.H.M.	FRANCE	93,50	86,39	FC
SARL SOCIÉTÉ IMMOBILIÈRE LA TOUR	FRANCE	98,00	98,00	FC
SA BARATEM	FRANCE	99,72	99,20	FC
SA HOLDING GARDEN PINÈDE	FRANCE	100,00	100,00	FC
SCI HÔTEL GARDEN PINÈDE	FRANCE	100,00	100,00	FC
SCI RUE ROYALE	FRANCE	99,99	99,99	FC
ÉLYSÉE PALACE EXPANSION	FRANCE	99,80	91,55	FC
SA ÉLYSÉE PALACE HÔTEL	FRANCE	99,80	91,55	FC
ÉLYSÉE PALACE SA	FRANCE	99,97	91,53	FC
CASINO DE PORT-LA-NOUVELLE	FRANCE	99,88	55,49	FC
SA GCJB	FRANCE	99,80	55,44	FC
SARL SED	FRANCE	99,90	55,50	FC
SARL SF2D	FRANCE	99,90	55,50	FC
SA SFC	FRANCE	55,56	55,56	FC
SARL SIHCT	FRANCE	97,54	54,19	FC
SCI PHOEBUS	FRANCE	99,98	54,18	FC
SCI AZT	FRANCE	99,00	54,94	FC
SA LYDIA	FRANCE	97,30	97,30	FC
SCI LYDIA INVESTISSEMENT	FRANCE	97,00	97,00	FC
SCI LES THERMES	FRANCE	100,00	100,00	FC
SARL THERM'PARK	FRANCE	100,00	100,00	FC
SA GROUPE PARTOUCHE INTERNATIONAL	BELGIUM	99,90	99,90	FC
SA SIKB	BELGIUM	100,00	99,90	FC
SPRL CASKNO	BELGIUM	70,00	69,93	FC
SPRL ARTMUSIC	BELGIUM	99,50	99,40	FC
SARL SEK	FRANCE	100,00	99,87	FC
SCI DE L'EDEN BEACH CASINO	FRANCE	100,00	99,87	FC
SCI PALAVAS INVESTISSEMENT	FRANCE	100,00	99,88	FC
SCI DU CASINO DE GRASSE	FRANCE	50,00	49,77	PC
SA SEMCG	FRANCE	61,22	34,01	FC
SCI FONCIÈRE GRANDS HÔTELS	FRANCE	100,00	34,08	FC
CIE THERMALE	FRANCE	96,62	33,20	FC
CAFÉ CARMEN	FRANCE	99,95	55,53	FC
CBAP CENTRE BALNÉOTHÉRAPIE	FRANCE	100,00	100,00	IG
VILLA DU HAVRE	FRANCE	100,00	100,00	FC
A.D. NOR TECHNOLOGIE	FRANCE	100,00	69,93	FC
ÉTABLISSEMENT THERMAL VITTEL	FRANCE	100,00	100,00	FC
ÉTABLISSEMENT THERMAL CONTREX	FRANCE	100,00	100,00	FC
SCI FONCIÈRE DE VITTEL ET CONTREX	FRANCE	100,00	100,00	FC
CIE EUROPÉENNE DE CASINO	FRANCE	100,00	100,00	FC
BELCASINOS	BELGIUM	60,00	60,00	FC
SA CHAUDFONTAINE LOISIRS	BELGIUM	100,00	59,99	FC
CASINO DE SAXON-LES-BAINS	SWITZERLAND	100,00	100,00	FC
SCI GAFA	FRANCE	100,00	89,80	FC
SCI AZUR BANDOL	FRANCE	100,00	99,99	FC
CASINO VIRGINIAN DE RENO	USA	100,00	100,00	FC
HÔTEL DU PARC	SWITZERLAND	99,83	99,83	FC
SCI MIAMI	FRANCE	100,00	99,79	FC
SCI LES MOUETTES	FRANCE	100,00	99,91	FC
SCI LES JARRES	FRANCE	100,00	100,00	FC
HOLDING SONECAR	FRANCE	99,98	99,98	FC
HOLDING LUDICA	FRANCE	99,99	99,99	FC
GIE EUROP. GESTION CONSEIL	FRANCE	100,00	100,00	FC
SCI LERICHE ROSTAGNE	FRANCE	100,00	100,00	FC
HOLDING EUROPEAN GAMING COMP.	FRANCE	100,00	100,00	FC
SCI JMB	FRANCE	100,00	99,60	FC
CASINO DE LA SEYNE-SUR-MER	FRANCE	87,91	87,88	FC
VZW	FRANCE	100,00	60,00	FC
CIE CASINO HOLDING*	SWITZERLAND	99,40	99,40	FC
VISTALEASING*	SWITZERLAND	100,00	99,40	FC
SANDTON*	IRELAND	100,00	100,00	FC
SCI PARC DE POSAY*	FRANCE	100,00	89,71	FC
SARL PARC DU CHÂTEAU*	FRANCE	80,00	71,76	FC
CASINO DU HAVRE*	FRANCE	100,00	100,00	FC
CASINO DE LA TRINITÉ*	FRANCE	99,84	99,84	FC
INTERNATIONAL CASINO OF MADRID*	EGYPT	30,00	17,63	EM
STÉ FRANÇAISE INVEST HÔTEL*	FRANCE	25,00	25,00	EM
CASINO DU PALAIS DE LA MÉDITERRANNÉE*	FRANCE	25,00	25,00	EM
HÔTEL DU PALAIS DE LA MÉDITERRANNÉE*	FRANCE	25,00	25,00	EM

* New Companies.

Note 2 – Principal changes in the scope of consolidation

The principal changes in the scope of consolidation during the fiscal year ending 31 October 2003, are as follows:

FIRST TIME CONSOLIDATION

The consolidated financial statements for the year ending 31 October 2003 include:

- the full consolidation of Compagnie des Casinos Holding, Casino Lac Meyrin, Vistaleasing, Sandton Trading Limited, SCI Parc de Posay, SARL Parc du Château, Casino du Havre, and Casino de la Trinité-sur-Mer.
- the equity method of accounting for the following affiliates: Société Française d'investissements d'hôtels et de Casinos, Casino du Palais de la Méditerranée, SAS Hôtel du Palais de la Méditerranée and International Casino Of Madrid.

PURCHASE OF MINORITY INTERESTS

During the course of the fiscal year, Groupe Partouche SA purchased the minority interests in a certain number of Group companies.

The impacts of the change in percentage of control and interest are presented in the table below.

DECONSOLIDATION

At the end of November 2002, Société Française de Casinos disposed of its investments in Casino du Mont-Dore, Casino de La Bourboule, and SCI Mont-Dore. These companies were deconsolidated as of 1 November 2002.

At the beginning of September 2003, Belcasinos disposed of its investment in the Spa casino in Belgium. The consolidated financial statements include ten months of financial data.

Note 3 – Changes in ownership interests

All of the companies entering the consolidation scope were acquired during the fiscal year, and were therefore not consolidated previously. The percentages of control and ownership are indicated in the table of consolidated companies presented above.

	Percentage Fiscal year 2001/2002		Percentage Fiscal year 2002/2003	
	Control	Interest	Control	Interest
SARL BARATEM	99,72	96,26	99,72	99,20
CASINO DU TOUQUET	96,53	96,53	99,48	99,48
CASINO GRAND CAFÉ	61,95	61,83	61,95	61,87
CASINO DE BOULOGNE	98,60	98,60	99,78	99,78
CASINO DE DIEPPE	97,58	97,58	99,88	99,88
SCI ROYALE	99,99	99,99	99,99	99,99
CASINO DE CONTREXÉVILLE	100,00	100,00	99,84	99,84
CASINO SAN ROQUE	75,00	74,93	99,00	98,90
SNC GARDEN BEACH HÔTEL	100,00	99,55	100,00	99,66
CASINO DE LION BLANC	99,79	99,59	99,95	99,81
CASINO DE DJERBA	85,00	84,92	85,00	84,91
SARL SEK	100,00	99,80	100,00	99,87
CASINO LE LYON VERT	99,80	99,80	99,87	99,87
IMMOBILIÈRE CANNOSTA	99,97	99,97	99,97	99,94
CASINO DE ROYAT	98,00	97,81	99,91	99,78
SCI GAFA	99,00	88,80	100,00	89,80
SCI EDEN BEACH	100,00	99,80	100,00	99,87
CASINO DE JUAN-LES-PINS	99,74	99,55	99,78	99,65
CASINO D'AIX THERMAL	99,45	99,33	99,48	99,40
CASINO LA CIOTAT	99,96	99,29	99,98	99,38
MÉRIDIEN EGH PART DIEU	100,00	99,80	100,00	99,87
CASINO DE PALAVAS	99,97	99,79	99,99	99,87
SCI PALAVAS	100,00	99,82	100,00	99,88
CASINO DE GRASSE	49,96	49,70	49,96	49,73
SCI DE GRASSE	50,00	49,74	50,00	49,77
HÔTEL SPLENDID	100,00	33,99	99,84	33,93
GRANDS HÔTELS DU PARC	100,00	100,00	100,00	99,84
CASINO DE PORNICHET	99,79	99,79	99,81	99,81
CASINO DE PORNIC	99,89	99,89	99,91	99,91
CASINO D'ARCACHON	98,80	98,80	98,65	98,65
CASINO LA GRANDE-MOTTE	99,81	99,80	99,74	99,73
CASINO DE SAINT-NECTAIRE	99,98	99,98	99,96	99,96
CASINO DE SAINT-HONORÉ	94,87	94,87	95,94	95,94
CASINO DE PLOMBIÈRES	99,72	99,72	99,56	99,56
CASINO DE LA SEYNE-SUR-MER	87,78	87,74	87,91	87,88
SCI LES MOUETTES	99,00	98,89	100,00	99,91
SCI MIAMI	70,00	69,85	100,00	99,79
SCI LES JARRES	99,99	99,99	100,00	100,00
HOLDING SONECAR	99,99	99,99	99,98	99,98
CASINO AGON COUTAINVILLE	89,46	89,46	89,36	89,35
CASINO DE VAL ANDRÉ	99,55	99,55	99,60	99,60
CASINO DE PLOUESCAT	96,96	96,95	96,95	96,93
SARL SINOCA	100,00	99,55	100,00	99,60
SCI JMB	100,00	99,55	100,00	99,60
HÔTEL DU GOLF	100,00	99,80	100,00	99,87
ADNOR	51,00	35,66	100,00	69,93

Note 4 – Impact of changes in the scope of consolidation

The impact of changes in the scope of consolidation during the period under review on the principal financial aggregates of the income statement for the year ended 31 October 2003 is as follows:

	Turnover	Operating income
Swiss Business Unit (Meyrin)	5 082	1 709

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2003

Ladies and Gentlemen,

In accordance with the terms of the assignment with which we were entrusted by your Annual General Meeting, we have audited the consolidated financial statements of Groupe Partouche SA as of 31 October 2003.

These consolidated accounts are prepared under the responsibility of the Executive Board. Our responsibility is to express an opinion on these accounts based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with French professional standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of the Group as of 31 October 2003 and the results of the Group's operations included in the consolidation for the year then ended, in accordance with French accounting principles.

Without prejudice to our unqualified audit opinion, we should bring to your attention the note regarding the accounting policies which details a change in accounting policy as a result of the first time application of CRC Regulation 2000-06 on liabilities dated 7 December 2000 and its neutral impact on the income statement and opening shareholders' equity.

II. Justification of our assessment

Pursuant to the terms of article L.225-235 of the Code of Commerce relating to the justification of our assessment, introduced by the Financial Security Act of 1 August 2003, applicable for the first time this fiscal year, we bring the following matters to your attention:
The note relating to accounting policies details the accounting policies applied in respect of goodwill on acquisition. As part of our assessment of the accounting principles and policies observed by your company, we have verified the appropriateness of the above accounting policies, and the information provided in the notes to the financial statements and have obtained assurance that they are correctly applied.
Our assessments were made as part of our audit approach of the consolidated financial statements, taken in their entirety, and thus contributed to the formulation of our unqualified opinion, expressed in the first section of this report.

III. Specific verification

Moreover, we also verified the information provided in the Group's management report, in accordance with French professional standards. We have no comment to make with regard to its accuracy and consistency with the consolidated financial statements.

Paris La Défense and Sceaux, 31 March 2004

José DAVID — KPMG Audit
A unit of KPMG S.A.

Maïr FERERES
Associé



HOLDING COMPANY ACCOUNTS 2003

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BALANCE SHEET

YEARS ENDED 31 OCTOBER

Assets (net values)

€'000	Notes	2003	2002	2001
FIXED ASSETS				
INTANGIBLE FIXED ASSETS	2.1 / 2.2			
Concessions and similar rights		51	*43*	*7*
Internally generated goodwill		1 761	*1 837*	*1 906*
TANGIBLE FIXED ASSETS	2.1 / 2.2			
Land		145	*145*	*145*
Buildings		5 906	*6 236*	*6 569*
Technical equipment			*0*	*1*
Other tangible fixed assets		182	*154*	*125*
Assets under construction		222	*229*	*0*
Deposits and downpayments		15		
FINANCIAL INVESTMENTS				
Other investments in associates	2.3 / 2.4	529 341	*472 658*	*222 106*
Other investments	2.3	38	*70 369*	
Loans	2.5	700	*757*	*749*
Other financial investments	2.4 / 2.5	77	*75*	*155*
TOTAL FIXED ASSETS		**538 438**	**552 503**	**231 763**
CURRENT ASSETS				
Advances and downpayments to suppliers		31	*12*	*15*
Trade receivables	2.5	841	*125*	*6 595*
Other receivables	2.4 / 2.5	218 868	*216 881*	*109 364*
Marketable securities		3 598	*1 504*	*5 885*
Cash and equivalents		898	*617*	*328*
Prepaid expenses	2.5 / 2.10	772	*206*	*101*
TOTAL CURRENT ASSETS		**225 008**	**219 345**	**122 288**
REGULARISATION ACCOUNTS				
Capitalised expenses		12 129	*16 761*	
Translation adjustment - asset		545	*14*	*3*
TOTAL ASSETS		**776 120**	**788 623**	**354 054**

Shareholders' equity and liabilities (net values)

€'000	Notes	2003	2002	2001
Share capital (o/w fully paid: 86,195) (1)	2.13	86 195	*86 195*	*86 195*
Share premium, merger and contribution reserves		54 285	*54 285*	*54 285*
Revaluation reserve (2)				
Legal reserve		8 606	*6 354*	*4 965*
Statutory reserve (3)		5 566	*5 566*	*5 566*
Other reserves		3 054	*3 054*	*3 054*
Retained earnings		90 080	*47 293*	*25 827*
NET INCOME FOR THE YEAR		**15 194**	*45 039*	*27 778*
SHAREHOLDERS' EQUITY	2.12	**262 980**	*247 786*	*207 670*
Provisions for contingencies	2.4	462		
Provisions for losses	2.4	407	*407*	*407*
PROVISIONS FOR CONTINGENCIES AND LOSSES		**869**	*407*	*407*
Bank loans (4)	2.6	442 131	*467 121*	*65 772*
Other borrowings	2.6	1 028	*1 002*	*1 382*
Advances and deposits on outstanding orders				
Trade creditors	2.6	291	*518*	*228*
Tax and social security liabilities	2.6	1 212	*290*	*1 511*
Liabilities in respect of fixed assets	2.6	41	*45*	*77*
Other liabilities	2.6	67 446	*71 134*	*76 717*
Deferred income	2.6 / 2.11	40	*29*	*20*
TOTAL (5)		**512 189**	**540 139**	**145 707**
Translation adjustment – liability		82	*291*	*270*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**776 120**	**788 623**	**354 054**
(1) Capitalised revaluation differential		294	*294*	*294*
(2) Includes a special revaluation reserve (1959)				
Free revaluation reserve				
Revaluation reserve (1976)				
(3) Includes a statutory reserve for long-term capital gains		5 566	*5 566*	*5 566*
(4) Includes current account bank balances and bank overdrafts		3 721	*5 142*	*2 474*
(5) Liabilities and deferred income falling due or to be released in less than one year		111 514	*127 144*	*109 127*

INCOME STATEMENT

YEARS ENDED 31 OCTOBER

€'000	Notes	2003	2002	2001
Sales of goods held for resale		0	*0*	*336*
Sales of services		7 465	*5 084*	*6 054*
NET TURNOVER	*2.14*	7 465	*5 084*	*6 390*
Reversals of depreciation, amortisation, provisions and expense transfers (9)		8 534	*19 788*	*68*
Total operating revenue (2)		15 999	24 872	6 458
OPERATING EXPENSES				
Purchases of goods (and customs duties)		0	*6*	*335*
Other purchases and external expenses (6 a)		11 904	*21 848*	*1 740*
Tax		308	*301*	*392*
Personnel costs		2 322	*1 541*	*1 255*
Social security expenses		1 009	*646*	*527*
Depreciation and amortisation charges on fixed assets		13 522	*3 414*	*419*
Impairment of current assets		245	*98*	*1 032*
Other expenses		4	*24*	
Total operating expenses		**29 313**	27 878	5 700
OPERATING INCOME		**(13 314)**	**(3 006)**	**758**
Income from associates (5)	*2.16*	39 721	*49 878*	*31 966*
Income from other marketable securities and receivables (5)		1 440	*1 559*	*55*
Other interest income (5)		6 577	*4 717*	*3 173*
Provision reversals and expense transfers		75	*0*	
Positive foreign exchange differences		1	*197*	
Net gains on the disposal of marketable securities		228	*343*	*319*
Total financial income		**48 042**	56 694	35 513
FINANCE COSTS				
Depreciation, amortisation and provision charges		12 728	*51*	*222*
Interest expense (6)		32 393	*22 579*	*10 082*
Negative foreign exchange differences		1	*138*	*6*
Total finance costs		**45 122**	22 768	10 310
FINANCIAL ITEMS		**2 920**	**33 926**	**25 203**
INCOME ON ORDINARY ACTIVITIES BEFORE TAX		**(10 394)**	**30 920**	**25 961**
Exceptional income on management transactions		583	*14*	*26*
Exceptional income on capital transactions		13 951	*4 474*	*96*
Provision reversals and expense transfers			*0*	*320*
Total exceptional income		**14 534**	4 488	442
Exceptional expense on management transactions		15	*584*	*606*
Exceptional expense on capital transactions		12 385	*4 475*	*100*
Exceptional depreciation, amortisation and provision charges			*0*	*178*
Total exceptional expense		**12 400**	5 059	884
EXCEPTIONAL ITEMS	*2.17*	2 134	*(571)*	*(442)*
Employee profit sharing			*0*	
Corporate income tax	*2.18*	(23 455)	*(14 690)*	*(2 258)*
TOTAL INCOME		**78 575**	**86 054**	**42 413**
TOTAL EXPENSE		**63 380**	**41 015**	**14 635**
NET INCOME		**15 194**	**45 039**	**27 778**
(2) Includes property rental income		511	*679*	*635*
(2) Includes operating revenue relating to prior years		94		
(4) Includes operating expenses relating to prior year		1		
(5) Includes income from associated entities		47 146	*55 880*	*35 137*
(6) Includes interest from associated entities		2 701	*3 342*	*6 516*
(6a) Includes contributions made to organisations deemed to be in the public interest		158	*21*	*38*
(9) Includes expense transfers		8 442	*19 768*	*68*

NOTES TO THE FINANCIAL STATEMENTS OF THE HOLDING COMPANY

Notes to the balance sheet before appropriation for the year ending 31 October 2003 which totals 776 120 K€ and the income statement for the fiscal year, presented in list format, showing total revenues of 78 575 K€ and net income of 15 194 K€.

The fiscal year included 12 months, covering the period from 1 November 2002 to 31 October 2003, during which the following key events occurred:

On 29 November 2002, the shares in Casino d'Alvignac were sold. This company owned a casino-creation project.

On 26 August 2003, with the support of its parent company Groupe Partouche refinanced its debt. Financière Partouche, the family-owned company which owns a 62,3 % stake in Groupe Partouche, injected equity equivalents into its subsidiary of 100 M€, in the form of a subordinated current account.

The balance of the previous syndicated loan was refinanced under the aegis of Natexis Banques Populaires, Lead Arranger, with HSBC-CCF, Crédit Lyonnais and CIC-Lyonnaise de Banque acting as Co-Arrangers, by a new syndicated loan of 330 M€, repayable over seven years under improved conditions.

Groupe Partouche which owned 439,536 bonds issued by Compagnie Européenne de Casinos, announced its decision to convert the bonds into shares.

The General Meeting dated 3 October 2003 of Compagnie Européenne de Casinos therefore decided to carry out a capital increase in favour of Groupe Partouche via the creation of new shares subscribed by Groupe Partouche by the conversion of its bonds.

Post balance sheet events comprised the decision taken by Groupe Partouche shareholders in an Extraordinary General Meeting on Monday 10 November 2003, to reduce the par value of shares from 14 € to 2 €, with the aim of increasing the liquidity of the market for Groupe Partouche shares.

Mechanically, with the number of shares being multiplied by seven, the value of the share was divided by seven.

Therefore, the share capital of 86 194 836 € was divided into 43 097 418 shares of 2 € each, fully paid up to the extent of their par value.

The following notes and tables form an integral part of the financial statements.

There were no changes of accounting policy or presentation in the holding company accounts.

1 - Accounting policies and presentation

The balance sheet and the income statement of Groupe Partouche SA are drawn up in accordance with French regulations and with accounting principles generally applied in France. Thus they have been drawn up as provided by:

- The new 1999 chart of accounts adopted by the CRC on 29 April 1999 (Regulation 99-03),
- Law 83-353 of 30 April 1983,
- Decree 83-1020 of 29 November 1983.

The first-time application of CRC Regulation 2000-06 on liabilities did not have an impact on opening shareholders' equity or net income from 1 November 2002 to 31 October 2003.

The main applied accounting policies are as follows:

1.1 Intangible assets

Intangible assets related to software licences are written off over a period of 1 to 3 years.

A long lease charge is written off over a period of 30 years.

1.2 Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at their historical acquisition costs (supplemented by acquisition expenses), at their production cost or at their contribution value in respect of SIHB SA fixed assets contributed as part of the merger-renunciation agreement.

We use a straight-line method of depreciation over the expected useful lives of the assets.

Buildings:	20 to 50 years
Equipment:	5 to 8 years
Fixtures and fittings:	5 to 10 years
Vehicles:	5 years
Office and computer equipment:	2 to 5 years

1.3 Long-term investments

Long-term investments are stated in the balance sheet at acquisition cost (excluding incidental expenses) or at contribution cost.

When their inventory value falls below their gross value, a provision for impairment is established for the amount of the difference.

The inventory value of investments is based on their value-in-use or fair value.

This value can notably be determined through:

- the calculation of their net asset value in the most recent financial statements of the subsidiary that owns them, adjusted for unrealised capital gains (internally generated goodwill, buildings, deferred tax, etc.),
- forward-looking data such as profitability prospects,
- stock market prices.

The securities brought by SIHB SA are valued at their contribution value at the time of the merger.

1.4 Receivables

Receivables are recorded at their face value. A provision for impairment is established whenever their inventory value, based on the likelihood of their being recovered, is less than their book value.

1.5 Receivables and debts in foreign currencies

During the fiscal year, receivables in foreign currencies are translated on the basis of the exchange rate applied on the transaction date. At the end of the fiscal year, these receivables are translated on the basis of the closing rate, and the differences with respect to amounts previously accounted are recorded under "Unrealised gains or losses on foreign exchange transactions". Losses on foreign exchange are provided for under "Provisions for losses".

1.6 Cash and cash equivalents

Marketable securities are recorded in the balance sheet at their acquisition cost.

When the acquisition cost is less than their net realisable value at the end of the fiscal year, a provision for impairment is established for the amount of the difference.

1.7 Deferred charges

Deferred charges consist of costs incurred in the acquisition of shares and debt renegotiation expenses.

These charges are spread over a period of five years for the Public Cash Offer and seven years for the debt renegotiation.

1.8 Dividends

Dividends received from foreign subsidiaries are recorded at their net amounts after withholding taxes.

1.9 Contingency and loss provisions

Tax and social security re-assessments Claims are provided for, in the amount of the estimated risk on the basis of data available at the end of the fiscal year.

1.10 Distinction between income from ordinary activities and exceptional items

The "Exceptional items" income statement heading includes exceptional items resulting from ordinary activities, as well as extraordinary items. Exceptional items resulting from ordinary activities are those whose achievement is not related to the company's ordinary course of business, either because their amounts or impact are of abnormal nature or because they very rarely occur.

There were no changes of accounting policy or presentation in the holding company accounts.

Additional information in respect of the balance sheet and the income statement (€'000)

2 .1 Note on the intangible and tangible fixed assets

at 31 October 2003	*Gross value of fixed assets at beginning of year*	*Revaluation during the year*	*Increase Acquisition, creation, inter--account transfer*
SETUP COSTS, RESEARCH			
OTHER INTANGIBLE ASSETS	**2 377**		46
Land	145		
Buildings on own land	7 776		8
Machinery and equipment	1		
Other equipment, fixtures and fittings	120		
Vehicles	74		53
Office and computer equipment, furniture	84		30
Fixed assets under construction	229		
Advances and downpayments			15
TOTAL FIXED ASSETS	**8 429**		**106**

at 31 october 2003	*inter-account transfer*	*Decrease by sale or withdrawal*	*Gross value of asset at end of fiscal year*	*Legal revaluation original value at end of fiscal year*
SETUP COSTS, RESEARCH				
OTHER INTANGIBLE ASSETS			2 423	
Land			145	
Buildings on own land			7 785	
Machinery and equipment			1	
Other equipment, fixtures and fittings			120	
Vehicles		8	119	
Office and computer equipment, furniture			114	
Fixed assets under construction		7	222	
Advances and downpayments			15	
TOTAL FIXED ASSETS		**15**	**8 521**	

2.2 Amortisation

at 31 october 2003	Positions and movements during the fiscal year Beginning of the fiscal year	Appropriation during fiscal year	Decrease during fiscal year	End of fiscal year
Setup costs, research				
Other intangible assets	497	115		**612**
Land				
Buildings on own land	1 540	338		1 878
Buildings on other land				
Fixtures and fittings - buildings				
Machinery and equipment	0	0		0
Other equipment, fixtures and fittings	25	16		41
Vehicles	38	21	0	59
Office and computer equipment, furniture	62	10		72
Recoverable packaging and other				
Fixed assets under construction				
Advances and downpayments				
Total	**1 665**	**385**	**0**	**2 050**
Grand total	**2 162**	**500**	**0**	**2 662**

2.3 Investments in associates

at 31 October 2003	Gross value beginning of fiscal year	Acquisition, inter-account transfer
Equity-accounted investments		
Other investments in associates	474 021	81 253
Other long-term investment securities	70 369	
Loans and other long-term investments	923	63
Total	**545 313**	**81 316**

	Inter-account transfer	Decrease by sale or withdrawal	Gross value of asset at end of fiscal year	Legal revaluation original value at end of fiscal year
Equity-accounted investments				
Other investments in associates	1	12 378	542 894	
Other long-term investment securities	70 331		38	
Loans and other long-term investments		118	868	
Total	**70 332**	**12 496**	**543 800**	

The main movements of the year are explained by the following factors:

The Compagnie Européenne de Casinos bonds held by Groupe Partouche which were valued at 70 331 K€ under Other long-term investment securities, were converted into shares.

The valuation of Compagnie Européenne de Casinos shares owned therefore rose by an equivalent amount in Other investments in associates, following the creation of new shares.

The restructuring programme at the Cannes hotels led to Hôtel Savoy becoming the subsidiary of Casino Palm Beach, as a result of its ownership by Groupe Partouche.

The share price of Société Fermière du Casino Municipal de Cannes at 31 October 2003 was 534 €.

2.4 Provisions

at 31 October 2003	Beginning of the fiscal year	Increase Allocation	Decrease Recovery	End of the fiscal year
For litigation				
For foreign exchange losses		462		462
For tax	407			407
Total	**407**	**462**	**0**	**869**
Provisions for investments in associates	1 363	12 266	75	13 553
Provisions for financial investments	91			91
Other provisions for impairment	1 273	245	91	1 426
Total	**2 727**	**12 511**	**166**	**15 070**
Grand total	**3 134**	**12 973**	**166**	**15 939**
Operating allocations and recoveries		245	91	
Including: Financial allocations and recoveries		12 728	75	
Exceptional allocations and reversals				
Impairment of shares in equity accounted affiliates				

The tax provisions mainly concern the tax re-assessments for the years 1981 to 1984.

The provisions for financial investments relate to our 79.80% participating interest in the Elysée Palace Hotel SA, fully provided for in the amount of €1.240 million, in light of its net worth.

The same applies to our investment in SA Sandton, which is provisioned in the amount of €12.266 million.

The previous provision of 75 K€ in respect of our holding in SA Casino de Morsbronn-les-Bains was fully recovered following the relaunch of a casino project within this structure renamed Casino de La Tremblade.

Certain current account receivables were provisioned in respect of our subsidiaries: 95 K€ for Élysée Palace Hôtel and 33 K€ for Ad Nor Technologie.

The other provisions concern third party receivables.

2.5 Maturities of receivables

at 31 October 2003	Gross amount	1 year maximum	+ 1 year
Loans	700	700	
Other long-term investments	168	168	
Other trade receivables	841	841	
Employee accounts payable	18	18	
Corporate income tax	9 981	9 981	
VAT	1 078	1 078	
Other taxes			
Other receivables			
Subsidiaries and associates	195 279	195 279	
Sundry receivables	13 937	13 937	
Prepaid expenses	772	772	
Grand total	**222 774**	**222 774**	**0**
Repayment of loans during the fiscal year	113		
Loans granted during the fiscal year	56		

2.6 Maturities of debts

at 31 October 2003	*Amount*	*– 1 year*	*1 to 5 years*	*+ 5 years*
Bank loans and overdrafts	442 131	41 499	185 132	215 500
Sundry loans and debts	1 028	985		43
Trade accounts payable	291	291		
Liabilities to personnel	154	154		
Social security and other social benefits	236	236		
State and other public authorities:				
Corporate income tax				
VAT	752	752		
Other taxes	70	70		
Other				
Liabilities to fixed assets suppliers	41	41		
Subsidiaries and associates	66 589	66 589		
Other liabilities	857	857		
Deferred income	40	40		
GRAND TOTAL	**512 189**	**111 514**	**185 132**	**215 543**
Bank loans contracted during the fiscal year	330 000			
Bank loan repayments during the fiscal year	455 384			

The outstanding balance of the previous loan was refinanced via a new syndicated loan of 330 M€.

Financière Partouche made a 100 M€ injection of equity equivalents in the form of a subordinated current account.

2.7 Elements related to more than one balance sheet item

In respect of associated undertakings (participating interests) at 31 October 2003	*Amount*
FIXED ASSETS	
Participating interests	517 672
CURRENT ASSETS	
Trade receivables	700
Other receivables	195 047
DEBTS	
Loans, sundry financial debts	26
Trade accounts payable	42
Other liabilities	66 481

The information related to financial items is included in Notes 5 and 6 to the income statement.

2.8 Accrued income

Accrued income recognised in the following balance sheet accounts at 31 October 2003	*Amount*
Accrued interest	5
Other long-term investments	5
Accrued income	4 772
Other receivables	4 772
TOTAL	**4 777**

2.9 Accrued expenses included in the following balance sheet items

at 31 October 2003	*Amount*
Bank loans and overdrafts	80
Trade notes and accounts payable	43
Tax and social charges	290
Other liabilities	795
Accrued interest on overdrafts	13
TOTAL	**1 221**

2.10 Prepaid expenses

at 31 October 2003	*Amount*
Prepaid operating expenses	772
TOTAL	**772**

2.11 Deferred income

at 31 October 2003	*Amount*
Deferred operating income	40
TOTAL	**40**

2.12 Statement of changes in shareholders' equity

Shareholders' equipy items at 31 October	*Year-end 2002*	*Appropriation of income 2002*	*Position after appropriation*	*Fiscal year movements*	*Year-end 2003*
Share capital	*86 195*		*86 195*		86 195
Share premium account, merger reserve	*7 881*		*7 881*		7 881
Contribution reserve	*46 404*		*46 404*		46 404
Revaluation reserve	*0*		*0*		0
Legal reserve	*6 354*	*2 252*	*8 606*		8 606
Statutory reserve	*5 566*		*5 566*		5 566
Other reserves	*3 054*		*3 054*		3 054
Retained earnings	*47 293*	*42 787*	*90 080*		90 080
Net income for the year	*45 039*	*– 45 039*	*0*	*15 194*	15 194
NET SHAREHOLDERS' EQUITY CARRIED FORWARD	**247 786**	**0**	**247 786**	**15 194**	**262 980**

2.13 Breakdown of share capital

Categories of securities at 31 october	*Year-end*	*Number of shares issued during the fiscal year*	*Nominal value*	*Total*
ORDINARY SHARES	6 156 774		14	**86 194 836**

2,738 shares are self-held by the Company.

These shares are presented under marketable securities.

The share price of Groupe Partouche at 31 October 2003 was 68,40 €.

2.14 Breakdown of net turnover

at 31 October 2003	*France*	*Rest of world*	*Total*
Group management fees	5 889	249	6 138
Rent	1 324	3	1 327
TOTAL	**7 213**	**252**	**7 465**

2.15 Expense transfers

at 31 October 2003	*Amount*
Debt refinancing expenses (for the syndicated loan)	7 999
Communication campaign	391
Sundry recharges	41
Other	11
TOTAL	**8 442**

2.16 Financial income from associates

at 31 October 2003	*Amount*
Dividends received from subsidiaries	39 721
TOTAL	**39 721**

2.17 Breakdown of exceptional items

at 31 October 2003	*Exceptional expense*	*Exceptional income*
Disposals of long term investments	12 378	13 943
Gain on acquisition of receivables		488
Other regularisations from prior years		95
Reassessment of registration duties	13	
Disposals of intangible and tangible fixed assets	8	8
Other	1	
TOTAL	**12 400**	**14 534**

2.18 Breakdown of corporate income tax

at 31 october 2003	*Income before tax*	*Tax due*	*Net income after tax*
Income from ordinary activities	– 10 394	– 24 211	13 817
Exceptional items	2 134	756	1 378
Accounting income	– 8 260	– 23 455	15 195

2.19 Financial commitments

Commitments given at 31 October 2003	*Amount*
Collateral	19 492
Guaranteed bank debt	326 700
TOTAL	**346 192**
Of which, related to subsidiaries	12 657

Commitments received at 31 October 2003	*Amount*
Financial recovery commitments	9 460
TOTAL	**9 460**
Of which, related to subsidiaries	9 460

2.20 Other information

At the closing of the fiscal year, there were 3,835,500 outstanding Groupe Partouche shares pledged as collateral.

Groupe Partouche refinanced the syndicated loan used for the acquisition of CEC. This loan now constitutes the major portion of the Group's bank debt and has the following characteristics:

Original credit amount: 330 M€

Credit envelope for investment: 25 M€ (unused at fiscal year-end).

Principal outstanding at year-end: 326,7 M€

Term: 7 years

Variable rate based on 3-month Euribor, with a decreasing banking margin in proportion to an improvement in the ratio of:

Consolidated financial debt net of cash / Consolidated operating income plus depreciation, amortisation and operating provisions, less reversals of depreciation, amortisation and operating provisions.

Guarantees:

• Pledging of the shares of the principal subsidiaries of the Group.

The syndicated loan also includes certain financial ratios that evolve over time, based on the Group's consolidated data, non-compliance with which would constitute a mandatory early repayment event:

• The ratio of Available cash flow after tax and exceptional items before debt servicing costs / Debt servicing costs must be greater or equal to 1 at 31/10/2004;

• The ratio of Financial debt net of cash / Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than or equal to 3.75 at 31/10/2004;

• The ratio of Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals / Finance costs must be greater or equal to 3.50 at 31/10/2004.

• Investments net of disposals are limited to 21,5 M€ for fiscal year 2004, excluding the investment credit envelope.

2.21 Average workforce

at 31 October 2003	*Staff*
Executives	25
Non-executives	18
TOTAL	**43**

2.22 Management remuneration

The total remuneration paid to the Executive and Supervisory Boards amounted to €0.828 million.

2.23 Commitments for pensions and other retirement costs

Due to their insignificant amount, no provisions were established in respect of pensions and other retirement costs.

2.24 Sundry information

At the end of the fiscal year, outstanding variable rate borrowings represent 98% of total borrowings. Accordingly, partial coverage against the risk associated with variable rate borrowings has been established.

Two swap contracts fixing the interest rates on variable rate debt (at 5.275% and 5.145%, respectively) cover a total debt amount of €7.768 million at the balance sheet date. Various zero-premium collars are used to hedge at least 50% of the syndicated loan for a period of three years, and to limit any rise in the reference rate (3-month Euribor) to a maximum of 4.50% and 5.25%.

The total value of financial instruments used to hedge the drawdown of the syndicated loan is €218.6 million at 31 October 2003, and this amount will be reduced as the loan is repaid

Groupe Partouche heads a tax consolidation group comprising the Group's 41 subsidiaries.

2.25 Deferred tax

at 31 October 2003	*Amount*
TAX TO BE PAID ON:	
Pre-deducted expenses	4 525
PREPAID TAX ON:	
Temporarily non-deductible expenses (to be deducted on the following fiscal year)	170
Taxed income to be deducted at a later date	7
NET DEFERRED TAX	**4 702**

Subsidiaries and associated entities at 31/10/2003

€'000s Name	Head office	Share capital	Shareholders equity	% of share capital held	Dividends received	Value of investments gross	Value of investments net	Loans, Advances	Guarantees	Turnover	Net income
Subsidiaries (more than 50% of share capital)											
Centre Formation Professionnel Casinos	Forges-les-Eaux	8	NA	100,00 %		8	8			NA	NA
Cie Européenne de Casinos	Paris	24 813	127 028	100,00 %		316 504	316 504	40 735		20	8 886
Holding Garden Pinède	Paris	15 417	13 512	100,00 %		336	336	2 896		0	(33)
Hôtel Cosmos	Contrexéville	50	(653)	100,00 %		50	50	782		1 953	495
Sandton Trading Limited	Dublin	0	49	100,00 %	9 200	12 348	82			0	(34)
SCI Les Thermes	Aix-en-Provence	150	(3 120)	100,00 %		0	0	10 855		921	(89)
Soc Exploitation Casino et Hôtels Contrexéville	Contrexéville	75	954	99,84%	699	6 821	6 821	706		3 878	492
Thermes de Contrexéville	Contrexéville	50	(550)	100,00 %		50	50	537		1 769	(335)
Thermes de Vittel	Vittel	50	(630)	100,00 %		50	50	802		3 834	(489)
Villa du Havre	Le Havre	40	(576)	100,00 %		40	40	819		668	(264)
Société Foncière de Vittel et Contrexéville	Contrexéville	50	(98)	100,00 %		50	50	3 356		343	(74)
Grand Casino du Havre	Le Havre	150	140	100,00 %		150	150			0	(10)
SCI de la Rue Royale	Paris	134	156	99,99 %	3	534	534			55	23
Société du Casino de St-Amand-les-Eaux	St-Amand-les-Eaux	17 786	37 809	99,99 %	4 649	18 371	18 371			17 277	7 490
Société Cannes Balnéaire	Cannes	10 202	6 035	99,97 %		35 673	35 673	18 777		1 037	(1 832)
Société du Grand Casino de Cabourg	Cabourg	300	555	99,94 %		564	564	502		4 215	45
Grand Casino de Beaulieu	Beaulieu	150	159	99,90 %		152	152	1 123		5 007	0
Groupe Partouche International	Bruxelles	144	(5 080)	99,90 %		153	153	41 199		0	(259)
Grand Casino de La Trinité-sur-Mer	La Trinité-sur-Mer	75	(122)	99,84 %		76	76	1 043		0	74
Sathel	La Tour Salvagny	323	44 055	99,87 %	18 120	93 537	93 537	1 174		34 527	19 355
Casino de La Tremblade	Paris	38	13	99,76 %		53	53	2		0	105
Jean Metz	Berck-sur-Mer	80	1 612	99,20 %	1 290	3 025	3 025			4 897	1 347
Numa	Boulogne-sur-Mer	80	1 624	99,78 %	1 746	3 458	3 458			3 703	1 255
Société Immobilière de la Tour	La Tour Salvagny	8	4 457	98,00 %		7	7		2 041	354	179
SA du Casino et des Bains de Mer	Dieppe	396	888	99,88 %	395	4 610	4 610			6 028	124
Lydia Invest	Le Barcarès	40	(542)	97,30 %		443	443	564	101	862	608
Lydia Investissements	Le Barcarès	2	(355)	97,00 %		991	991	882		115	25
Casino des 4 Saisons	Le Touquet	392	2 912	99,48 %	1 267	5 592	5 592			5 124	1 442
Hôtel International de Lyon	Lyon	300	4 912	94,00 %		287	287	13 867		12 586	6 371
Le Touquet's	Calais	92	1 271	90,05 %	1 081	4 668	4 668			5 213	1 060
Casinos de Vichy	Vichy	240	645	79,92 %		371	371	1 772		3 399	(457)
Élysée Palace Expansion	Vichy	40	(244)	79,80 %		1 309	1 309	3 767		0	(62)
Élysée Palace Hôtel	Vichy	42	1 649	79,80 %		1 240	0	123		415	148
Soc. Chemins Fer et Hôtels Montagne Pyrénées	Vichy	701	884	76,26 %		601	601			71	34
Forges Thermal	Forges-les-Eaux	15 600	39 841	58,75 %	916	11 207	11 207			29 462	5 304
Société Française de Casinos	Paris	2 304	7 483	55,56 %		4 573	4 573		3 368	215	4 490
Associated entities (10 to 50% of share capital)											
Société du Casino Municipal d'Aix Thermal	Aix-en-Provence	2 160	21 391	38,62 %		2 777	2 777	12 912		30 410	4 857
Societat de l'Oci Dels Pyreneus	Escaldes Engordany	38	NA	33,00 %		13	13	37		NA	NA
Bastide II Rich Tavern	Montpellier	46	NA	25,00 %		46	0			NA	NA
Palavas Investissement	Palavas-les-Flots	8	(1 104)	10,00 %		122	122	1 034		166	(48)
Other interests											
Casino Municipal de Royat	Royat	240	4 073	1,91 %	74	73	73	0		8 890	2 949
Casino de Pornichet	Pornichet	571	5 190	0,01 %		3	3	2		12 031	3 576
Casino du Mole	Pornic	225	3 100	0,01 %		1	1	2		9 016	2 633
Casino de Hyères (CDTH)	Hyères	152	2 790	0,10 %		11	11	5	1 316	12 499	1 455
Casino d'Agon Coutainville	Agon Coutainville	51	4 805	0,05 %		2	2	0		2 933	913
Casino de Val André	Val André	160	972	0,05 %		6	6	2		4 292	598
Casino de Plouescat	Plouescat	330	4 063	0,00 %		1	1	0		6 056	1 754
Casino d'Arcachon	Arcachon	60	3 433	0,02 %		1	1	0		6 123	930
Casino de Palavas	Palavas-les-Flots	330	5 236	9,08 %	260	183	183			9 555	2 432
Fermière du Casino Municipal de Cannes	Cannes	2 157	NA	5,17 %		11 415	11 415			NA	NA
Eden Beach Casino	Juan-les-Pins	1 056	9 702	1,44 %		155	155			13 471	1 417
Hôtel du Golf	La Tour Salvagny	0	13	1,00 %		0	0			2 014	0
Société Thermale de Plombières-les-Bains	Plombières-les-Bains	38	NA	0,04 %		2	0			NA	NA
SEMTEE	Escaldes Engordany	25 242	NA	0,71 %	14	181	181			NA	NA

4 - Capital gains on which tax has been deferred (€'000)

Contributing company: SIHB
Company absorbed by Compagnie Fermière des Eaux (now Groupe Partouche)

Beneficiary company: GROUPE PARTOUCHE SA
141 bis, rue de Saussure - 75017 Paris

Nature of the operation: Merger

Date of the operation: Extraordinary General Meeting of 29 July 1994 which authorised the merger with retroactive effect as of 1 November 1993

Capital gains on non-depreciable assets

Land *Designation*	*Tax and book value*	*Contribution value*	*Capital gains for which tax is deferred*
Land at Bagnoles	5	145	140
Cliff	1	0	– 1

Participations *Investments in associates*	*Number of share*	*Tax and book value*	*Contribution value*	*Capital gains for which tax is deferred*
SA Casino des 4 Saisons *26, rue St-Jean - 62520 Le Touquet*	22 050	1 210	5 488	4 278
SA Eden Beach Casino *Bd Édouard Baudouin - 06160 Juan-les-Pins*	924	305	155	– 150
SA Forges Thermal *Av. des Sources - 76440 Forges-les-Eaux*	6 210	2 310	9 072	6 762
SA Jean Metz *Av. du Général de Gaulle - 62600 Berck-sur-Mer*	992	27	3 025	2 998
SA Numa *37, rue Félix Adam - 62200 Boulogne-sur-Mer*	4 930	113	3 457	3 344
SA Casino et Bains de Mer Dieppe *Bd. de Verdun - 76200 Dieppe*	4 600	991	3 825	2 834
SA Sathel *200, av. du Casino - 69890 Tour de Salvagny*	10 008	10 965	29 104	18 139
SA Le Touquet's *59, rue Royale - 62100 Calais*	1 801	210	4 668	4 458
Subtotal		**16 131**	**58 794**	**42 663**

Receivables *Designation*	*Tax and book value*	*Contribution value*	*Capital gains for which tax is deferred*
Jatek	778	778	0

Capital gains on depreciable assets (*)

Construction *Designation*	*Tax and book value*	*Contribution value*	*Capital gains for which tax is deferred*
Cave Granville	0	1	1
Construction Bagnoles	3	1 303	1 300
Appartement Saint-Placide	19	76	57
Subtotal	**22**	**1 380**	**1 358**
Total	**16 937**	**61 097**	**44 160**

(*) Capital gains on depreciable assets have been recognised.

5 - Net income of the last five years

Description	*Fiscal year ended 31/10/99 (12 months)*	*Fiscal year ended 31/10/00 (12 months)*	*Fiscal year ended 31/10/01 (12 months)*	*Fiscal year ended 31/10/02 (12 months)*	*Fiscal year ended 31/10/03 (12 months) before AGM approval*
Expressed in euros					
I - SHARE CAPITAL AT THE END OF THE FISCAL YEAR					
Share capital	*85 412 067*	*85 412 067*	*85 412 067*	*86 194 836*	86 194 836
Number of existing ordinary shares	*6 156 774*	*6 156 774*	*6 156 774*	*6 156 774*	6 156 774
Number of shares carrying priority dividends (without voting rights)					
Maximum number of shares that may be created in the future					
By conversion of bonds					
By exercising share subscription options					
II - RESULTS FOR THE FISCAL YEAR					
Turnover excluding tax	*4 652 215*	*5 458 286*	*6 389 823*	*5 083 989*	7 465 090
Income before tax, employee profit-sharing, depreciation, amortisation and regulated provisions	*14 472 008*	*28 568 608*	*27 050 690*	*33 890 441*	18 067 330
Corporate income tax	*10 671*	*– 1 917 269*	*– 2 258 379*	*– 14 690 152*	– 23 455 020
Employee profit-sharing for the fiscal year					
Net income	*14 354 595*	*29 106 885*	*27 778 435*	*45 039 480*	15 194 134
Distributed income	*10 324 536*	*10 324 536*	*4 925 419*	*0*	
III - EARNINGS PER SHARE					
Income after tax and employee profit sharing but before depreciation, amortisation and regulated provisions	*2,35*	*4,95*	*4,76*	*7,89*	6,74
Income after tax, employee profit sharing depreciation, amortisation and regulated provisions	*2,33*	*4,73*	*4,51*	*7,32*	2,47
Dividend per share	*1,68*	*1,68*	*0,80*	*0,00*	0,00
IV - PERSONNEL COSTS					
Average workforce during the fiscal year	*19*	*23*	*29*	*29*	43
Payroll for the fiscal year	*965 246*	*957 194*	*1 255 243*	*1 541 005*	2 322 073
Social benefits paid for the fiscal year	*394 882*	*391 610*	*526 781*	*645 656*	1 009 590

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE HOLDING COMPANY

FISCAL YEAR ENDED 31 OCTOBER 2003

Ladies and Gentlemen,

In accordance with the terms of the assignment with which we were entrusted by your Annual General Meeting, we submit to you our report for the fiscal year ended 31 October 2003 on:

- our audit of the annual financial statements of Groupe Partouche SA, as attached to this report;
- the justification of our assessments;
- specific legally-required verifications and information disclosures.

The financial statements are prepared under the responsibility of your Executive Board. Our responsibility is to express an opinion on these accounts based on our audit.

I. Our opinion on the annual financial statements

We conducted our audit in accordance with French professional standards. These standards required that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual financial statements present fairly, in all material aspects, the financial position of the Group as of 31 October 2003 and the results of the Company's operations included in the consolidation for the year then ended, in accordance with French accounting principles.

Without prejudice to the opinion expressed above, we draw your attention to Note 1 of the notes to the consolidated financial statements on accounting policies which details a change in accounting policy in connection with the first-time application of CRC Regulation 2000-06 on liabilities dated 7 December 2000 and its neutral impact on the income statement and opening shareholders' equity.

II. Justification of our assessments

Pursuant to article L.225-235 of the Code of Commerce relating to the justification of our assessments, as introduced by the Financial Security Act, of 1 August 2003 and applies for the first time this fiscal year, we draw to your attention the following issues:

- Note 1.3 of the notes to the financial statements details the accounting policies relating to long-term investments, notably the assessment criteria for book value versus value-in-use or market value of securities. In the course of our assessment of the accounting policies adopted by your company, we verified the above-mentioned accounting policies and the information provided in the notes and we obtained assurance that they were correctly applied.
- Our assessments were made in the course of our audit of the annual financial statements, taken in their entirety, and therefore contributed to the formulation of our unqualified audit opinion, expressed in the first section of this report.

III. Specific verifications and information disclosures

We have also carried out, in accordance with the professional standards that are applicable in France, specific legally-required verifications.

We have no comment to make as to their good faith and their consistency with the annual financial statements, of the information provided in the Management report and in the documents addressed to the shareholders in respect of the Company's annual financial statements.

As provided by the Law, we ensured that the various information related to the acquisition of investments in associates and subsidiaries and to takeover agreements as well as those related to shareholder identification, have been included in the Executive Board report.

Paris La Défense and Sceaux, 31 March 2004

José DAVID — KPMG Audit
A unit of KPMG S.A.

Maïr Fereres
Partner

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

FISCAL YEAR ENDED 31 OCTOBER 2003

Ladies and Gentlemen,

As the Statutory Auditors of your company, we hereby report to you on regulated agreements.

According to the provisions of Article L. 225-88 of the Commercial Code, we have been informed about agreements that have been authorised by your Supervisory Board.

We are not responsible for identifying the potential existence of other agreements, but simply for presenting you with their key terms and conditions of the agreements about which we have been informed, on the basis of the information we received, without expressing our opinion on their utility and validity. It is your responsibility, as provided by Article 117 of the Decree of 23 March 1967, to assess the beneficial nature of these transactions with a view to approving them.

We performed our work in accordance with professional standards; these standards require that we take the necessary measures to verify the consistency of the information with which we have been provided and the source documents from which it has been extracted.

1. Agreements made during the fiscal year that were authorised before becoming binding

1.1 Shareholder advance agreement with S.A. Financière Partouche

Your company made a shareholder advance agreement on 26 August 2003 with SA Financière Partouche. Under the terms of this agreement, S.A. Financière Partouche granted your company an advance of 100 000 000 € for a period of 7 years and 3 months commencing on 29 August 2003.

In respect of this agreement, your company recognised finance costs of 721 550 €.

Agreement authorised by the Supervisory Board of 26 August 2003.

1.2 Acquisition of shares in SA Société Immobilière Cannosta from Sandton Trading Limited

Your company acquired from its subsidiary Sandton Trading Limited the shares that it held in the capital of SA Société Immobilière Cannosta. This acquisition, which was made on 17 March 2003, comprised 543 602 shares (representing 99.97% of the share capital of SA Société Immobilière Cannosta). The acquisition price of the shares came to 12 195 921 €.

Agreement authorised by your Supervisory Board on 17 March 2003.

Member of the Supervisory Board and /or Executive Board concerned:

- **Hubert Benhamou**

1.3 Sale of shares in SA Société Immobilière Cannosta to SCS LCLP France SA et Cie

Your company sold to its subsidiary SCS LCLP France SA et Cie the shares it held in the capital of SA Société Immobilière Cannosta. This disposal took place on 24 March 2003 and involved 543 602 shares (representing 99.97% of the share capital of SA Société Immobilière Cannosta). The sale price came to 12 195 921 €.

Agreement authorised by your Supervisory Board on 24 March 2003.

Member of the Supervisory Board and/or Executive Board concerned:

- **Patrick Partouche**

1.4 Debt forgiveness - SA Grand Casino de la Trinité-sur-Mer

During the fiscal year ended 31 October 2003, your company granted SA Grand Casino de la Trinité-sur-Mer a write-off in the amount of 234 000 €. This agreement includes a financial recovery clause and was recorded in the current account that your company holds in SA Grand Casino de la Trinité-sur-Mer.

Agreement authorised by your Supervisory Board on 3 February 2003.

Members of the Supervisory Board and/or Executive Board concerned:

- **Richard Partouche**
- **Ari Sebag**

1.5 Debt forgiveness SA Casino de Morsbronn-les-Bains - CMB (now SA Casino de La Tremblade)

During the fiscal year ended 31 October 2003, your company granted SA Casino de Morsbronn-les-Bains-CMB (now SA Casino de La Tremblade) a write-off in the amount 130 000 €. This agreement includes a financial recovery clause and was recorded in the current account that your company holds at SA Casino de Morsbronn-les-Bains - CMB (now SA Casino de La Tremblade).

Agreement authorised by your Supervisory Board on 30 December 2002.

Member of the Supervisory Board and/or Executive Board concerned:

- **Ari Sebag**

1.6 Debt forgiveness - Lydia Invest SA

During the fiscal year ended 31 October 2003, your company granted SA Lydia Invest a write-off in the amount of 1 178 215 €. This agreement includes a financial recovery clause and was recorded in the current account that your company holds on SA Lydia Invest. Agreement authorised by your Supervisory Board on 3 March 2003.

Members of the Supervisory Board and/or Executive Board concerned:

- **Isidore Partouche**
- **Hubert Benhamou**
- **Patrick Partouche**

Moreover, pursuant to the Ministerial Order of 23 March 1967, we have been informed that the execution of the following agreements continued in the fiscal year under review.

2. Agreements made during previous years whose execution continued during the fiscal year

2.1 Tax consolidation agreement

Your Company resolved to incorporate the following 40 companies in the tax consolidation group that it heads: SA Sathel, SA Société du Casino Municipal d'Aix Thermal, SA Eden Beach Casino, SA Société du Casino Municipal de Royat, SA Casino de Palavas, SA Casino Le Lion Blanc, SA Société Anonyme du Casino et des Bains de Mers, SA Grand Casino de Beaulieu, SA Jean Metz, SA Numa, SA Société de Brasseries et Casinos "Les Flots Bleus", SARL Sek, SA Casino du Touquet, Baratem SA, SA Société du Casino de Saint-Amand-les-Eaux, Cannes Balnéaire S.A, Société d'exploitation du casino et d'Hô- tels de Contrexéville, Hôtel Cosmos, Grands Hôtels du Parc SARL, Les Thermes de Contrexéville, Les Thermes de Vittel, la Villa du Havre, Compagnie Européenne de Casinos, European Gaming Company, Ludica SA, Société du Grand Casino de Bandol, Casino de la Grande-Motte, Compagnie pour le développement du tourisme Hyérois, Azur Bandol, Société du Casino d'Arcachon, Casino de Saint-Nectaire, Société du Casino de Salies-de-Béarn, Société du Grand Casino de Gréoux Les Bains, SA du Casino d'Evaux-les-Bains, Plombinoise de Casino SA, Société Nouvelle du Casino de Cabourg - Sonecar, Développement de la Baie de Kernic, Société du Casino de Bourbon-Lancy, SA Bourbonnaise de Casino, SA du Casino de Saint-Cast-Le- Guildo.

During the fiscal year ended 31 October 2003, this tax consolidation agreement was extended to the following 15 companies which will be integrated as of 1 November 2003: Société Civile Immobilière Les Thermes, Hôtel Aquabella, Therm'Park, Centre de Balnéothérapie d'Aix-en-Provence, Holding Garden Pinède, Lydia Invest SA, Grand Casino de la Trinité, Grand Casino du Havre, Le Miami, Casino de Cazaubon Barbotan, Casino du Mole, Casino de Pornichet, Sinoca, Société d'exploitation du Casino de La Rotonde and Société civile immobilière Leriche Rostagne.

This tax consolidation agreement is performed as provided by the Article 223 A of the General Tax Code.

Under the terms of this agreement, your Company generated tax savings of €23,465,686

2.2. Partners' current accounts

Several natural person partners maintained or increased their current account deposits. These amounts were not remunerated during the fiscal year.

2.3. Debt forgiveness – Grand Casino de Cabourg SA

During the fiscal year ended 31 October 1999, your company granted the company Grand Casino de Cabourg SA two write-offs in the amounts of €2,286,735 and 678,379 respectively. Both agreements include a financial recovery clause and were recorded in the current account that your company holds on Grand Casino de Cabourg SA.

Furthermore, during the fiscal year ended 31 October 2000, your Company granted the company Grand Casino de Cabourg SA a write-off in the amount of €167,085. This agreement includes a financial recovery clause and was recorded in the current account that your company holds on Grand Casino de Cabourg SA.

In respect of the fiscal year under review, since the necessary conditions for the application of the clause were met, financial income was recognised in the amount of 29 953 € which meant that the current account could be reconstituted for the same amount. As a result, the total of the repayments made under this agreement came to 29 953 € at 31 October 2003.

2.4 Debt forgiveness - Grand Casino de Beaulieu SA

During the fiscal year ended 31 October 2000, your company granted the company Grand Casino de Beaulieu SA a write-off in the amount of €2,606,878. This agreement includes a financial recovery clause and was recorded in the current account that your company holds on Grand Casino de Beaulieu SA.

In respect of the fiscal year under review, since the necessary conditions for the application of the clause were met, financial income was recognised in the amount of 235 500 € and the same amount was paid into current account. The total of the repayments made under this agreement came to 1 997 620 € at 31 October.

2.5 With SA Financière Partouche

Financière Partouche SA has been authorised to enter into the centralised cash pooling agreement of Group companies with Groupe Partouche SA, under the same terms and conditions as your Company's subsidiaries.

Furthermore, during the fiscal year ended 31 October 1998, your Company entered into a lease agreement with Financière Partouche SA. This lease covers the letting of your company's head office that is located 141 bis, rue de Saussure – 75017 Paris. An endorsement to this agreement was signed on 1 August 2002 in consideration of the enlargement of the surface area occupied by Groupe Partouche SA. This lease agreement is valid for a period of nine years, commencing on 1 August 2002 and ending on 31 July 2011. The annual rent for these premises is set at €160,000 excluding taxes.

Paris - La Défense and Sceaux, 31 March 2004.

José DAVID

KPMG Audit
A unit of KPMG SA

Maïr FERERES
Partner

DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED ANNUAL AND EXTRAORDINARY GENERAL MEETING

OF FRIDAY 23 APRIL 2004

1. Within the jurisdiction of the Annual General Meeting

First resolution
Approval of the financial statements - Final Discharge

The Annual General Meeting, having examined the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, approves the annual financial statements, namely the balance sheet, the income statement and the notes to the accounts for the year ended 31 October 2003, as submitted to them, as well as the transactions reflected in these statements and summarised in these reports. The Annual General Meeting therefore grants final discharge to the members of the Executive Board in respect of the performance of their duties for the said fiscal year.

Second resolution
Appropriation of earnings

The General Meeting resolves that the net income for the fiscal year of 15,194,134 euros be appropriated as follows:

Net income for the year	*15 194 134 euros*
To the legal reserve	*13 300 euros*
Balance	*15 180 834 euros*

is appropriated in full to Retained earnings, which thus amounts to 105,261,633 euros.

As provided by the Law, the Annual General Meeting formally records that the amount of dividend distributed for the last three fiscal years, together with the corresponding tax credits, were as follows:

Fiscal year ended	*Net dividend*	*Dividend tax credit*
31 october 2000	*10 324 535,60 euros*	*5 162 267,80 euros*
31 october 2001	*4 925 419,00 euros*	*2 462 709,50 euros*
31 october 2002	*0,00 euro*	*0,00 euro*

Third resolution
Approval of the consolidated financial statements

The Annual General Meeting, having examined the report of the Executive Board and the Statutory Auditors approves the consolidated financial statements, i.e. the balance sheet, the income statement and the notes for the year ended 31 October 2003, as well as the transactions stated in these statements and summarised in these reports.

Fourth resolution
Agreements referred to in Article L. 225-86 of the Commercial Code

The General Meeting having examined the special report of the Statutory Auditors on the agreements referred to in Article L. 225-86 of the Commercial Code, and ruling on this report, hereby approves in succession each of the agreements set out therein.

Fifth resolution
Establishment of a procedure enabling the company to repurchase its own shares pursuant to Article L. 225-209 of the Commercial Code

The General Meeting having heard the report of the Executive Board:

1. authorises the Executive Board, pursuant to the provisions of Article L. 225-209 of the Commercial Code, to carry out a share buyback programme subject to the following conditions:

• the Company may perform transactions in its own shares for any purpose, particularly, to buy and sell shares in accordance with market conditions, or use the shares bought back as consideration to make acquisitions, or to enable share purchase options to be granted to company officers and employees, or within the scope of a financial or asset management strategy;

• the number of shares that the Company may buy under the share buyback programme may not cause the number of such shares held by the Company to exceed 10% of its share capital;

• the Company may purchase such shares at a maximum price of €30 per share and sell them at a minimum price of €10 per share. These prices would be adjusted to reflect any changes to the Company's share capital;

• shares may be bought and sold under this programme

by any means on a regulated or over-the-counter market (including a simple purchase, recourse to any financial instrument or derivatives, or options); the maximum portion of share capital that may be purchased or sold in the form of a bloc of shares is equal to the total permitted by the share buyback programme;

2. fix the period of validity of the authorisation covered by this resolution at 18 months commencing on the date of this General Meeting;

3. grants full powers to the Executive Board to implement and determine the terms and conditions of share buyback programme, in accordance with applicable laws and regulations, together with those stipulated in this resolution (with the option to delegate these powers, for general matters) and notably, to fix the hierarchy of objectives for the programme, place stock-exchange orders, enter into agreements, manage share purchase and sale records, file information required by regulations with any relevant authority, carry out any other procedure, and in general do whatever may be necessary. The Executive Board will inform shareholders in accordance with legal and regulatory conditions of the utilisation of the authorisation covered by this resolution, notably the purchases and sales of shares that have been made. In accordance with COB Regulation 98-02, after approving the resolution to grant this authorisation the Executive Board shall submit a prospectus to be approved by the Autorité des Marchés Financiers (AMF);

4. terminates the authorisation to conduct transactions in the shares of the Company, granted to the Executive Board under the terms of the fifth resolution of the Annual General Meeting of 15 April 2003.

Sixth resolution
Renewal of mandate of one of the principal statutory auditors and its associated secondary auditor

The mandates of Mr José David, principal statutory auditor and Mr Emmanuel Quiniou, secondary statutory auditor are set to expire on the date of this General Meeting. We therefore propose that you renew their functions for a further period of six years, namely until the Annual General Meeting called to approve the financial statements for the year ending 31 October 2009.

Seventh resolution
Appointment of a new principal statutory auditor and secondary statutory auditor.

The mandates of KPMG Audit, principal statutory auditor and Mr Gérard Rivière, secondary statutory auditor are set to expire at the end of this meeting and they have expressed their wish not to have their mandates renewed. We therefore propose that you appoint as their replacement BDO Gendrot, 25 Quai Carnot - 92000 Saint-Cloud as principal statutory auditor and Fiduciaire MCR as secondary statutory auditor, headquartered at 232, Avenue du Prado - 13000 Marseille for a period of six fiscal years, namely until the completion of the Annual General Meeting called to approve the financial statements for the fiscal year ending 31 October 2009.

Eighth resolution
Setting of directors' fees

The Annual General Meeting decides not to allot any directors' fees to members of the Supervisory Board. This decision applies for the fiscal year in progress and for future years until a decision to amend it is delivered by the General Meeting.

Ninth resolution
Powers

The Annual General Meeting grants full powers to the bearer of copies or extracts of these minutes to complete any legal formalities.

2. Within the jurisdiction of the Extraordinary General Meeting

Tenth resolution
Delegation to increase share capital, with pre-emptive subscription rights

On the basis of the Executive Board Report and the statutory auditors' special report and pursuant to the provisions of the Code of Commerce, and in particular of article L.225-129-III, paragraph 3:

1/ Delegates the necessary powers to the Executive Board to increase the share capital, in one or several stages, in amounts and times it decides:
a) through the issue, in euros or any other currency, or in any other unit of account established with reference to a basket of currencies, shares, or warrants and/or any securities conferring immediate or future entitlement, at any time or on a fixed date, to shares in the Company, whether by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, with the exception of priority shares;
b) and/or by incorporation of share premium, reserves, unappropriated retained earnings, or any other items whose incorporation into capital is permitted by law and the articles of association, through issue and bonus allotment of shares, or through the increase in the par value of existing shares.

2/ Grants this authorisation for a period of twenty-six months as of this Shareholders' Meeting.

3/ Limits the amount of issues performed by the Executive Board pursuant to this authorisation as follows:

in the event of a share capital increase conducted by virtue of this delegation, the total maximum par value of shares issued may not exceed €500,000,000 and cannot therefore increase the share capital to an amount greater than €586,194,836.

This ceiling includes the total par value of any shares which may be issued to preserve the rights of holders securities conferring entitlement to shares in accordance with the law.

Moreover, the total par value of shares issued as a direct or indirect consequence of the following resolution shall be deducted from this ceiling.

4/ In the event of utilisation of this authorisation by the Executive Board for the purpose of a share issue referred to in paragraph 1/a/ above:
a) decides that the issue or issues shall be reserved in preference to shareholders subscribing in proportion to their existing shareholding,
b) nonetheless grants the Executive Board the power to offer a secondary priority right to allow subscription to shares or share equivalents not taken up by other shareholders,
c) decides that where subscriptions in proportion to existing shareholdings, and where applicable, secondary priority rights, do not absorb the entire issue, the Executive Board may use any one or other of the following faculties, in an order it shall deem fit and subject to the terms and conditions laid down by law:
- limiting the share capital increase to the amount of subscriptions, provided this represents at least three-quarters of the increase initially decided,
- distributing freely all or a part of the issued securities not subscribed,
- offering to the general public, by means of a public issue, all or a part of the issued securities not subscribed, on the French and/or international markets,

d) takes due note and decides, as necessary, that this delegation constitutes an automatic and express waiver by shareholders, in favour of the holders of the issued securities, of their pre-emptive right to subscribe to shares to which the securities issued shall confer entitlement.

5/ grants full powers to the Executive Board subject to the terms and conditions laid down by law, to perform and place on record any capital increases resulting from any issue undertaken using this authorisation, and amend the articles of association accordingly.
The Executive Board is notably authorised to:
• charge, at its own initiative, the securities issuance costs against the related premium and deduct from this amount the sums required to adjust the legal reserve to one tenth of the new share capital after each capital increase,

• with regard to any incorporation of share premiums, reserves, retained earnings or other items, decide, where appropriate that fractional rights shall not be negotiable and that the corresponding shares shall be sold, with the resulting proceeds to be distributed to the holders of these rights within the legal deadline,
• to subdelegate to the Chairman the powers required to increase the share capital, and to defer it in accordance with the limitations and terms that the Executive Board may have fixed previously.

6/ This delegation supersedes the corresponding delegation granted by the Extraordinary General Meeting of 9 April 2002.

Eleventh resolution
Authorisation to increase share capital through the issue without pre-emptive subscription rights

On the basis of the Executive Board Report and the statutory auditors' special report, and pursuant to the provisions of the Code of Commerce, and in particular of article L.225-129-III:

1/ Delegates the necessary powers to the Executive Board to increase the share capital, in one or several stages, in amounts and times it decides, on the French and/or international market, by making a public offering, through the issue in euros or any other currency, or in any other unit of account established with reference to a basket of currencies:

• shares, or warrants and/or any securities conferring immediate or future entitlement, at any time or on a fixed date, to shares in the Company, whether by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, with the exception of priority shares; these securities may be issued as consideration for securities tendered to the company under a Public Exchange Offer that meets the conditions laid down by article L.225-148 of the Code of Commerce.

2/ Sets the period of validity of this delegation as 26 months, commencing on the date of this General Meeting.

3/ Decides to fix the following limits of authorised issues in the event that the Executive Board uses this delegation of authority.

The total maximum par value of shares issued by virtue of this delegation may not exceed €500,000,000 and cannot therefore increase the share capital to an amount greater than €586,194,836.

This ceiling includes the total par value of any additional shares which may be issued to preserve the rights of holders of securities conferring entitlement to shares in accordance with the law.

Moreover, the total par value of shares issued as a direct or indirect consequence of the preceding resolution of the General Meeting shall be deducted from this ceiling.

4/ Decides to rescind the pre-emptive subscription rights of shareholders to securities covered by this resolution, but delegates the power to the Executive Board to grant shareholders, for a period of time and under conditions that it will fix, and for all or part of an issue that is performed, a pre-emptive right to subscribe, which shall not lead to the creation of negotiable rights and which shall be exercised in proportion to the number of shares owned by each shareholder and which may be supplemented by a subscription; it being specified that at the end of the priority subscription period, unsubscribed securities shall be issued by means of a public placement.

5/ Takes due note and decides, as necessary, that this delegation constitutes an automatic and express waiver by shareholders, in favour of the holders of the issued securities, of their pre-emptive right to subscribe to shares to which the securities issued shall confer entitlement.

6/ Decides that the amount received or to be received by the company for each share issued, after taking into consideration, where standalone share warrants are issued, the issue price of the said warrants, should at least be equal to the average of the share price recorded on the stock market for the company's share during the 20 day period preceding the beginning of the issue of the shares or any other security, after adjusting this average according to the date that the securities will start to enjoy rights.

7/ Grants full powers to the Executive Board subject to the terms and conditions laid down by law, to perform and place on record any capital increases resulting from any issue undertaken using this authorisation, and amend the articles of association accordingly.

The Executive Board is notably authorised:
• in the case of an issue of securities granted to allow for payment for securities tendered under an exchange offer, to:
- validate the list of securities tendered under the exchange offer,
- determine the exchange basis as well as the amount of any balance to be paid in cash,
- determine the terms and conditions for the issue;
• charge, at its own initiative, the securities issuance costs against the related premium and deduct from this amount the amounts required to adjust the legal reserve to one tenth of the new share capital after each capital increase;
• to subdelegate to the Chairman the powers required to increase the share capital, and to defer it in accordance with the limitations and terms that the Executive Board may have fixed previously.

8/ This delegation supersedes the corresponding delegation granted by the Extraordinary General Meeting of 9 April 2002.

Twelfth resolution
Authorisation to use delegations during a Public Cash or Exchange Offer

The General Meeting decides that the delegations of authority granted by the two preceding resolutions may be used by the Executive Board in the event of a Public Cash or Exchange Offer for securities issued by the company, subject to the decision to perform the capital increase being taken before the offer is filed.

This authorisation is valid until the date of the Annual General Meeting convened to approve the financial statements for the fiscal year ending 31 October 2005.

Thirteenth resolution
Capital increase reserved for employees

On the basis of the Executive Board Report and the statutory auditors' special report, and pursuant to the provisions of the Code of Commerce, and in particular of articles L.225-129 VII and L.225-138 of the Code of Commerce and article L.443-5 of the Labour Code:

1/ Decides to authorise the Executive Board, as it sees fit, based on its sole discretion, to increase the share capital, in one or several stages, through the issue of shares in cash and, if applicable, bonus allotment to holders of existing shares or other securities conferring entitlement to the share capital, reserved for employees and directors of the company and related entities as defined under article L.225-180 of the Code of Commerce that are members of a Company Savings Plan or a voluntary employee savings plan run by the company,

2/ Rescinds these persons' pre-emptive subscription rights to shares which may be issued by virtue of this authorisation,

3/ Sets the period of validity of this authorisation as five years from the date of this Meeting,

4/ Limits the maximum nominal amount of the increase(s) that may be performed by virtue of this authorisation to €5,860,000.

5/ Decides that the price of the shares that may be issued in application of 1/ of this delegation, may not be more than 20% (or 30% in the case of an employee savings plan) lower than the average of the opening share prices of the 20 trading days preceding the decision of the Executive Board relating to the capital increase and the corresponding share issue, nor may it be greater than this average.

6/ Grants full powers to the Executive Board to implement this authorisation and take all necessary measures and formalities.

7/ This delegation supersedes the corresponding delegation granted by the Extraordinary General Meeting of 9 April 2002.

Fourteenth resolution
Powers

The General Meeting grants full powers to the bearer of copies or extracts of these minutes to complete any legal formalities.

SPECIAL REPORT OF THE STATUTORY AUDITORS TO THE COMBINED SHAREHOLDERS' MEETING

Of friday 23 April 2004

Ladies and Gentlemen,

In our capacity of statutory auditors of Groupe Partouche SA we present our report on the transactions which you are invited to approve.

1. Issue of various securities conferring immediate or future entitlement to shares in the Company with pre-emptive subscription rights (tenth resolution)

Pursuant to the scope of our engagement, as defined notably under articles L.225-150, L.225-161, L.225-169, L.228-92 and L.228-95 of the Code of Commerce, we present our report on the project to issue different types of securities, an operation which you are invited to approve. The capital increases which would ensue immediately or in the future from the issue of these securities may not exceed €500 million.

On the basis of its report, your Executive Board proposes that you delegate to it, for a period of 26 months, the authority to fix the terms and conditions of this operation.

We performed our work in accordance with professional standards applicable in France. These standards require that we perform work to verify the issue price determination conditions.

Since the amounts of the issue price, their translation, exchange or reimbursement bases and the exercise prices of subscription rights have not been fixed, we do not express an opinion on the final conditions under which the issue will be performed.

Pursuant to article 155-2 of the ministerial order of 23 March 1967, we shall issue an additional report when the issue is performed by your Executive Board.

2. Issue of various securities without pre-emptive subscription rights (eleventh resolution)

Pursuant to the execution of our engagement, as defined notably under articles L.225-135, L.225-150, L. 225-161, L.225-169, L.228-92 and L.228-95 of the Code of Commerce, we present our report on the project to perform a reserved issue shares and/or various other securities. The capital increases, that would result immediately or in the future from the issue of these securities may not exceed €500 million.

On the basis of its report, your Executive Board proposes that you delegate to it for a period of 26 months, the authority to fix the terms of this operation and to waive your pre-emptive subscription rights.

We have performed our work in accordance with professional standards applicable in France. These standards require that we perform work to verify the issue price determination conditions.

Subject to a future assessment of the conditions of the proposed capital increase, we have no comments to make on the issue price determination conditions provided in the Executive Board Report.

Since the amounts of the issue price, their translation, exchange or reimbursement bases, and the exercise prices of the subscription rights have not been fixed, we do not express an opinion on the final conditions under which the issue will be performed and consequently on the proposal that you waive your pre-emptive subscription rights, the principle of which nevertheless is part of the rationale for the operation presented for you approval.

Pursuant to article 155-2 of the ministerial order of 23 March 1967, we shall issue an additional report when the issue is performed by your Executive Board.

3. Increase reserved for employees (thirteenth resolution)

Pursuant to the scope of our engagement, as defined under article L.225-135 of the Code of Commerce, we present our report on the project for the capital increase reserved for the active employees of your company and related companies as defined under article L.225-180 of the Code of Commerce and members of a company savings plan. This capital increase has been submitted for your approval pursuant to the provisions of article L.225-129 of the Code of Commerce and article L.443-5 of the Labour Code.

On the basis of its report, your Executive Board proposes that you delegate to it for a period of five years, the authority to fix the terms and conditions of this operation and to waive your pre-emptive subscription rights, it being specified that the maximum nominal value of the capital increases resulting from this operation may not exceed € 5 860 000.

We performed our work in accordance with the professional standards applicable in France. These standards require us to perform work to verify the issue price determination conditions.

Subject to a future assessment of the conditions of the proposed capital increase, we have no comments to make on the issue price determination conditions provided in the Executive Board Report.

Since the amounts of the issue price, their translation, exchange or reimbursement bases, and the exercise prices of the subscription right have not been fixed, we do not express an opinion on the final conditions under which the issue will be performed and consequently on the proposal that you waive your pre-emptive subscription rights, the principle of which nevertheless is part of the rationale for the operation presented for you approval.

Pursuant to article 155-2 of the ministerial order of 23 March 1967, we shall issue an additional report when the issue is performed by your Executive Board.

Paris La Défense and Sceaux, 31 March 2004

José DAVID — KPMG Audit
A unit of KPMG S.A.

Maïr FERERES
Partner

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Identification of the Executive and Supervisory Boards

Members of the Executive Board

Executive Board member	*Positions held*	*Date of birth*	*Date of first appointment*	*Date of last renewed appointment*	*Expiration of appointment*	*Number of shares held*	*Other positions held outside the Group*
Mr Hubert BENHAMOU	*Chairman of the Executive Board*	*15 December 1948 in Tiaret (Algeria)*	*Supervisory Board meeting of 20 June 1996*	*Supervisory Board 1 November 2001*	*31 October 2007*	*30 100 shares*	*none*
Mrs Katy ZENOU	*Member of the Executive Board General Manager*	*6 August 1961 in Tiaret (Algeria)*	*Supervisory Board meeting of 20 June 1996*	*Supervisory Board 1 November 2001*	*31 October 2007*	*35 469 shares*	*none*
Mr Patrick PARTOUCHE	*Member of the Executive Board General Manager*	*13 juin 1964 in Oran (Algeria)*	*Supervisory Board meeting of 20 June 1996*	*Supervisory Board 1 November 2001*	*31 October 2007*	*27 986 shares*	*none*
Mr Ari SEBAG	*Member of the Executive Board General Manager*	*25 September 1961 in Tiaret (Algeria)*	*Supervisory Board meeting of 20 June 1996*	*Supervisory Board 1 November 2001*	*31 October 2007*	*4 361 shares*	*none*
Mr Richard PARTOUCHE	*Member of the Executive Board General Manager*	*7 December 1946 in Tiaret (Algeria)*	*Supervisory Board meeting of 20 June 1996*	*Supervisory Board 1 November 2001*	*31 October 2007*	*16 800 shares*	*none*

List of company offices held by the members of the Executive Board

Mr Hubert Benhamou, Chairman of the Executive Board of Groupe Partouche SA
also serves as Chairman and General Manager of Casino Le Lion Blanc SA (Saint-Galmier) and of Hôtel International de Lyon (Lyon). He is a Member of the Executive Committee of Société Française de Casinos SAS. He serves also as a director and Deputy General Manager of Financière Partouche SA, and Grand Casino du Havre SA (Le Havre). Finally, he serves as a director within the following companies: Société du Casino du Palais de La Méditérranée (Nice) SA, Société d'exploitation du Casino de Contrexéville SA, Jean Metz SA (Berck-sur-Mer), SA du Casino et des Bains de Mer (Dieppe), Forges Thermal SA (Forges-les-Eaux), Casino de Vichy SA (Vichy), Société du Casino Municipal d'Aix Thermal SA, Casino de Palavas SA, Bourbonnaise de Casinos SA, Casino de Grasse SA, Baratem SA (Le Touquet), Société de L'Élysée Palace SA, Européenne de Gestion Hôtelière SA (Paris), and Les Américains SA (Nancy). He is the permanent representative of Groupe Partouche SA within Société Pour Le Développement Du Tourisme Hyèrois SA. He also serves as corporation manager within the following companies: Hôtel du Golf SNC (La Tour-de-Salvagny), EGH La Part Dieu SNC (Lyon), Société Immobilière de la Tour SARL (La Tour-de-Salvagny), EGH Plein Sud SNC, EGH Bord de Saône SNC, EGH Savoie SNC, EGH Parc du Casino SNC, and Société Civile Immobilière et Hôtelière de la Part Dieu. He is also a director of Groupe Partouche International SA (Brussels) and of Grand Casino de Djerba SA (Djerba).

Mrs Katy Zenou, Member of the Executive Board, Deputy General Manager of Groupe Partouche SA
also serves as Chairman and General Manager of Élysée Palace Expansion SA. She serves also as Deputy General Manager and Director of Financière Partouche SA and of Casinos du Touquet SA. Finally, she is a director within the following companies: Numa SA (Boulogne-sur-Mer), SA Baratem (Le Touquet), Hotel International De Lyon SA (Lyon), and Groupe Partouche International SA (Brussels).

Mr Patrick Partouche, Member of the Executive Board, Deputy General Manager of Groupe Partouche SA
also serves as Chairman and General Manager of Cannes Balnéaire SA– Palm Beach Casino (Cannes) and of Eden Beach Casino SA. He is General Manager and Director of Financière Partouche SA and serves as a director within the following companies: Compagnie Européenne de Casinos – CEC SA (Paris), Holding Garden Pinède SA, Élysée Palace Expansion SA, Casino de Saint-Amand-Les-Eaux SA, Le Touquet's SA (Calais), SA du Casino et des Bains de Mer (Dieppe), SA Forges Thermal, SA Grand Casino de Cabourg, SA Grand Casino du Havre, SA Société d'exploitation du Casino de Contrexéville, SA Grand Casino de Lyon, SA Société du Casino Municipal d'Aix Thermal, SA Grand Casino de Beaulieu, SA Casino de Palavas, SA Casino de Grasse, SA Lydia Invest, SA Ludica, SA Casino de Bourbon Lancy, SA Sonecar, SA Casino de Saint-Cast-Le Guildo, SA Casino des Palmiers (Hyères), SA Bourbonnaise de Casino, SA Baratem, SA Hôtel International de Lyon, SA Européenne de Gestion Hôtelière, SA Les Américains and he is the business manager of SARL Sogimage. He is also permanent representative of SA Compagnie Européenne de Casinos, director of SA Société du Casino du Palais de La Méditerranée, permanent representative of Groupe Partouche SA, director of SA Groupe Partouche International (Brussels), Managing Director of SA Grand Casino de Djerba (Djerba) and Chairman of Groupe Partouche Bahamas Limited.

Mr Ari Sebag, member of the Executive Board, Deputy General Manager of Groupe Partouche SA
is also Chairman and General Manager of Forges Thermal SA and of SA du Casino et des Bains de Mer (Dieppe). He is director, and Deputy General Manager of Financière Partouche SA and La Villa Du Havre SAS (Le Havre). He serves as a director within the following companies: SA Société du Casino du Palais de La Méditerranée (Nice), SA Holding Garden Pinède (Juan-les-Pins), SA Cannes Balnéaire (Cannes), SA Hôtel International de Lyon (Lyon), SA Société du Grand Casino de Cabourg (Cabourg), SA Baratem (Le Touquet), SA Casino de La Tremblade (La Tremblade) and permanent representative of Groupe Partouche International SA, director of Grand Casino de Djerba SA (Djerba – Tunisia), and finally, Chairman of Grand Casino Nuevo San Roque SA (Spain).

Mr Richard Partouche, Member of the Executive Board, Deputy General Manager of Groupe Partouche SA
also serves as Chairman and General Manager of Casino de Saint-Amand-Les-Eaux SA and of Européenne de Gestion Hôtelière SA. He is Director – Deputy General Manager of Financière Partouche SA. He is a Member of the Executive Committee of Société Française de Casinos SAS. Finally, he serves as a director within the following companies: Grand Casino de Lyon SA, Grand Casino de Cabourg SA, Grand Casino de La Trinité-Sur-Mer SA, Société du Casino Municipal de Royat SA, Hôtel International de Lyon SA, Groupe Partouche International SA (Brussels), Grand Casino de Djerba SA (Jerba – Tunisia).

Members of the Supervisory Board

Supervisory Board member	*Position held*	*Date of birth*	*Date of first appointment*	*Date of last renewed appointment*	*Expiration of appointment*	*Number of shares held*	*Other positions held outside the Group*
Mr Isidore PARTOUCHE	*Chairman of the Supervisory Board*	*21 April 1931 in Trezel (Algeria)*	*AGM of 20 June 1996*	*AGM of 9 April 2002*	*31 October 2007**	*1 160 915 shares*	*none*
Mr Marcel PARTOUCHE	*Vice-Chairman of the Supervisory Board*	*24 February 1920 in Tiaret (Algeria)*	*AGM of 20 June 1996*	*AGM of 9 April 2002*	*31 October 2007**	*7 shares*	*none*
Mr Maurice SEBAG	*Member of the Supervisory Board*	*1 December 1926 in Tiaret (Algeria)*	*AGM of 20 June 1996*	*AGM of 9 April 2002*	*31 October 2007**	*70 shares*	*none*
Mr Gaston GHRENASSIA aka Enrico MACIAS	*Member of the Supervisory Board*	*11 December 1938 in Constantine (Algeria)*	*Co-opted to replace Mr Jacques BENHAMOU by decision of the Supervisory Board of 11/12/1998*	*AGM of 9 April 2002*	*31 October 2007**	*70 shares*	*Singer actor member of Unesco*
*Mr Maurice PARTOUCHE***							

* At the conclusion of the Annual General Meeting convened to approve the financial statements of the fiscal year ending 31 October 2007.

** Deceased after the fiscal year-end.

List of company offices held by the members of the Supervisory Board

Mr Isidore Partouche, Chairman of the Supervisory Board of Groupe Partouche SA

also serves as Chairman and General Manager of Financière Partouche SA, of Compagnie Européenne de Casinos (CEC) SA and of Société d'Exploitation du Casino de Contrexéville SA. He is a Member of the Executive Committee of Société Française de Casinos SAS. He also serves as a director within the following companies: SA Société du Casino de Saint-Amand (Saint-Amand), SA Casinos du Touquet (Touquet), SA du Grand Casino et des Bains de Mer (Dieppe), SA Forges Thermal (Forges-les- Eaux), SA Grand Casino de Cabourg (Cabourg), SA Sathel (La Tour de Salvagny), SA Hôtel International de Lyon (Lyon), la SA Société du Casino Municipal de Royat (Royat), SA Casinos de Vichy (Vichy), SA Société du Casino Municipal d'Aix Thermal (Aix-en- Provence), SA Société de Brasserie et Casinos "Les Flots Bleus" (La Ciotat), SA Société Cannes Balnéaire - Palm Beach Casino (Cannes), SA l'Eden Beach Casino (Juan-les-Pins), SA Grand Casino de Beaulieu (Beaulieu), SA Casino de Palavas (Palavas), SA Lydia Invest (Port Barcarès), SA Bourbonnaise de Casino (Bourbonne-les-Bains), SA Européenne de Gestion Hôtelière - EGH (Paris), SA Les Américains (Nancy) and permanent representative of SA Européenne de Casinos, director of SA Bourbonnaise de Casino and director of SA Société Française d'Investissement d'Hôtels et de Casinos (Nice). He also serves as Corporation Manager of the following companies: SCI Société Foncière de Vittel et Contrexéville, SCI Société Civile Immobilière Les Thermes, la SARL Therm' Park, Sprl Artmusic. Il serves as a Deputy Director within the following companies: SA Groupe Partouche International (Brussels), SA SIKB (Knokke le Zoute), SA ECK (Knokke le Zoute).

Mr Marcel Partouche, Vice-Chairman of the Supervisory Board of Groupe Partouche SA

also serves as Chairman and General Manager of SA Casino d'Évaux-les-Bains (Évaux-les-Bains) and of SA Casino du Val André (Val André). He is General Manager and Director of Jean Metz SA. He also serves as a director within the following companies: SA Numa (Boulogne-sur-Mer), SA Casinos du Touquet (Le Touquet), SA Baratem (Le Touquet), SA Plombinoise de Casino (Plombières-les-bains).

Mr Maurice Sebag, Member of the Supervisory Board of Groupe Partouche SA

also serves as Chairman and General Manager of Numa SA (Boulogne-sur-Mer) and of Casino de Pornichet SA (Pornichet). He is Chairman of the Board of Directors of Grand Casino du Havre SA, Permanent Representative of Groupe Partouche SA, and a Director of Plombinoise de Casinos SA (Plombières-les-Bains). Finally, he serves as a director within the following companies: Casino du Touquet SA (Le Touquet), Jean Metz SA (Berck-sur-Mer), Société du Casino Municipal de Royat SA (Royat), and Casino Nuevo San Roque (Spain).

Mr Gaston Ghrenassia, Member of the Supervisory Board of Groupe Partouche SA

also serves as Chairman and General Manager of SA Casino d'Arcachon; he is Deputy General Manager and director of SA Société Européenne des Grands Restaurants.

Modus operandi of the Supervisory Board

The Supervisory Board met 14 times during fiscal year 2003 and continues to divide its work among three bodies – the Audit, Finance, and Remuneration Committees.

In accordance with corporate governance procedures, following the change in the management mode of our Group to that of a Société Anonyme with Executive and Supervisory Boards by decision of the Extraordinary General Meeting of 20 June 1996, we established three committees: an Audit Committee, a Finance Committee, and a Remuneration Committee. The Remuneration Committee generally meets once a year, in order to determine, in line with budget restrictions, all remunerations for the fiscal year to come. The Finance Committee and the Audit Committee each meet as often as necessary, with an average of four meetings each quarter of the fiscal year.

The various committees meet under the chairmanship of Mr Isidore Partouche, who co-ordinates and runs them with the collaboration of Mr Hubert Benhamou, Chairman of the Executive Board, together with Mr Patrick Partouche and Mr Ari Sebag, both General Managers and Members of the Executive Board.

The committees can rely, through the members of the Executive Board, on the collaboration and involvement of the various staff departments of the Group. In connection with their tasks, they may use or bring in, as authorised by the Supervisory Board, the outside specialists or advisors they deem necessary. The rules of procedure of the Supervisory Board have not been laid down in any official internal document.

Evaluation of members of the Supervisory Board

The methods of evaluating members of the Supervisory Board, as detailed in the Vienot Report, aim above all to provide assurance to shareholders that the members of the board have a suitable profile of skills to be able to perform their role.

In the case of your Company, each member of the Supervisory Board has over 30 years experience and a highly honed set of skills and knowledge of the leisure business, particularly of gaming establishments and managing live shows and events.

Within the scope of an "objective constructive self-criticism" on the modus operandi of the board, feedback is obtained once every year. During the fiscal year under review, this assessment did not reveal any dysfunction which may have a prejudicial effect on the company.

Audit Committee

The Audit Committee effects an annual and half-yearly examination of the company and consolidated financial statements and periodically examines internal control procedures and more generally all the procedures for auditing accounting or management that are in force within the Group.

It also acts as an intermediary between the Supervisory Board and the Statutory Auditors of the Group.

Finance Committee

The task of the Finance Committee is to examine planned disposals of real estate or investments, or the setting-up of guarantees or securities, so as to enable the Supervisory Board to issue the necessary authorisations prescribed by the Law. The Audit Committee and Financial Committee met five times during fiscal year 2003, with an attendance rate of 100%, at the same time as the Supervisory Board meetings during the course of which there were regular presentations of the activity report, with various proposals and recommendations being made.

Remuneration Committee

The Remuneration Committee's task is to determine the remuneration of the members of the Executive Board, and to obtain, through the Executive Board, information relating to the remuneration and status of the Directors of the Group.

The remuneration committee met on two occasions during fiscal year 2003 with an attendance rate of 100%.

The committee does not determine the allocation methods for bonuses in advance. No variable portion of remuneration related to performance or progress is allocated to the company officers.

Remuneration allotted to the Executive and Supervisory Boards by Groupe Partouche SA

The total remuneration paid to the Executive and Supervisory bodies during the fiscal year ended 31 October 2003 amounted to 827,932 euros.

Remuneration of company officers

Pursuant to the provisions of article L.225-102-1 of the Code of Commerce, all of the company officers' remuneration that is received during the fiscal year ended 31 October 2003 from Groupe Partouche, is summarised in the table below on an individual basis:

List of company officers of Groupe Partouche SA	*Total remuneration in euros*	*of which benefits in kind in euros*
Mr Hubert Benhamou	*185 464*	
Mr Patrick Partouche	*192 192*	*6 915*
Mr Ari Sebag	*187 478*	*5 417*
Mr Richard Partouche	*163 490*	
Mrs Katy Zenou	*118 560*	
Mr Isidore Partouche	*219 053*	
Mr Marcel Partouche	*192 522*	
Mr Maurice Partouche	*141 600*	
Mr Maurice Sebag	*102 444*	
Mr Gaston Ghrenassia	*20 000*	

Disclosure of audit and consulting fees

	KPMG				José DAVID			
	Amount (K€)		*%*		*Amount (K€)*		*%*	
at 31 October	*2002-03*	*2001-02*	*2002-03*	*2001-02*	*2002-03*	*2001-02*	*2002-03*	*2001-02*
AUDIT								
Statutory audit of annual accounts and consolidated financial statements								
Parent company	65	*65*	28 %	*30 %*	46	*46*	26 %	*27 %*
French subsidiaries	105	*77*	45 %	*35 %*	130	*127*	74 %	*73 %*
Belgian subsidiaries	15	*16*	6 %	*7 %*				
Spanish subsidiary	30	*30*	13 %	*14 %*				
Moroccan subsidiary	17	*17*	7 %	*8 %*				
Other engagements		*14*	0 %					
Subtotal	**232**	219	**100 %**	100 %	**176**	173	**100 %**	100 %
OTHER SERVICES								
Legal, tax, employee audit, Information technology, Internal audit Other								
Subtotal	0	0	*0 %*	*0 %*	0	*0*	0 %	*0 %*
TOTAL	**232**	**219**	**100 %**	**100 %**	**176**	**173**	**100 %**	**100 %**

Breakdown of turnover by main activity

Casino	Turnover	Net gaming revenue	Hotels	Restaurants	Other
Sathel	34 503 346	29 382 379		4 349 734	771 233
Aix Thermal	30 359 810	25 512 090		3 488 344	1 359 376
Forges	29 409 305	21 112 330	3 531 916	3 289 056	1 476 003
Lyon Pharaon	17 883 642	16 934 429		671 338	277 875
St-Amand	17 274 416	16 182 587		836 257	255 572
La Grande-Motte	14 149 467	12 831 523		1 252 554	65 390
Palm Beach	13 224 426	9 452 744		2 956 477	815 205
Juan-les-Pins	12 597 916	10 663 141		1 655 645	279 130
Hyères	12 467 162	11 357 730	123 936	408 393	577 103
Bandol	12 033 495	11 574 405		407 749	51 341
Pornichet	12 031 212	10 688 469		1 266 224	76 519
Hil	10 611 799		5 775 522	2 910 077	1 926 200
Garden	9 568 481		6 911 759	1 942 399	714 323
Palavas	9 554 778	8 966 973		459 855	127 950
Part-Dieu	9 203 652		5 289 989	3 587 637	326 026
Pornic	9 015 668	7 865 545		1 000 607	149 516
Royat	8 885 535	8 237 099		495 482	152 954
La Roche Posay	8 665 856	8 078 809	60 976	484 788	41 283
St-Galmier	7 091 025	5 875 767		1 075 635	139 623
Grand Café	6 591 801	4 831 831		1 700 162	59 808
Gruissan	6 202 042	4 934 584	498 641	689 271	79 546
Arcachon	6 118 594	5 710 517		253 766	154 311
Plouescat	6 055 651	5 419 730		550 229	85 692
Dieppe	6 025 820	4 688 329	148 793	1 045 486	143 212
Oostende	6 020 839	4 299 070		579 893	1 141 876
Calais	5 213 177	4 744 315		408 369	60 493
4 Saisons	5 110 483	4 138 791		960 659	11 033
Casino Lac Meyrin	5 082 280	4 771 282		310 998	0
Beaulieu	4 995 870	4 461 575		375 359	158 936
Jean Metz	4 897 391	4 392 313		504 808	270
Cannosta	4 785 218		2 753 087	1 820 146	211 985
Le Val André	4 254 740	3 194 957		897 336	162 447
Cabourg	4 214 697	3 355 923		746 764	112 010
Les Flots Bleus	4 081 537	3 797 404		235 603	48 530
Chatel-Guyon	3 823 190	3 341 281		411 905	70 004
Andernos	3 753 500	3 375 556		265 123	112 821
Contrexéville	3 749 710	3 415 525		295 818	38 367
SA ECK	3 746 242	1 999 804		961 474	784 964
Numa	3 675 024	3 603 298		59 697	12 029
Etab. Thermal Vittel	3 558 785				3 558 785
Cas Vichy	3 366 000	3 250 129		78 253	37 618
Chaudf. Loisirs	3 110 070	2 255 658			854 412
Aquabella	3 067 479		1 981 722	810 173	275 584
Cazaubon	2 959 657	2 785 845		173 812	
Agon-Coutainville	2 933 077	2 785 597		97 788	49 692
Saint-Honoré	2 829 759	2 725 966		103 589	204
Thermes Chatel	2 749 237				2 749 237
Hôtel du Parc	2 600 549		949 846	1 379 506	271 197
Plombières-les-Bains	2 525 583	2 247 517		253 382	24 684
Gréoux-les-Bains	2 414 112	2 188 519		223 315	2 278
San Roque	2 144 464	1 754 192		182 302	207 970
Djerba	2 077 197	1 819 460		228 306	29 430
Hôtel du Golf	2 000 902		964 834	963 251	72 817
Évaux-les-Bains	1 997 212	1 675 242		299 300	22 670
Saint-Nectaire	1 846 676	1 683 781		162 673	222
Thermes Contrexéville	1 709 931			5 516	1 704 415
Hôtel Cosmos	1 693 774		667 033	982 551	44 190
Salies-de-Béarn	1 530 439	1 319 608		186 249	24 582
Grasse	1 402 368	1 238 041		164 041	286
C.B.A.P.	1 391 093				1 391 093
Le Mirage	1 269 893	1 224 829		31 337	13 727
Hôtel Splendid	1 244 348		833 825	354 960	55 563
SA SIKB	983 854			11 153	972 701
SPA	971 769	637 807		50 591	283 371
SA Lydia	862 326			695 457	166 869
Villa du Havre	661 865			661 865	
Reno	501 274				501 274
L. Rostagne	373 423				373 423
Café Carmen	322 309				322 309
Grands Hôtels du Parc	303 943		140 773	160 419	2 751
Caskno	291 512				291 512
Sinoca	239 826		207 156	31 120	1 550
Therm'Park	178 816				178 816
GP	158 442				158 442
Belcasinos	114 031				114 031
Port-la-Nouvelle	107 226				107 226
Baratem	69 028			69 028	
Epsa	68 124				68 124
SCI Royale	38 870				38 870
SCI vittel	23 220				23 220
CHM	19 895				19 895
Sci Parc de Posay	10 833				10 833
SED	2 756				2 756
Gie Europ	447				447
SCI Grasse	25				25
Total	**435 655 215**	**322 784 296**	**30 839 808**	**53 971 055**	**28 060 056**

Description of the competitive environment in 2003

The casino sector in France has shown a relatively recent move towards concentration.

Of the 180 licensed casinos in France, more than two-thirds are operated by groups and the remainder by individuals.

The main groups are as follows:

Name of Group	*Number of casinos operated in France*	*2003 Real Gross Gaming Revenue (in €m-GGR)*
Groupe Partouche ...	42	693,9
Groupe Barriere	13	432,7
Accor Casinos	16	337,5
Groupe Moliflor Loisirs	20	248,7
Groupe Tranchant ...	18	204,8
Aaron/Didot Bottin .	4	107,3
Groupe Cogit	5	64,5
Groupe Emeraude ...	7	51,1

Source: Syndicat des Casinos Modernes de France (figures as at 31/10/03).

Description of main clients

In the early 1990s, casinos in France experienced a real revolution when permission was granted by the authorities to operate slot machines.

Their potential clientele, which traditionally consisted of the happy few among the high income population, including tradesmen, self-employed individuals, and people with independent means ready to play high stakes, now includes the entire working population who previously would have bet on the horses or played the Lottery. Consequently, casino attendance figures have seen exponential growth and the vast majority of clients have an average monthly gaming budget of around 50 euros.

The clientele over 50 and retirees now constitutes the main segment. The steady growth in this slice of the population seems to be a guarantee of further expansion in the business.

Suppliers

The casino business is very heavily regulated.

All suppliers of gaming equipment and fittings are subject to an approval by the Minister of the Interior, ensuring that the draconian standards of compliance are met.

This applies, inter alia, to suppliers of slot machines (such as Bally France and Ludi), roulette cylinders (Caro), table game chips (Bourgogne and Grasset) and slot machine tokens (La Monnaie de Paris, etc.).

Breakdown of human resources by category (average workforce)

Category at 31 October	**2003 (n)**	*2002 (n–1)*	*2001 (n–2)*
Management and Executives ...	558	*465*	*296*
Supervisors and technicians ...	216	*182*	*142*
Other non-manual workers	4 437	*4 524*	*3 110*
Manual workers ..	136	*166*	*109*
Total	**5 347**	5 337	3 657

Reduction in labour time

All the group's establishments have complied with the legal obligations in respect of labour time reductions.

Work reorganisation was performed in a serene social context, thus confirming the Group's change management proficiency.

Reorganising our human resources and streamlining our work schedules both helped to drive forward growth in casino revenue.

Analysis of company risks

Liquidity risk

Borrowings at 31 October 2003

LIABILITIES (€'000s)	*TOTAL*	*– 1 year*		*1 to 5 years*		*+ 5 years*	
		Fixed rate	*Var. rate*	*Fixed rate*	*Var. rate*	*Fixed rate*	*Var. rate*
Syndicated loan	*326 700*		*33 000*		*178 200*		*115 500*
Bank loans	*59 328*	*5 079*	*9 949*	*11 813*	*22 756*	*1 905*	*7 826*
Total	**386 028**	**5 079**	**42 949**	**11 813**	**200 956**	**1 905**	**123 326**

ASSETS (€'000s)		*– 1 year*		*1 to 5 years*		*+ 5 years*	
		Fixed rate	*Var. rate*	*Fixed rate*	*Var. rate*	*Fixed rate*	*Var. rate*
MARKETABLE SECURITIES	**6 620**		**6 163**	**457**			
Net position before hedging	*379 408*	*5 079*	*36 786*	*11 356*	*200 956*	*1 905*	*123 326*
Hedging		*27 758*	*(27 758)*	*198 610*	*(198 610)*		
Net position after hedging	*379 408*	*32 837*	*9 028*	*209 966*	*2 346*	*1 905*	*123 326*

Original credit amount: 330,000,000 euros
Credit envelope for investment: 25 M€ unused at fiscal year-end.
Principal outstanding at the year-end:
326,700,000 euros
Term: 7 years
Rate: variable rate based on 3-month Euribor, with a decreasing banking margin in proportion to an improved ratio of Consolidated financial debt net of cash / Consolidated operating income plus depreciation, amortisation and operating provisions, less reversals of depreciation, amortisation and operating provisions.
Guarantees: pledging of the shares of the principal subsidiaries of the Group.
The syndicated loan also includes certain financial ratios that evolve over time, based on the Group's consolidated data, non-compliance with which would constitute a mandatory early repayment event:

- The ratio of Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals / Finance costs must be greater or equal to 3.50 at 31/10/2004.
- The ratio of Available cash flow after tax and exceptional items before debt servicing costs / Debt servicing costs must be greater or equal to 1 at 31/10/2004.
- The ratio of Financial debt net of cash / Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than or equal to 3.75 at 31/10/2004.
- Investments net of disposals are limited to 21,5 M€ for fiscal year 2004, excluding the investment credit envelope.

Interest rate risk

The total amount of short and medium term bank borrowings comes to 386,03 M€. The portion on which interest is charged at a variable rate is 367,23 M€; after interest rate hedging transactions, the amount of borrowing exposed to the fluctuation of variable interest rates comes to 134,70 M€, or 34,9 % of total bank debt.

A 1% increase in the interest rate applied to the portion falling due in the less than one year of the total amount exposed to potential fluctuations in the variable interest rate, namely 9,028 M€, would have an effect on consolidated financial items of 90 280 euros.

All of the interest rate hedging instruments set in place to hedge interest rate risks correspond to risks identified by the Group and are not made for any speculative purpose.

Exchange risk

In order to measure the Group's exposure to exchange rate risk, we should point out that Groupe Partouche's overseas' activities are performed by subsidiaries which operate in the country in which they are located; the consolidated financial statements thus include thirteen active companies outside France. Since the single currency became effective in Europe, the Group's risk exposure was reduced because a significant proportion of its business outside France comes from the eurozone. Some foreign exchange risk exposure remains, however, given the Group's operations in the US, Tunisia, Morocco, Switzerland and Egypt. The total of these activities represents only 2.6% of total consolidated turnover.

Transaction risk

As explained above, the purchases and sales performed in the course of Groupe Partouche's business are made primarily in euros. Similarly, the risk related to the ownership of financial assets and liabilities denominated in foreign currencies is not very significant. Therefore, no exchange risk is attached to transaction risk.

Translation risk

Consolidating the financial statements of foreign subsidiaries entails the translation into euros of the financial statements (assets, liabilities, income and expenses) denominated in foreign currencies. This translation at the applicable year-end exchange rate, may, if exchange rates change, generate a financial gain or loss. Given the long-term nature of these investments, Groupe Partouche does hedge this exposure.

Legal risks

The Group has not, during the last fiscal year or since, been the subject of any legal proceeding that is likely to have a material impact on its financial position, earnings or business activity.

Accounting options for contingencies and claims

A legal claim is only provisioned when the obligation towards a third party is deemed likely to lead to an outflow of resources without consideration.

Insurance

The Group has acquired insurance coverage in the form of contracts between Group companies and independent insurers known to be financially solvent providing damage and general liability protection for ordinary business operations, in amounts and of natures that the Management of the Group deems appropriate.

Synopsis
Risks insured from 1 November 2002 to 31 October 2003

Premium		
Civil liability	*Company officers*	*16 328 €*
	Holding Company + Casinos	*55 284 €*
Multirisk damages	*Holding Company + Casinos*	*616 911 €*
Civil liability and Multirisk damages	*Hotels*	*240 048 €*
Guarantees and excesses		
CIVIL LIABILITY - OPERATIONS		
Physical, material and non-material damages	*Holding Company+ Casinos*	*7 622 451 €*
	Hotels	*7 622 000 € per claim*
Of which material and non-material consecutive damages	*Holding Company+ Casinos*	*1 525 000 € per claim*
	Hotels	*1 525 000 € per claim*
Excesses		
Non consecutive non-material damages	*Holding Company+ Casinos*	*1 000 €*
	Hotels	*None*
Pollution due to accident	*Holding Company+ Casinos*	*1 000 €*
	Hotels	*1 525 €*
Professional civil liability		
Physical, material or non-material damages – consecutive or non-consecutive	*Holding Company+ Casinos*	*1 525 000 € per claim*
	Hotels	*7 622 000 €*
Multirisk damages		
Casinos: *Fire*		*38 809 315 €*
	Flood damage	*38 809 315 €*
	Theft	*807 233 €*
Hotels: *Fire*		*0,099 x ind RI/m²*
	Flood damage	*0,099 x ind RI/m²*
	Theft	*0,046 x ind RI/m²*
Machinery breakdown		
	Holding Company+ Casinos	*322 894 €*
	Hotels	*23,174 x ind RI*

NB: RI index= 4057 at 01/11/02.

Relates to Groupe Partouche's historically owned casinos.

Insurance risks at 31 October 2003

Premiums	*% of Turnover*
Civil liability (1)	*0,20 °/°° of Turnover, plus taxes (9 %)*
Office multirisk	
Machinery breakdown	
Guarantees and excesses	
Civil liability - operations:	
Physical, material and non-material damages	*15 M€ per year o/w 8 M€ per claim*
o/w consecutive material and non-material damages	*800 000 € per claim*
Excess	*between 1 000 € and 2 000 € based on the risks*
Non consecutive non-material damages	*160 000 € per claim*
Pollution due to accident	*350 000 € per claim*
Professional civil liability:	
Physical, material or non-material damages – consecutive or non-consecutive	*1.6 M€ per claim and per year*
o/w non consecutive non-material damages	*160 000 € per claim and per year*
Excess	*between 1 000 € and 5 000 € based on the risk*
Consigned assets	*100 000 € per claim without exceeding 76 000 € per year for the valet parking civil liability guarantee*

(1) For Compagnie Européenne de Casinos only.

Relates to Groupe Partouche's historically owned casinos.

Investment policy

After acquiring Compagnie Européenne de Casinos in 2002 with its significant impact in Groupe Partouche's accounts, the Group put acquisition-driven growth on the back burner and channelled its energy into, on the one hand, completing reconstruction and renovation programmes at existing casinos such as the Pasino at St-Amand–les-Eaux, and, on the other hand, completing projects to open new venues such as the casino in Meyrin, Switzerland.

This will remain the Group's investment policy for the fiscal year in progress, as we aim to offer our clientele attractive entertainment amenities at our casinos and generate growth drivers for the future primarily in France. It will lead to a net estimated investment envelope of 25 million euros, notably for the completion of the St-Amand-les-Eaux Pasino and the opening of new casinos.

The bulk of this investment will be made in France.

Litigation

• Following a revised judgment on appeal delivered by the Court of Aix-en-Provence, dated 20 February 2003, under which Syndicat des Propriétaires de la Pointe Croisette had remained owner since its formation in 1858 of land in which SA Cannes Balnéaire is lessee until 2027, the city of Cannes, which cited a donation in its favour in 1927, appealed.

The consequence of this judgment was a substantial consolidation of the rights of Cannes Balnéaire to occupy the premises, which are today sublet to LCLP France SA et Cie the Palm Beach casino operator.

• A decision was delivered in the claim between HIL and SOGEA relating to the late delivery of the hotel Hilton Lyon, pending at the Lyon Court of Appeal at year-end, on 19 January 2004, awarding HIL 3 million euros in damages and interest. Given the higher amount that was paid in first instance, HIL will reimburse a balance of around eight hundred thousand euros.

• Tax claims in progress are estimated on the basis of data available at the fiscal year-end.

• The claim between GJ Diffusions and CEC, is currently pending at the criminal chamber of the High Court, following the contested nonsuit delivered to Mr G.J. Consequently a stay of judgment remains pending in the civil lawsuit that he has filed. Groupe Partouche's review of this case confirms CEC's original assessment of the totally unfounded claims of Monsieur G.J.

• A decision was delivered in the first instance in the claim between CEC and Birlen Finance Inc. involving a commission payment relating to the purchase of the Le Virginian casino in Reno (USA), which dismissed the claims of Birlen Finance at the Nanterre Commercial Court. Birlen Finance has filed an appeal.

• The claim between CDTH and the original owner of the casino remains pending. A decision to postpone the final judgment was delivered in July 2002. The Group has confirmed its decision not to set aside any provision in respect of the claims which it considers to be totally unfounded.

Generally, there are no lawsuits or matters in arbitration which may, in our opinion, have a significant impact on the financial position, business, net assets or results of the company or your Group.

General information on the Group

Description of the Group

Groupe Partouche, via its directly or indirectly owned subsidiaries, operated as at 21 March 2003 50 casinos. 43 of these are located in France and seven in other countries.

74.1% of the Group's turnover is generated from gaming which remains the dominant business sector.

Groupe Partouche's 50 casinos are spread throughout France and abroad as follows:

France *Region*	*Town or resort*
Nord/Pas-de-Calais	*Saint-Amand-les-Eaux, Calais, Boulogne-sur-Mer, Le Touquet Paris Plage, Berck-sur-Mer*
Haute-Normandie	*Forges-les-Eaux, Dieppe*
Basse-Normandie	*Cabourg, Agon-Coutainville*
Bretagne	*Pleneuf-Val André, Plouescat, La Trinité-sur-Mer*
Pays de la Loire	*Pornichet, Pornic*
Poitou-Charentes	*La Roche Posay*
Bourgogne	*Saint-Honoré-les-Bains*
Lorraine	*Contrexéville, Plombières-les-Bains*
Rhône-Alpes	*Lyon, La Tour de Salvagny, Saint-Galmier*
Auvergne	*Évaux-les-Bains, Vichy (Élysée Palace et Grand Café), Châtel-Guyon, Royat, Sain-Nectaire*
Aquitaine	*Andernos, Arcachon, Cazaubon-Barbotan, Salies-de-Béarn*
Languedoc-Roussillon	*Gruissan, Palavas-les-Flots, La Grande-Motte*
Provence-Alpes-Côte d'Azur	*Gréoux-les-Bains, Aix-en-Provence, La Ciotat, Bandol, Hyères, Grasse, Cannes, Juan-les-Pins, Beaulieu-sur-Mer*

Abroad *Country*	*Town or resort*
Belgium	*Knokke le Zoute, Oostende, Chaudfontaine*
Tunisia	*Djerba*
Spain	*San Roque*
Morocco	*Agadir*
Switzerland	*Meyrin*

The Group's internal organisation

Groupe Partouche SA is a holding company for all the companies whose activity is primarily directed towards leisure, casinos, hotels, restaurants, dancehalls and bars. It is the parent company quoted on the Premier Marché of the Paris Stock Exchange (Euroclear Code 5354).

Groupe Partouche assumes the role of directing the group as a whole, granting it the benefit of its knowledge and skills, particularly in terms of human and technical resources.

It provides its subsidiaries with a package of services defined under a head office services agreement. These services include, among others: strategic planning, marketing, communication, commercial services, administration, legal and financial services and IT.

The remuneration paid by each of Groupe Partouche's subsidiaries is calculated based on an allocation of the expenses borne by them, in terms of human and technical resources, which is allocated on the basis of turnover of the subsidiaries bound by the head office services contract.

For the fiscal year ended 31/10/2003, the total amount received in this regard came to €6.173 million net of VAT.

Employee profit sharing

Groupe Partouche SA does not have any employee profit sharing contract in force.

Casino operating concessions

An casino operating concession never exceeds 18 years in France. At 21 March 2004, Groupe Partouche had 43 casinos in France with a concession contract and a ministerial authorisation for a gaming operation.

One concession is in the course of renewal at La Ciotat.

Requests have been made to the Ministry for five concessions regarding the creation of the casino at Le Havre, Nice, Saint-Cast-le-Guildo, La Tremblade and Port-la-Nouvelle.

Existence of assets

None of the company's assets belong to the directors or their family.

General information on the Group and its share capital

General information on The Group

Company name
(Article 2 of the Articles of Association)

The name of the company is Groupe Partouche SA - Ticker "G.P."

Head office
(Article 4 of the Articles of Association)

The head office is located at 141 bis, rue de Saussure, 75017 Paris, France.

Applicable legislation

The company is governed by the French legislation.

Legal form

The company is a Société Anonyme company with an Executive Board and a Supervisory Board, governed by the Commercial Code and the Decree of 23 March 1967. Legal and accounting documents are available for consultation at Groupe Partouche SA's head office.

Term (Article 5 of the Articles of Association)

The term of the company was initially fixed at 31 October 2008. The Extraordinary General Meeting held on 27 April 1994 extended it by 50 years. It will expire in year 2058, except in the case of early dissolution or extension as provided by the Articles of Association.

Purpose (Article 3 of the Articles of Association)

The purpose of the company in France and all other countries is:

- The administrative, financial and accounting management of all the present or future companies operating mainly in the entertainment, hotels and gaming sectors.
- The acquisition of equity stakes of all types in such companies.
- Assisting these companies in improving their growth by providing all types of services.
- All transactions in shares in French and foreign markets.
- Acquisition and sale of real estate fixed assets and current assets.

And in general all types of industrial and commercial operations related to:

- The creation, acquisition, rental, lease or operation of all types of business in any of the abovementioned sectors of activity.
- The acquisition, operation or sale of any process or patent related to these activities,
- The direct or indirect participation in any type of financial, real estate or personal property operations or commercial enterprise transaction related to the above-mentioned purpose or any other connected purpose.

Commercial Register

The company is registered under number 588 801 464 RCS PARIS.

APE code

741 J.

Fiscal year

The fiscal year commences on 1 November and ends on 31 October.

Appropriation and allocation of earnings – Article 40 of the Articles of Association

I/ Net earnings are constituted by the net revenue for the fiscal year, less expenses, as well the depreciation or amortisation of company assets and provisions for commercial and industrial contingencies.

II/ Net earnings are appropriated as follows:

- A deduction of 5% is taken from net income for the year after the offset of any prior year losses carried forward, for the purpose of creating the legally required "legal reserves", until these reserves equal one-tenth of the company's share capital.
- Net earnings to be appropriated are constituted by the net income for the fiscal year, less prior-year losses and legally required reserves, plus retained earnings carried forward.

The General Meeting then allocates the amounts it deems appropriate to the optional, ordinary and/or extraordinary reserves, and to retained earnings.

The resulting balance, if any, is allocated among all shareholders proportionately to their paid-in outstanding shareholdings.

However, except in the case of capital reduction, no payment to shareholders is carried out, if the resulting amount of net assets is or would otherwise become less than the combined amount of the share capital and reserves that may be distributed as provided by the Law or by the Articles of Association.

The General Meeting may resolve to allocate amounts deducted from the optional reserves either in order to provide or supplement a dividend or for the purpose of allocating exceptional provisions; in this case the resolution shall expressly indicate the reserve categories from which these deductions are to be made.
Losses (if any) are, after the approval of the financial statements by the General Meeting, recorded in a special account for offset against future years' profits until the expiry of their availability for carry-forward.
• The General Meeting convened to approve on the financial statements of a given fiscal year may grant each shareholder, in respect of all or part of the dividend set aside for distribution, an option to be paid either in cash or in shares, the price of which is previously determined as provided by the law. The offer of payment in shares should be made simultaneously to all shareholders. Requests by shareholders in this regard must be made during a period fixed by the General Meeting which may not exceed three months from the said meeting.

General regulations for General Meetings
Notice of meeting procedures – Announcements to shareholders (Article 27 of the Articles of Association)

I/ General Meetings may be convened by the Executive Board, or failing this, by the Supervisory Board or the Statutory Auditors, as provided by Article 194 of the Decree, or by a proxy designated by the President of the Commercial Court rendering a decision under a summary procedure, upon the request of one or more shareholders together holding at least one-twentieth of the share capital, or by the official liquidator.

II/ General Meetings are held either in the head office or in any other place that should be specified in the notice.

III/ Notices can be published in the newspapers entitled to receive legal notices in the departmental region of the head office and also in the Bulletin des Annonces Légales Obligatoires. Shareholders holding nominative shares for at least one month from the date of publication of the announcement are convened by an ordinary letter. They may request delivery of a registered letter if they remit to the company the relevant postage costs.

The period between the last dispatch of these letters or publications and the date of the meeting must be at least fifteen days from the first notice and six days thereafter.

The notice of the meeting should indicate the name of the company and if possible its logo, the type of the company, the amount of the share capital, the address of the head office, the registration number, the date, time and place of the meeting as well as the nature of the meeting and its agenda.

The subject of the items comprised in the agenda shall be clearly and exactly described.

Should a meeting be adjourned due to a failure to obtain an adequate quorum, a second meeting is convened in the same form and manner, and notice thereof shall include the date of the first meeting.

Any meeting that has not been convened in the required form and manner can be deemed null and void. However, recourse to such voidability is withdrawn should all shareholders have attended or been represented.

The proxy form addressed by the company to the shareholders shall clearly inform them that should the proxy form omit to designate the name of the nominated representative, their vote will be considered favourable to the resolutions submitted by the Executive Board; the documents listed by Article 133 of the Decree should be enclosed with the proxy form.

IV/ Announcements to shareholders, in advance of any meeting, may be made by any of the following means:

• by sending, at their request, the agenda of the meeting, draft resolutions, notices in respect of the members of the Executive and Supervisory Boards and in respect of the candidates to these positions, the report of the Executive Board and the observations of the Supervisory Board and a summary in respect of the company's financial position and net income for the last five years.

Moreover, the following should be enclosed:

- in advance of an Annual General Meetings, the income statement, the balance sheet and the special report of the statutory auditors,

- in advance of a Extraordinary General Meeting, the report of the statutory auditors, if applicable.

• the abovementioned documents should be made available to the shareholders at the Company's head office, as should the list of companies, the list of shareholders, and the indication of the total compensation paid to the Company's five highest earning individuals, as well as the report of the statutory auditors and if applicable, merger or disposal proposals.

V/ Voting by correspondence.

Any shareholder may vote by correspondence by completing an official form established in accordance with the law that will be valid only if received at least three days prior to the date of the General Meeting. Forms which do not indicate a clear vote or which express an abstention are considered as nay votes.

Admission to General Meetings –
(Article 28 of the Articles of Association)

All shareholders may attend and vote at General Meetings, irrespective of the number of the shares held. Only spouses of shareholders or other shareholders in the Company may serve as proxies.

The right to take part in General Meetings is contingent upon being a registered shareholder, or, for owners of shares in bearer form, upon the delivery of a certificate of share ownership to the location indicated on the notice of meeting by the authorised account-holding intermediary, confirming that such shares are not available for sale from the date of this delivery until the date of the meeting. These formalities must be carried out within five days prior to the date of the meeting.

Voting rights –
(Article 31 of the Articles of Association)

Each shareholder present or represented by proxy at a Shareholders' Meeting has as many votes as the shares held or represented, without limitation.

Multiple voting rights

None.

General information on the capital

Share capital –
(Article 7 of the Articles of Association)
(article modified by resolution of the Extraordinary General Meeting of 10 November 2003)

The issued share capital is €86,194,836 (eighty six million one hundred and ninety four thousand eight hundred and thirty six euros).

It is divided into 43,097,418 shares (forty three million ninety seven thousand four hundred and eighteen) with a nominal value of 2 euros (two) each, the nominal values of which are all fully paid.

Crossing of statutory thresholds and penalties
in the event of non-compliance with disclosure requirements (Article 12 of the Articles of Association)

(provision authorised by decision of the Extraordinary General Meeting of 3 January 1995)

Pursuant to Article L. 233-7 § 5 of the Commercial Code, shareholders must notify the company of the number of shares held directly or indirectly, alone or in concert, whenever their holding crosses the threshold of 2% of the share capital or a multiple of this percentage.

In the event of non-compliance with this disclosure obligation, shares exceeding the non-disclosed fraction will be deprived of their voting rights at the request, recorded in the minutes of the General Meeting, of one or more shareholders, holding 5% at least of the capital of the company, when the shares of the company are officially listed on a stock exchange.

Authorisation for the company to buy back its own shares

By a decision of the Annual General Meeting of 24 April 1998, we granted ourselves the authorisation each year to buy back the Company's own shares pursuant to the provisions of Article 225-209 of the Company Act.

The Extraordinary General Meeting of 15 April 2003 renewed the authorisation of the Executive Board to buy back its own shares on the stock exchange in accordance with the provisions of article L.225-209 of the Code of Commerce for the primary purpose of stabilising the share price and using the shares as consideration to make acquisitions, or for any other purpose that is in the company's best interest.

The maximum purchase price was fixed at €70 per share with a minimum sale price of €40. This authorisation which carries a maximum term of 18 months and which is set to expire on 14 October 2004, was not used.

Share Capital authorised but not issued

The Executive Board has the following authorisations granted by the Extraordinary General Meeting of 9 April 2002, which could lead to the issue of equity securities. These authorisations are summarised as follows:

Nature of transaction authorised by EGM of 9 April 2002	*Expiration of authorisation (1)*	*Maximum amount*	*Terms*
Capital increase			
• In cash	*8 June 2004*	*500 000 000 euros*	*• With preferential right of subscription* *• Without preferential right of subscription*
• By capitalisation of reserves, premiums or net income	*8 June 2004*	*500 000 000 euros*	
• By issue of debt securities	*8 June 2004*	*500 000 000 euros*	*• With preferential right of subscription* *• Without preferential right of subscription*

(1) For a period of twenty-six months following the Extraordinary General Meeting of 9 April 2002.

No authorisations were followed by an increase.

Issue of bonds or similar securities

Authorisation date	*15 April 2003*
Expiry date	*14 April 2008*
Authorisation amount	*500 000 000 euros*
Amount used	*–*

Employee saving plans

The General Meeting of 9 April 2002, in compliance with a) the Code of Commerce, and notably, its articles L.225-129 VII and L.225-138, and b) articles L.443-1 and subsequent of the Labour Code, in its sixteenth resolution, delegated to the Executive Board, for a period of five years commencing on the date of this Meeting, full powers to increase the share capital, at its sole discretion, in one or several stages and based on the terms and conditions which it shall determine, via the issue of shares to be subscribed in cash, the subscription of which shall be reserved for the employees of the Company and of companies deemed to be related to it, as defined by article L.225-180 of the Code of Commerce, members of Company Savings Plan (PEE) or a voluntary employee savings plan (PPESV) run by the Company. The capital increase may not exceed 5,860,000 euros. This amount is fixed independently of the maximum ceilings for capital increases resulting from issues of shares or securities authorised by the preceding delegations.

It is proposed that the shareholders of the Company, at its General Meeting of 23 April 2004, terminate this delegation granted by the General Meeting of 9 April 2002 and renew this authorisation under the same terms and conditions for a period of five years from the date of this Meeting.

Changes in share capital over the five preceding fiscal years

Year (1 November 1998 - 31 October 2003)		*Amount of change in share capital (in F.F. and euros)* Nominal	Share Premium	*Successive amounts of share capital (in F.F. and euros)*	*Cumulative number of shares*
1999				*560 266 434 F*	*6 156 774*
2000				*560 266 434 F*	*6 156 774*
2001	*EGM of 2 April 2001 Conversion of the share capital into euros via the conversion of the nominal value of shares from 13,87 € to 14 € via the capitalisation of reserves*	*782 768,75 €*		*86 194 836 €*	*6 156 774*
2002				*86 194 836 €*	*6 156 774*
2003	*EGM of 10 November 2003 Division by 7 (seven) of the nominal value of shares and the total number of shares was therefore multiplied by 7 (seven)*			*86 194 836 €*	*43 097 418*

Ownership of share capital and voting rights

Principal shareholders, March 2004	*Number of shares owned*	*% of capital*
FINANCIÈRE PARTOUCHE SA (1)	*26 848 500*	*62,30 %*
SOGESIC SARL (2)	*1 991 500*	*4,62 %*
PARTOUCHE Family	*1 608 768*	*3,73 %*
Subtotal	**30 448 768**	**70,65 %**
Public (4)	*12 648 650*	*29,35 %*
TOTAL (5)	**43 097 418**	**100,00 %**

(1) SA FINANCIÈRE PARTOUCHE is a family holding company.

(2) SARL SOGESIC is the Group's central procurement company owned by members of the family.

(3) There are no double-voting rights.

(4) Including the following identified parties: JP Morgan Chase Investor Services acting as a registered intermediary owning 5.62% of the share capital via a notification of having crossed the shareholding threshold dated 8 April 2003 and Schroder Investment Management Limited owning 8.31% of the share capital via notification of having crossed the shareholding threshold dated 5 March 2004.

(5) Finally, FMR Corp and Fidelity International Limited (FIL), which hold 0.32% and 4.02%, respectively, namely a combined total of 4.35% of the share capital, declared on 3 June 2003, that their shareholding had fallen below the threshold of 5%.

To the best of the company's knowledge, no shareholders own 5% or more of the share capital or voting rights other than those listed above.

No securities are owned by employees under a dedicated share ownership programme.

At the balance sheet date, the Company held 19,166 self-owned shares.

Changes in the ownership structure during the three preceding fiscal years

Identity of the principal shareholder groups	**31 October 2003 (n)**	*31 October 2002 (n–1)*	*31 October 2001 (n–2)*
FINANCIÈRE PARTOUCHE SA	62,30 %	*62,30 %*	*62,30 %*
SOGESIC SARL	4,62 %	*4,62 %*	*4,62 %*
PARTOUCHE Family	3,73 %	*3,71 %*	*4,23 %*
Subtotal	**70,65 %**	70,62 %	71,15 %
Public	29,35 %	*29,38 %*	*28,85 %*
TOTAL	**100,00 %**	**100,00 %**	**100,00 %**

• Shareholder pact

To the best of the company's knowledge, there are no shareholder pacts.

• Potential share capital

There are no other securities other than those listed above.

• Options

To date, there are no share option, purchase or subscription plans.

• Pledged Groupe Partouche SA's registered shares and shares of its subsidiaries

Name of the shareholder registered	*Beneficiary*	*Start date of pledge*	*Termination date of pledge*	*Condition for removing pledge*	*Number of shares pledged by the issuer*	*% of issuer's capital pledged*
FINANCIÈRE PARTOUCHE SA	*Banking pool led by Natexis (1)*	*29 August 2003*	*31 oct. 2010*	*Reimbursement of loan*	*26 848 500**	*62,30 %*

(1) The banking pool led by Natexis Banques Populaires comprises the following banks: CCF, Crédit Lyonnais, Lyonnaise de Banque, Natexis Banques Populaires.

* The number of shares takes into account the multiplication of shares decided by the Extraordinary General Meeting dated 10 November 2003.

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to the banks in respect of the loan contract (principal, interest, commission, fees and other expenses), Groupe Partouche pledged the shares that it held in the following subsidiary to the banks:

Identity of the subsidiary	*Beneficiary*	*Start date of the pledge*	*Termination date of pledge*	*Condition for removing pledge*	*Number of shares pledged by the issuer*	*% of issuer's capital pledged*
GROUPE PARTOUCHE INTERNATIONAL SA	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*5 990*	*99,83 %*

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to the banks in respect of the loan contract (principal, interest, commission, fees and other expenses), Groupe Partouche pledged the financial instrument accounts that it holds in the books of the following subsidiaries, to the banks:

Identity of the subsidiary	*Beneficiary*	*Start date of the pledge*	*Termination date of pledge*	*Condition for removing pledge*	*Number of shares pledged*	*% of subsidiary's capital pledged*
COMPAGNIE EUROPÉENNE DE CASINOS SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*4 962 566*	*99,99 %*
SOCIÉTÉ D'EXPLOITATION DU CASINO ET HÔTELS DE CONTREXÉVILLE SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*4 950*	*99,00 %*
SOCIÉTÉ DU CASINO DE SAINT-AMAND SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*116 200*	*99,96 %*
CANNES BALNÉAIRES PALM BEACH CASINO SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*5 099 366*	*99,97 %*
SATHEL SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*20 080*	*99,60 %*
JEAN METZ SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*980*	*98,00 %*
LE TOUQUET'S SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*1 800*	*90,00 %*
FORGES THERMAL SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*7 000*	*58,33 %*
SOCIÉTÉ FRANÇAISE DE CASINOS SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*320 000*	*58,18 %*
HÔTEL INTERNATIONAL DE LYON SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*18 500*	*92,50 %*
SA DU CASINO ET BAINS DE MER SA	*Banking pool led by Natexis (2)*	*29 August 2003*	*31 October 2010*	*Reimbursement of the loan*	*6 500*	*98,48 %*

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to the banks in respect of the loan contract (principal, interest, commission, fees and other expenses), Groupe Partouche pledged the securities that it holds in the following subsidiaries, to the banks:

Identity of the subsidiary	*Beneficiary*	*Start date of the pledge*	*Termination date of pledge*	*Condition for removing pledge*	*Number of shares pledged*	*% of subsidiary's capital pledged*
SARL HÔTEL COSMOS	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*49 950*	*99,90 %*
SARL THERMES DE CONTREXÉVILLE	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*49 950*	*99,90 %*
SARL THERMES DE VITTEL	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*49 950*	*99,90 %*

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to the banks in respect of the loan contract (principal, interest, commission, fees and other expenses), Groupe Partouche pledged the securities that it holds in the following subsidiaries, to the banks:

Identity of the subsidiary	*Beneficiary*	*Start date of the pledge*	*Termination date of pledge*	*Condition for removing pledge*	*Number of shares pledged*	*% of subsidiary's capital pledged*
SOCIÉTÉ CIVILE IMMOBILIÈRE DE LA RUE ROYALE	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*8 867*	*99,40 %*
SOCIÉTÉ CIVILE IMMOBILIÈRE LES THERMES	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*9 950*	*99,90 %*
SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*49 950*	*99,90 %*

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to the banks in respect of the loan contract (principal, interest, commission, fees and other expenses), Groupe Partouche pledged the financial instrument accounts that it holds in the books of the following subsidiaries, to the banks:

Identity of the subsidiary	*Beneficiary*	*Start date of the pledge*	*Termination date of pledge*	*Condition for removing pledge*	*Number of shares pledged*	*% of subsidiary's capital pledged*
CASINOS DE VICHY SA	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*11 978*	*79,85 %*
CASINOS DU TOUQUETS SA	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*24 322*	*99,27 %*
ÉLYSÉE PALACE EXPANSION SA	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*1 985*	*79,40 %*
ÉLYSÉE PALACE HÔTEL SA	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*1 110*	*44,40 %*
LA VILLA DU HAVRE SAS	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*3 950*	*98,75 %*
NUMA SA	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*4 939*	*98,78 %*
SOCIÉTÉ DES CHEMINS DE FER ET HÔTELS DE MONTAGNE AUX PYRÉNÉES SA	*Banking pool led by Natexis (2)*	*17 Dec. 2003*	*31 Oct. 2010*	*Reimbursement of the loan*	*178 000*	*76,17 %*

(2) The banking pool led by Natexis Banques Populaires comprises the following banks: BRED Banque Populaire, CCF, Commerzbank AG – Paris branch, Compagnie Financière du Crédit Mutuel, Crédit Lyonnais, KBC Bank, Lloyds TSB Bank PLC, Lyonnaise de Banque, Natexis Banques Populaires, The Governor and Company of the Bank of Scotland, Scotiabank Europe PLC, WEST LB AG.

Number of shares traded, movements in the share prices in the last 18 months (Source: Euronext)

Period	*Share price*		*Number of shares*	*Share capital*
	High (in euros)	*Low (in euros)*	*traded*	*(in M€)*
2002				
September	*10,71*	*8,19*	*130 333*	*1,26*
October	*10,00*	*8,36*	*132 258*	*1,21*
November	*10,29*	*9,10*	*151 648*	*1,45*
December	*9,50*	*7,86*	*156 919*	*1,33*
2003				
January	*8,71*	*7,86*	*435 456*	*3,61*
February	*8,68*	*7,57*	*134 477*	*1,10*
March	*7,51*	*5,30*	*226 968*	*1,39*
April	*6,87*	*5,57*	*135 303*	*0,84*
May	*8,26*	*6,51*	*511 910*	*4,05*
June	*9,42*	*7,71*	*292 705*	*2,38*
July	*9,21*	*8,36*	*351 309*	*3,07*
August	*9,07*	*7,86*	*302 393*	*2,60*
September	*11,51*	*8,86*	*520 506*	*5,10*
October	*11,13*	*9,46*	*382 991*	*3,94*
November	*11,14*	*9,92*	*287 431*	*3,14*
December	*11,64*	*10,80*	*211 190*	*2,35*
2004				
January	*12,62*	*11,02*	*422 345*	*5,10*
February	*11,92*	*11,75*	*381 881*	*4,48*

Stock exchange information

Groupe Partouche SA shares were admitted to the "Second Marché" of the Paris Stock Exchange on 29 March 1995 and have been listed on its "Premier Marché" since 2 November 1998 - (code 5354).

Institution providing financial services for the company
Share transfers and payments of dividends are handled by Lyonnaise de Banque - Direction des Traitements Administratifs - Division titres émetteurs, Chemin Antoine Pardon - 69160 Tassin-la-Demi-Lune.

Dividends

No dividend was proposed for the fiscal year ended 31 October 2003.

Dividends distributed for the previous five fiscal years are as follows:

In F.F. and euros	*Year ended 31.10.1998*	*Year ended 31.10.1999*	*Year ended 31.10.2000*	*Year ended 31.10.2001*	*Year ended 31.10.2002*
Total dividend amount	*61 567 740 F* *9 385 941,46 €*	*67 724 514 F* *10 324 535,60 €*	*67 724 514 F* *10 324 535,60 €*	*4 925 419 €*	*no distribution*
Net dividend per share	*10,00 F*	*11,00 F*	*11,00 F*	*0,80 euros*	
Tax paid	*5,00 F*	*5,50 F*	*5,50 F*	*0,40 euros*	
Total income per share	*15,00 F*	*16,50 F*	*16,50 F*	*1,20 euros*	

During the fiscal year ended 31 October 2003, no downpayments on dividends were paid.

Any dividend that is not claimed within five year as from its due date, will be prescribed by the State, as provided by law (payment to the Service des Domaines).

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND STATUTORY AUDITORS

Person responsible for the reference document

Mr Hubert Benhamou -
Chairman of the Executive Board

Testimonial of the person responsible for the reference document:

To our knowledge, the information provided in this reference document is true. It includes all the information required by investors to form an assessment of the assets, business, financial position, earnings and the outlook of the company; no information is omitted which, had it been included, would have affected its interpretation.

Hubert BENHAMOU

Persons responsible for auditing the financial statements

Statutory Auditors	*Date of last renewal of appointment*	*Date of first appointment*	*Expiration of appointment (*)*
PRINCIPAL			
K.P.M.G. Audit - a unit of KPMG SA *Imm. KPMG, 1 Cours Valmy* *92923 Paris La Défense Cedex*	*AGM of 24 April 1998*	*AGM of 2 October 1993*	*AGM convened to approve the financial statements for the year ended 31 October 2003*
PRINCIPAL			
Mr José DAVID *47, Av. du Pt F. Roosevelt - 92330 Sceaux*	*AGM of 24 April 1998*	*AGM of 4 February 1995*	*AGM convened to approve he financial statements for the year ended 31 October 2003*
SECONDARY			
Mr Gérard RIVIERE *Imm. KPMG, 1 Cours Valmy* *92923 Paris La Défense Cedex*	*AGM of 24 April 1998*	*AGM of 24 April 1998*	*AGM convened to approve he financial statements for the year ended 31 October 2003*
SECONDARY			
Mr Emmanuel QUINIOU *62, rue de la Faisanderie - 75116 Paris*	*AGM of 24 April 1998*	*AGM of 8 March 1996*	*AGM convened to approve he financial statements for the year ended 31 October 2003*

Statutory Auditors' opinion on the reference document dated 5 April 2004

As the Statutory Auditors of Groupe Partouche SA and as provided by the regulations of the COB 98-01, we have audited, in accordance with professional standards applicable in France, the information pertaining to the Company's financial situation and the historical accounts as provided in this reference document.

This reference document was drawn up under the supervision of the Executive Board. It is our responsibility to express an opinion as to the true view of the information it gives in respect of the financial position and financial statements.

The work we performed, in accordance with French professional standards, consisted of assessing the accuracy of the information contained therein in respect of the financial statements and assessing their consistency with the financial position and financial statements. We also reviewed the other information included in the reference document, in order to identify any significant inconsistencies with the information on the financial position and financial statements, and to

indicate any information that we deem manifestly erroneous, based on the general knowledge of the company's business that we gained during our assignment. This reference document does not include any isolated forward-looking data resulting from a structured process of preparation.

We audited, in accordance with French professional standards, the annual financial statements and the consolidated financial statements for the fiscal year ended 31 October 2001 as drawn up by the Executive Board. These financial statements were certified without qualification or comment.

We audited, in accordance with French professional standards, the consolidated financial statements for the fiscal year ended 31 October 2001 as drawn up by the Executive Board. We certified these statements without qualification. We noted the first application of the CRC 99-02 regulations.

We audited, in accordance with French professional standards, the annual financial statements for the fiscal year ended 31 October 2002 as drawn up by the Executive Board, which were certified without qualification or comment.

We audited, in accordance with French professional standards, the consolidated financial statements for the fiscal year ended 31 October 2002 as drawn up by the Executive Board, which were certified without qualification; a comment was included on the changes in presentation of employee profit sharing in the income statement and deferred tax liabilities in the balance sheet and on the change in accounting policy relating to finance lease contracts.

We audited, in accordance with French professional standards, the annual financial statements and the consolidated financial statements for the fiscal year ended 31 October 2003 as drawn up by the Executive Board, which were certified without qualification; a comment was included on the change in accounting policy relating to the first-time application of CRC Regulation 2000-06 relating to liabilities dated 7 December 2000 and its consequences on the income statement and opening shareholders' equity.

Pursuant to the provision of article L.225-235 of the Code of Commerce on the justification of audit assessments, our reports on the holding company accounts and the consolidated financial statements for the fiscal year 2003 comprise, for the first time this year, the following matters:

Holding company accounts:

Note 1.3 of the notes to the financial statements details the accounting policies applied to long term investments, notably the assessment criteria for book value versus value-in-use or market value of investments in securities. In the course of our assessment of the accounting policies applied by your company, we verified the appropriateness of the abovementioned accounting policies and the information provided in the notes to the financial statements, and we obtained assurance that they were correctly applied.

Consolidated financial statements:

The note on accounting policies details the accounting policies with respect to goodwill on acquisition. In the course of our assessment of the accounting policies applied by your company, we verified the appropriateness of the abovementioned accounting policies and the information provided in the notes to the financial statements and obtained assurance that they were correctly applied.

Our assessments were made as part of our audit approach of the holding company accounts and consolidated financial statements, taken in their entirety, and thus contributed to the formulation of our unqualified opinion, expressed in the first section of our reports.

On the basis of the work that we performed, we have no comment to make with regard to the accuracy of information dealing with the financial position and financial statements presented in this reference document.

Paris La Défense and Sceaux, 5 April 2004

José DAVID — KPMG Audit
A unit of KPMG S.A.

Maïr FERERES
Partner

Investor relations

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REFERENCE DOCUMENT CONCORDANCE TABLE

In order to facilitate the reading of the annual report, which has been registered as a reference document, the following summary table enables the key information required by the COB's regulations and application instructions to be readily identifed.

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AMF

The original French language version of this reference document was filed with the Autorité des Marchés Financiers on 5 April 2004, pursuant to COB Regulation 98-01.

The original French language version of this reference document may be used as supporting document for a financial transaction if supplemented by a prospectus duly granted a visa by the Autorité des Marchés Financiers.

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