GROUPE PARTOUCHE



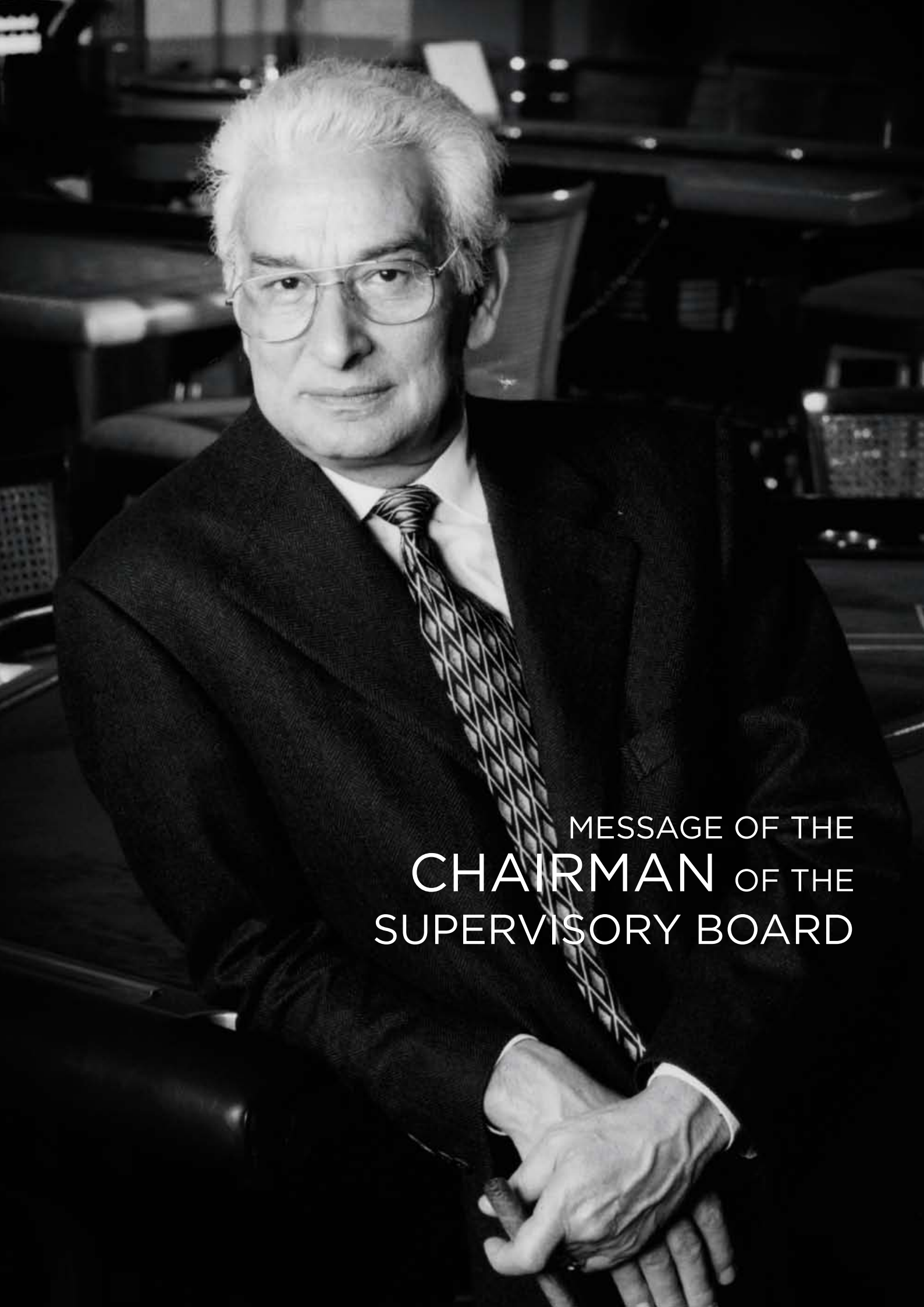
ANNUAL REPORT 2009


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MESSAGE OF THE CHAIRMAN OF THE SUPERVISORY BOARD

MESSAGE OF THE CHAIRMAN OF THE EXECUTIVE BOARD

FINANCIAL REPORT 2009



MESSAGE OF THE CHAIRMAN OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

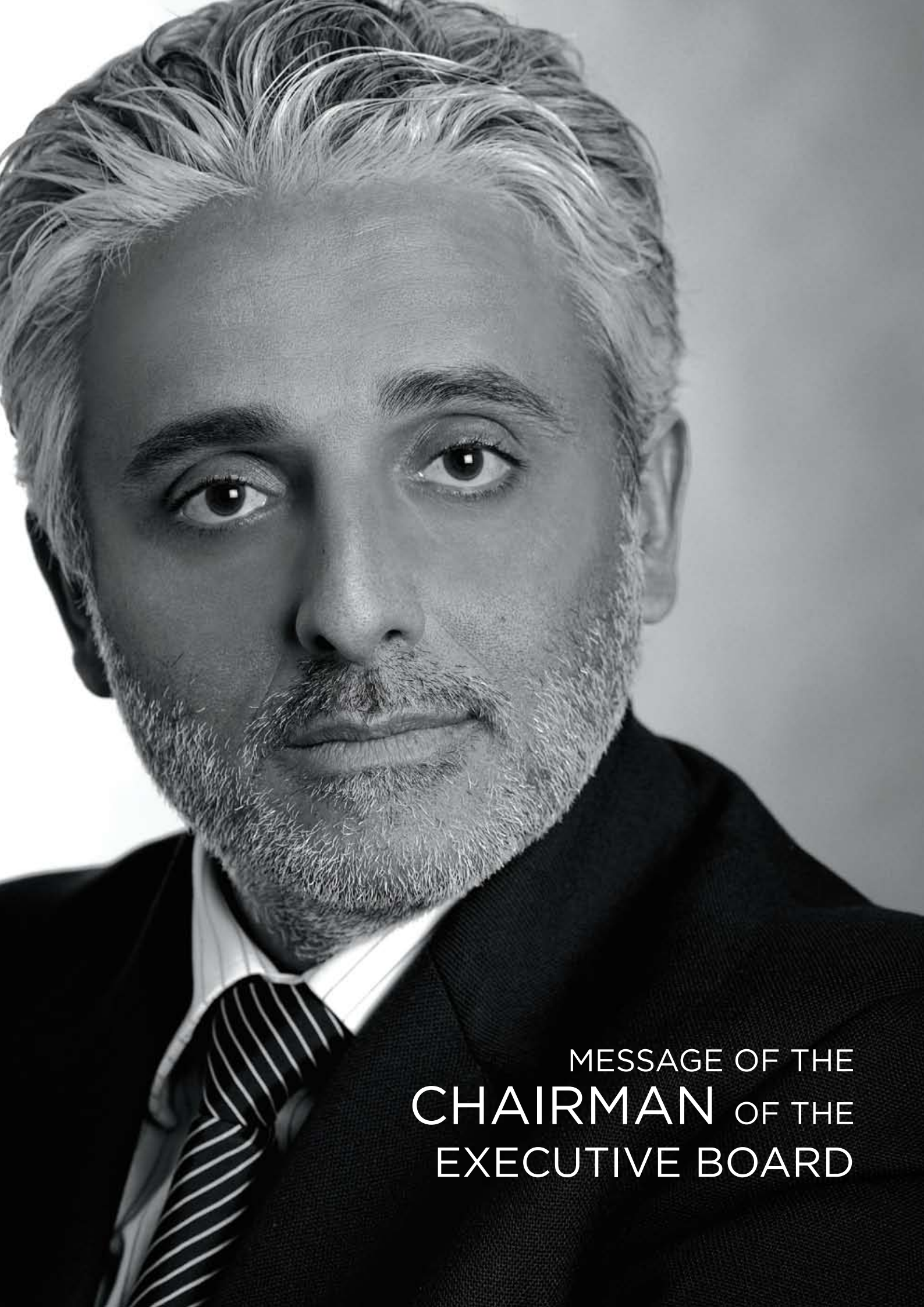
Another very difficult year has come to an end. However, we may reasonably believe that the worst is behind us.

Much time has been devoted during the year to the renegotiation of the Group's syndicated loan with our banking partners. This renegotiation now allows us to view future years with more equanimity.

The Executive Board has proved its ability to cope with difficult circumstances by taking the appropriate cost reduction measures. It will now have to apply the same energy in taking the measures designed to give the business a fresh lease of life, but without relaxing its vigilance when it comes to cost control.

I would like to thank you for supporting them in their work.

Isidore Partouche



MESSAGE OF THE CHAIRMAN OF THE EXECUTIVE BOARD

This year was complicated, but we learned many lessons.

The economic crisis, combined with the effects of the ban on tobacco, took its toll on our operations. The savings made since the beginning of the financial year, together with changes in the scale of levies applied to gross gaming revenue have lessened the impact of the sharp drop in turnover on the Group's operating income.

The current financial year will, I hope, be the year in which business recovers, or at least one that marks the end of the downturn.

The storm was severe, but our ship held steady, staying firmly on the course that had been set for it. The indicator that provides the greatest source of optimism is the relative stability of attendance statistics. The decrease in average income from visitors was more related to a change in behaviour than any lack of interest in the services offered.

Two facts were particularly revealing: first, players who smoke regularly interrupt their play in order to do so, causing a greater risk of early departure; secondly, an issue affecting all visitors, the impact of the economic crisis has changed the behaviour of players, who now want to play for longer periods with smaller budgets.

Meanwhile, poker has confirmed its success and the attraction that it represents. Our Group has become the reference in this game, with more than 120 tables operated every day.

Lastly, 2010 will see the legalisation of on-line games come to fruition in France, representing a natural growth opportunity for our business. Although the law is not perfect and will need to be redrafted, this legalisation will allow us to reap the benefits from the resources that we have devoted to the development of this business.

Our share price this year proved once again that the greatest casino in the world is the stock market. How can we understand and accept that the stock market valuation is so disconnected from the real value of our company?

I wish to express my thanks to our shareholders who have not yielded to the panic that we have seen and assure them that the value of our company is certainly not what some would have them believe!

Patrick Partouche


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01 PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr Patrick Partouche, Chairman of the Executive Board.

1.2 CERTIFYING STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"Having taken all reasonable care to ensure that such is the case, I certify that, to the best of my knowledge, all the information contained in the registration document is consistent with the facts and contains no omission likely to affect its import.

To the best of my knowledge, I certify that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the company's assets, financial position and profit or loss, as well as those of all consolidated companies, and that the information in the management report (see Reconciliation Table on page 196 of this document) presents a true and fair view of the development of the business, results and financial position and those of all consolidated companies, as well as describing the main risks and uncertainties to which they are exposed.

I have obtained a letter from the statutory auditors certifying that they have completed their tasks, indicating that they have verified the information concerning the financial position and financial statements set out in this registration document and that they have read the registration document in full.

The statutory auditors issued a report on the Group's consolidated financial statements for the financial period ended 31 October 2009, set out on page 178 of the registration document, and containing an observation:

> *'Without qualifying the opinion given above, we wish to draw your attention to Note 17 "Current and non-current financial borrowings" in the Notes to the financial statements, setting out the reclassifications between current and non-current borrowings performed on bank borrowings at 31 October 2008 and 2009, pursuant to standard IAS 1 and in accordance with the debt restructuring agreement signed with the banking pool during the financial year ended on 31 October 2009'.*

The statutory auditors issued a report on the Group's parent-company financial statements for the period ended 31 October 2009, as set out on page 179 of the registration document, which report also contains an observation:

> *'Without qualifying the opinion given above, we wish to draw your attention to Note 2.6 in the Notes to the financial statements, setting out the change in the breakdown by maturity of bank borrowings between maturities at less than one year and those at more than one year, pursuant to the agreement concluded in October 2009 with the banking pool concerning the syndicated loan'.*

The statutory auditors issued a report on the Group's consolidated financial statements for the period ended 31 October 2008 set out on page 166 of the registration document filed with the AMF on 5 March 2009 - reference number D09-098; this report contains an observation.»

The statutory auditors issued a report on the Group parent-company financial statements for the period ended 31 October 2008, set out on page 167 of the registration document; this report also contains an observation.

The statutory auditors issued a report on the Group's consolidated financial statements for the period ended 31 October 2007 set out on page 134 of the registration document filed with the AMF on 14 March 2008 - reference number D08-0107; this report contains an observation."

Patrick Partouche
Chairman of the Executive Board

02 AUDITORS

2.1 STATUTORY AUDITORS

IDENTITY OF THE STATUTORY AUDITORS	PROFESSIONAL BODY	DATE OF THE LAST RENEWAL	DATE OF FIRST APPOINTMENT	END OF TERM
PRINCIPAL				
MCR 232 Av. du Prado 13000 Marseille	Independent member of Baker Tilly France		AGM 24 April 2007	AGM called to approve the financial statements for the year ending 31 October 2009
PRINCIPAL				
Mr. José David 47, Av. du Pt F. Roosevelt 92330 Sceaux		AGM 23 April 2004	AGM 4 February 1995	AGM called to approve the financial statements for the year ending 31 October 2009
SECONDARY				
Orfis Le Palais d'Hiver 149 bd de Stalingrad 69100 Villeurbanne			AGM 24 April 2007	AGM called to approve the financial statements for the year ending 31 October 2009
SECONDARY				
Mr. Emmanuel Quiniou 62, rue de la Faisanderie 75116 Paris		AGM 23 April 2004	AGM 8 March 1996	AGM called to approve the financial statements for the year ending 31 October 2009

03 SELECTED FINANCIAL INFORMATION

The tables below present extracts of the Group's balance sheet and income statement for the financial year ended 31 October 2007, 2008 and 2009 prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT DATA PER SHARE)	2009	2008	2007
Turnover	452 993	481 678	510 898
Current operating profit	29 036	30 135	75 825
Operating profit	21 230	34 159	65 063
Total net profit	**(6 816)**	**(4 466)**	**23 789**
Of which, Group share	(16 679)	(8 485)	14 259
Net earnings per share attributable to the Group	(0,387)	(0,197)	0,331
Dividend distributed per share	-	-	-

ASSETS €000 AT 31 OCTOBER	2009	2008	2007
Non-current assets	830 350	859 620	850 806
Current assets	131 596	120 881	199 604
Available for sale assets	-	-	572
TOTAL ASSETS	**961 946**	**980 501**	**1 050 982**

LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2009	2008	2007
Equity attributable to the Group	297 377	297 358	303 310
Minority interests	28 917	29 200	30 459
Total Equity	326 294	326 558	333 768
Total non-current liabilities	467 805	185 445	498 872
Total current liabilities	167 847	468 497	218 341
Held for sale liabilities	-	-	-
TOTAL LIABILITIES AND EQUITY	**961 946**	**980 501**	**1 050 982**

CASH FLOW STATEMENT €000 AT 31 OCTOBER	2009	2008	2007
Cash flow from operating activities	34 951	43 202	101 942
Cash flow from investing activities	(13 463)	(38 260)	(2 948)
Cash flow from financing activities	(11 062)	(67 784)	(75 112)
CLOSING CASH POSITION	**78 856**	**68 759**	**128 712**

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2009	2008	2007
Casinos	406 071	430 915	455 283
Hotels	32 594	39 840	40 261
Interactive division	7 498	2 982	3 494
Other	6 831	7 941	11 860
TOTAL TURNOVER	**452 993**	**481 678**	**510 898**

€000 AT 31 OCTOBER	2009	2008	2007
Consolidated Ebitda	76 992	79 101	Not available
% of Turnover	17,00 %	16,42 %	

CASINOS €000 AT 31 OCTOBER	2009	2008	2007
GGR of table games	81 973	76 795	69 163
GGR slot machine revenue (real)	634 667	711 119	785 636
TOTAL GGR	**716 640**	**787 914**	**854 799**
Levies	382 040	433 250	475 230
In % of GGR	53,3 %	55,0 %	55,6 %
NET GAMING REVENUE	**334 600**	**354 664**	**379 569**
Number of slot machine in France	5 543	5 967	5 716

HOTELS AT 31 OCTOBER	2009	2008	2007
Number of hotels	19	19	18
Number of rooms	1251	1251	1228
Occupancy rate	48,36 %	53,59 %	51,73 %

04 RISK FACTORS

The company carried out a review of the risks which could have a significant negative impact on its business activity, financial position and results, and believes that there are no significant risks other than those disclosed. Risk management methods are explained in Section 16.5.

4.1 FINANCIAL RISKS

4.1.1 LIQUIDITY RISK

Liquidity risk, as analysed by the company, concerns all financial debt.

A breakdown of financial debt by type and maturity date can be found in Section 20.2.1 Note 17 of the notes to the consolidated financial statements for the financial year ended 31 October 2009. Readers may also refer to Section 20.2.1 Note 13 Cash and cash equivalents in the notes to the consolidated financial statements for the financial year ended 31 October 2009.

A significant proportion of the financial debt is made up of a syndicated loan, which was restructured during the course of the financial year.

Owing to the decline in profitability recorded for financial year 2008, which continued into financial year 2009, Groupe Partouche entered into negotiations with its syndicated loan banking pool to restructure the loan. The banking pool agreed to defer the half-yearly payment due on 30 April 2009, and not to take action on any defaults in payment.

On 23 October 2009, Groupe Partouche announced that it had signed a memorandum of understanding with its banks.

1. 1. New repayment terms

The principal amount outstanding of €298.1m comprises three tranches:

Tranche A debt, €100.1m: amortised as assets are divested. It expires on 31 October 2011.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin.

The margin for Tranche A debt is 5% per year, falling to 4% once €50m has been amortised, and to 3.5% once €75m has been amortised.

For the purpose of repaying the loan, the group has committed to generate net proceeds of €100.1m by 31 October 2011 by divesting assets in accordance with the clauses stated below.

To reach this amount, repayment can be deferred one year (i.e. until 31 October 2012) as long as the €50m threshold has been achieved by 31 October 2011. As part of this deferment, the applicable bank interest margin will increase to 5%. The total net proceeds from committed asset disposals may increase to €120m if EBITDA recorded on 30 April 2011 is lower than EBITDA specified in the memorandum of understanding.

The type of assets concerned by this disposal plan has not been formally decided and no commitments have been made on this matter.

Tranche B debt, €105.0m: initial repayment of €5m is due on 31 October 2010, followed by 10 half-yearly payments of €10m.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin. The margin for Tranche B debt is:

- 3.25% per year until 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011);
- 4.00% per year for the financial year beginning 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011). This rate ceases to apply as of 31 October 2013;
- 5.50% per year from 31 October 2013.

Tranche C de 93,0 M€ : Tranche C debt, €93.0m: due on maturity, i.e. 31 October 2015. If Tranche A debt is fully reimbursed, any additional disposals will serve to reimburse Tranche C debt.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin.

The margin for Tranche C debt is:

- 3.50% per year until 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011);
- 4.25% per year for the financial year beginning 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011). This rate ceases to apply as of 31 October 2013;
- 5.75% per year from 31 October 2013.

The interest margins applied to the various tranches of debt should be compared to the 2.75% interest margin which was previously applied to the entire loan.

The repayment schedule for the syndicated loan has therefore changed as follows:

ANNUAL REPAYMENTS DUE (€M)		
FINANCIAL YEAR	INITIAL AMOUNT	NEW AMOUNT
2009	39,7	-
2010	44,8	5,0
2011	44,8	120,1
2012	168,8	20,0
2013		20,0
2014		20,0
2015		113,0

2. 2. Redefinition of financial ratios

Groupe Partouche is required to respect coverage ratios for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale.

Ratio 1: Financial expense coverage

The ratio of restated consolidated EBITDA to consolidated net financial expenses must be greater than or equal to:

3.1x	at 31 October 2009
2.8x	at 30 April 2010
2x	at 31 October 2010

Ratio 2: Fixed cost coverage

The ratio of consolidated available cash flow to consolidated debt servicing costs must be greater than or equal to:

1x	at 31 October 2009
1x	at 30 April 2010
1x	at 31 October 2010

Ratio 3: Gearing

The ratio of consolidated net gearing to restated consolidated EBITDA must be less than or equal to:

4.7x	at 31 October 2009
4.3x	at 30 April 2010
5.1x	at 31 October 2010

As of 31 October 2009 all ratios had been respected and had the following values:

RATIO 1 CALCULATION

Restated consolidated EBITDA less the EBITDA attributable to Forges Thermal, Casino Lac Meyrin and Casino Crans-Montana which is allocated to minority shareholders of these companies.

	Group EBITDA	Forges minority shareholders	Meyrin minority shareholders	Crans minority shareholders	Restated EBITDA
% of minority shareholders		*40,8 %*	*60,0 %*	*43,0 %*	
in €m	**77,0**	**1,6**	**8,7**	**2,3**	**64,4**

Consolidated net financial expenses are the net interest payments on all financial and bank debt.

Cost of debt: -€19.2m

+ interest rate hedging costs: -€1.6m

+ investment revenue: €1.2m

= net financial expenses: -€19.6m

R1: 64.4 / 19.6 = **3.28**

RATIO 2 CALCULATION:

Consolidated debt servicing cost is the sum of (a) debt-related consolidated net financial expenses and (b) net amortisation of debt.

Net financial expenses: **€19.6m**

Bank debt 2009: €307.0m

- Bank debt 2008: €310.4m

= Change in debt: **€3.3m**

Debt servicing cost: **€23.0m**

Consolidated available cash flow is defined as the change in the consolidated statement of cash flow restated for consolidated debt servicing costs.

Change in cash position: €10.1m

Debt servicing costs: -€23.0m

= Available cash flow: **€33.1m**

R2: 33.1 / 23.0 = **1.44**

RATIO 3 CALCULATION

Debt is defined as the Group's borrowings plus any accrued interest, restated capital leases, bank overdrafts, i.e. bank debt as defined in Groupe Partouche's annual and half-yearly financial statements less the share of debt attributable to minority shareholders of Forges Thermal, Casino Lac Meyrin and Casino Crans-Montana as of this date.

Bank debt: €307.0m

- Debt attributable to minority shareholders: €0m

= Debt: **€307.0m**

Net cash is defined as the cash and cash equivalents item which appears on the asset side of the Group's consolidated balance sheet, less the «gaming levies" classified under current tax liabilities of the Group's consolidated balance sheet.

Cash and cash equivalents: €78.9m

- Gaming levies: €36.1m

Net cash: **€42.8m**

Available net cash is defined as the Group's consolidated net cash, less the net cash of Casino Lac Meyrin and Casino Crans-Montana and the physical cash position (i.e. the amount in the float of casinos as disclosed in the Group's half-yearly and annual financial statements).

Net cash: €42.8m

- Net cash from Casino Lac Meyrin and Casino Crans-Montana: €13.6m

- Physical cash held: €11.4m

= Available net cash: **€17.8m**

Consolidated net debt is defined as the group's debt, less available net cash.

Debt: €307.0m

- Available net cash: €17.8m

= Consolidated net debt: €289.2m

Ratio 3: 289.2 / 64.4 = **4.49**

As was previously the case, non-compliance with these financial covenants triggers mandatory early repayment of the loan.

3. Financial indicator commitments

As part of the bank reporting procedure, variances (12% for financial year 2010) with respect to the business plan figures in quarterly business activity indicators (gross gaming revenue in France) and profitability (EBITDA of casinos and hotels) are likely to be referred to a mediator resulting in a waiver request or mandadory early repayment. The first reading of these indicators will be performed as of 30 April 2010.

4. Review of investment limits

The upper limit for annual investments from operating activities has been revised downward to €30m, versus €37m net of disposals under the initial contract and €20m gross following the waiver of 31 October 2008. The first reading under this new limit will be performed as of 31 October 2010.

External financing is authorised for the purpose of carrying out certain property acquisitions subject to the following debt limits:

€323m	at 31 October 2009;
€323m	at 30 April 2010;
€323m	at 31 October 2010.

As was previously the case, non-compliance with these investment ceilings triggers mandatory early repayment of the loan.

5. Repayment of surplus cash flow

In order to reduce its debt more quickly, Group Partouche will allocate part of its surplus consolidated cash flow to reimbursing its debt.

Surplus consolidated cash flow will be broken down as follows:

A specific proporion, i.e. 30% in 2010 and 2011, then 20% over subsequent years will be retained by Groupe Partouche.

The balance will be allocated as follows:

- 80% will be allocated to reimbursing tranche C and then tranche B of the syndicated loan;
- 20% will be used to cover interest payments accruing on the shareholder advance from Financière Partouche.

Surplus consolidated cash flow is defined as any sum over a €15,000,000 threshold of available net cash flow, less bank overdrafts (as recorded in the Group's half-yearly and annual financial statements)

6. €15m to be maintained in short-term credit lines for a period of two years

At the end of the 2009 financial year, and more recently as of 31 January 2010, none of these credit lines had been drawn down.

The company has reviewed its liquidity risk specifically and considers that it is in a position to honour future payments due.

4.1.2 INTEREST RATE RISK

LIABILITIES €000 AT 31 OCTOBER 2009	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Syndicated loan	298 083		5 000		180 083		113 000
Other bank borrowings	8 199	340	2 321	51	5 487		
Overdrafts	24		24				
Financière Partouche current account	100 000						100 000
TOTAL	406 306	340	7 345	51	185 570		213 000

ASSETS €000 AT 31 OCTOBER 2009	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Cash (net of gaming levies)	40 631		40 631				
Investments	2 131		2 131				
TOTAL	42 762		42 762				
NET POSITION BEFORE HEDGING	**363 544**	**340**	**-35 417**	**51**	**185 570**		**213 000**
Interest rate hedging				100 000	-100 000		
NET POSITION AFTER HEDGING	**363 544**	**340**	**-35 417**	**100 051**	**85 570**		**213 000**

Exposure to interest rate risk is periodically assessed by the Group's management, with assistance from the Treasurer, among others. The interest rate hedging policy is designed to protect future cash flows and reduce any volatility in financial expenses.

The finance department implements the favoured solutions. All of the interest rate hedging instruments are set in place to hedge interest rate risks centrally, particularly interest-rate swap, future or option contracts corresponding to identified risks related to the company's future financial flows, with the Group taking no speculative position.

A 1% increase in the interest rate applied to the portion falling due in less than one year of the total amount exposed to potential fluctuations in the variable interest rate, namely €263m, would have an effect on consolidated financial items of €2,630,000.

4.1.3 EXCHANGE RISK

In order to measure the Group's exposure to exchange rate risk, we should point out that Groupe Partouche's activities outside France are performed by subsidiaries which operate in the country in which they are located; the consolidated financial statements thus include 23 companies outside France, nine of which are located outside the euro zone. Some foreign exchange risk exposure remains, however, given the Group's operations in the US, Tunisia, Switzerland, Gibraltar and Egypt. The total of these activities represents less than 10% of total consolidated turnover. Transactions carried out outside the euro zone are denominated in the local currency. Given the Group's low exposure to foreign exchange risk, no specific procedures are applied to monitor such risks.

The table below sets out the impact of the change in 1% of each exchange parity on the Group's sales and its operating profit at 31 October 2009:

IMPACT OF +/- 1% VARIATION IN THE EXCHANGE RATE

IN €M	ON TURNOVER	% OF GROUP'S TOTAL	ON OPERATING INCOME	% OF GROUP'S TOTAL
GBP	0,05	0,01 %	-0,03	-0,07 %
CHF	0,38	0,08 %	0,40	1,04 %
USD	0,00	0,00 %	-0,00	-0,00 %
TND	0,02	0,00 %	0,00	0,00 %
EGP (equity method)	NA	NA	NA	NA

The table below presents the local currency positions of receivables and payables denominated in foreign currency at 31 October 2009:

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP GIBRALTAR	K USD USA	K TND TUNISIA	K EGP EGYPT
ASSETS	1 355,0	202,1	9,1	783,8	Equity method
LIABILITIES	10 974,2	1 114,9	(4.3)	1 839,5	Equity method
Net position before hedging	-9 619,2	-912,8	13.4	-1 055,7	Equity method
Hedging position	-	-	-	-	Equity method
Net position after hedging	-9 619,2	-912,8	13,4	-1 055,7	Equity method

4.1.4 TRANSLATION RISK

Consolidating the financial statements of foreign subsidiaries entails the translation of the financial statements (assets, liabilities, income and expenses) denominated in foreign currencies into euros. This translation at the applicable year-end exchange rate, may, if exchange rates change, generate an impact on the Group's consolidated financial statements. Given the long-term nature of these investments, Groupe Partouche does not hedge this exposure.

4.1.5 EQUITY RISK

The Group's cash investments do not include any listed shares and money-market products are used exclusively.

The amount of treasury shares recognised in the Company's balance sheet at an amount of €169k breaks down into: self-owned Groupe Partouche SA shares totalling €168,767.

Groupe Partouche SA shares:

These shares were purchased under the terms of share purchase programmes authorised by Shareholders' Meetings, with the primary objective of regulating the share price.

NUMBER OF SHARES	ACCOUNTING VALUE	MARKET VALUE (PRICE AT 31.10.09)	POTENTIAL CAPITAL GAIN (PRICE AT 31.10.09)
19 166	168 767 Euros	59 414,60 Euros	109 352,40 Euros

A 10% drop in the share price of Groupe Partouche would have a limited impact on the consolidated financial statements (€5,941.46).

Given that the investment policy for cash excludes investments in share-based products, no specific measures are used to monitor this risk.

4.1.6 PLEDGES

Groupe Partouche, Financière Partouche and the pool of banks led by Natixis have agreed on the restructuring of the Groupe Partouche debt.

The memorandum of understanding between the parties dated 21 October 2009 lays down the terms and conditions for restructuring the debt, with particular reference to the conditions for substituting a new loan agreement to the one entered-into on 30 September 2005.

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to banks in respect of the loan contract in principal, interest, commission, fees and other expenses, Groupe Partouche pledged to banks the shares other financial instruments accounts that it held in the subsidiaries listed in the table below.

For all of the listed subsidiaries:

- Beneficiary: the banking pool led by Natixis comprises the following banks: Bacchus 2008 PLC, The Governor and Company of the Bank of Ireland, Bank of Scotland PLC, Banque commerciale pour le Marché de l'Entreprise (BCME), Banque Populaire des Alpes, Banque Populaire Loire et Lyonnais, Bred Banque Populaire, CIC Lyonnaise de Banque, Commerzbank International SA, Crédit Agricole Nord de France, Caisse Régionale de Crédit Agricole Mutuel de Normandie Seine, Crédit du Nord, HSBC France, Lloyds TBS, Natixis, Scotiabank Europe PLC, West LB AG;
- Condition for the removal of the pledge: repayment of the loan;
- Commencement date of the pledge: 30 September 2005; pursuant to the agreement on 21 October 2009, the maturity date of the pledge was deferred from 30 September 2012 to 31 December 2015.

SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED	SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED
COMPAGNIE EUROPÉENNE DE CASINOS SAS	4 962 577	100,00 %	FORGES THERMAL SA	7 000	58,33 %
SOCIÉTÉ DU CASINO DE SAINT-AMAND SAS	116 250	100,00 %	HÔTEL INTERNATIONAL DE LYON SA	18 500	92,50 %
SATHEL SA	20 080	99,60 %	CASINOS DE VICHY SAS	11 978	79,85 %

▪ **Commencement date of pledge:** 1 March 2006 and termination date of pledge: 31 December 2015.

SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL	SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL
GROUPE PARTOUCHE INTERNATIONAL SA	5 990	99,83 %	CASINOS DU TOUQUET SAS	24 384	99,52 %
SARL HÔTEL COSMOS	49 950	99,90 %	ELYSÉE PALACE EXPANSION SA	1 895	75,80 %
SOCIÉTÉ CIVILE IMMOBILIÈRE DE LA RUE ROYALE	8 917	99,98 %	LA VILLA DU HAVRE SAS	4 000	100,00 %
SOCIÉTÉ CIVILE IMMOBILIÈRE LES THERMES	9 950	99,90 %	NUMA SAS	5 000	100,00 %
SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	49 950	99,90 %	SOCIÉTÉ DES CHEMINS DE FER ET HÔTELS DE MONTAGNE AUX PYRÉNÉES SA	178 000	76,17 %
SOCIÉTÉ DU CASINO ET BAINS DE MER SAS	6 600	100,00 %	SOCIÉTÉ D'EXPLOITATION DU CASINO ET HÔTELS DE CONTREXÉVILLE SAS	4 950	99,00 %
LE TOUQUET'S SAS	1 801	90,05 %	JEAN METZ SAS	1 000	100,00 %
GRAND CASINO DU HAVRE	149 993	99,99 %	CANNES BALNÉAIRE PALM BEACH SA	5 099 366	99,97 %
SCI LYDIA INVESTISSEMENT	97	97,00 %	LYDIA INVEST	973	97,30 %

It is further stated that Financière Partouche, which on 30 September 2005 had pledged its 26,848,500 shares in Groupe Partouche to its banking pool, made a further pledge, in accordance with the memorandum of understanding of 21 October 2009, of an additional 1,991,500 shares arising from the merger with Sogesic that occurred subsequently to the signature of the initial loan agreement.

NAME OF REGISTERED SHAREHOLDER	BENEFICIARY	COMMENCEMENT DATE OF THE PLEDGE	TERMINATION DATE OF THE PLEDGE	CONDITION FOR THE REMOVAL OF THE PLEDGE	NUMBER OF THE ISSUER'S SHARES PLEDGED	% OF ISSUER'S CAPITAL PLEDGED
FINANCIÈRE PARTOUCHE SA	Banking pool led by Natixis(1)	30 Sept. 2005	31 October 2015	Repayment of the loan	28,840,000	66.918%

(1) The banking pool led by Natixis Banques Populaires comprises the following banks: Bank of Scotland, Commerzbank, HSBC, CCF, Lyonnaise de Banque and Natixis Banques Populaires.

4.2 OPERATING RISKS

4.2.1 ADDICTION TO GAMBLING

Excessive gambling can cause some people to develop symptoms commonly associated with addictive behaviour, and they may be driven to commit more financial resources than would be considered reasonable. This behaviour is harmful to our customers, as they no longer enjoy gambling in moderation and can put themselves and their families at risk. It is also harmful to the casino as it indirectly affects the brand image.

For this reason, Groupe Partouche has for a long time worked on applying responsible gaming within its establishments, which it encourages through its partnership with Addictel. Groupe Partouche has used brochures and posters as means of educating customers in the risks associated with compulsive gambling, and provides employees who are trained in helping clients exhibiting compulsive behaviour.

4.2.2 FOOD SAFETY

Owing to its highly developed activity as an operator of restaurants, Groupe Partouche is committed to ensuring a high level of food safety at all times. Obviously, the aim pursued is to secure customer satisfaction and loyalty; besides, in the event of a breach coming to light during an inspection by the authorities, the business establishment concerned may be closed, with the attendant prejudicial consequences on the establishment's image and profitability. All of the establishments of Groupe Partouche are inspected very frequently by Silliker, an accredited independent organisation.

4.2.3 HEALTH AND SAFETY

With the same concern, and having regard to the same potential prejudice to it, Groupe Partouche is in duty bound, like all business establishments receiving the public, to ensure maximum safety for its customers and employees. The Group's establishments must adhere to a body of health and safety rules, and must prevent hazards; they are also regularly inspected by authorised health and safety commissions such as the APAVE and Bureau Veritas technical-inspection agencies.

4.2.4 SECURITY

Our casinos have both technical and human resources which together ensure the security of people and goods. The terms under which they are activated are naturally linked to the unique character of the casino business, to their size and their configuration.

Some of the security measures taken are listed below:

- CCTV cameras cover all areas of the establishments that may need monitoring, such as car parks, entrances, the main hall, games rooms, safe deposit vaults, cash registers, game tables and slot machines. Should an incident occur, the control room guard can alert security and the games room managers, and if necessary the police or fire brigade;
- a traditional surveillance system of volumetric radars connected to a central desk which detects the presence of an intruder in the establishment during closing hours;
- installing vaults, secure money boxes, with information displayed to the public at the cash registers can significantly reduce aggravated burglaries. By taking such measures, no keys can be handed over to criminals because the only people that have the keys are those who collect the funds. Only a nominal amount of cash is kept in cash registers and safe deposit boxes to cover frequent transactions (such as currency exchanges and cash payments);
- A computerised access control system operated by badges is used to record the movement of staff and visitors in the buildings;
- Security officers are stationed at entrances to prevent unauthorised entry to the establishments, and during closing hours, dog handlers guard the building when necessary.

4.2.5 CUSTOMER RISK

As is the case with all businesses, Groupe Partouche's establishments are exposed to customer risk (i.e. bad debt risk). Nevertheless, given the Group's main business activity, this risk is very limited. With respect to gaming, most customer payments are made in cash (verified by forgery detection equipment) or by credit card. Suitable protection is taken out for the risk associated with the very small portion of payments made by cheque.

4.2.6 PUBLIC SERVICE AGREEMENT OR CONCESSION RENEWAL RISK

In the matter of public service agreement renewals, Law 93-122 of 29 January 1993 (the Sapin Act) requires, when any concession comes up for renewal, that the municipality launch an invitation to tender soliciting competitive bids from several market players. The major risk to which the operator is exposed in this case is the sudden cessation of its activity. Owing to Groupe Partouche's expertise in the fields of gaming and entertainment, to this day the Group has never failed to obtain a renewal for any of its concessions.

4.3 ENVIRONMENTAL INFORMATION

Pursuant to Article L.225-102-1 of the Code of Commerce, environmental information is provided below.

Even though the nature of its business only has a very small exposure to industrial risks, the eventual environmental consequences of the Group via its subsidiaries are as follows, on the understanding that the "environmental policy" cost is included within total expenses:

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 water evacuated 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.

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 with the surrounding scenery, in order to integrate its sites into the natural environment.

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.

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, one of the employees is responsible for "environmental affairs".

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.

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.

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 2009.

Amount of damages paid during the financial year pursuant to a legal decision relating to the environment and actions carried out to repair damage to the environment:

No indemnities pursuant to a legal decision pertaining to environmental issues were paid during the financial year.

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

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

4.4 RISK MANAGEMENT

The Group's comprehensive approach to its insurance coverage is based on the contractual principle of "all risks subject to exclusions", which provides protection against all risks other than specific named perils and applies to all risks associated with casino operations and related activities. The Group therefore obtains and maintains multi-line casino and hotel policies including coverage for business interruption, business liability, directors' and officers' liability, vehicle fleet, works of art, etc.

The Group does not have any self-insurance system and does not use any captive insurer.

To the best of our knowledge, there are no significant uninsured risks.

Synopsis of risks insured from 1 November 2008 to 31 October 2009

CASINOS	COVERAGE	GUARANTEES	PREMIUMS (INCLUDING CLAIMS MANAGEMENT EXPENSES)
CASINO MULTI-RISK	Damages to assets and operating losses	Limit of liability €65m	1 037 413 €
CIVIL LIABILITY			
Civil liability – operations:			
	Physical, material and non-material damages	€15m per year o/w €8m per claim	86 352 €
	Goods consigned to the hotels	€250,000 per year	
	Valet parking guarantee	€100,000 per year	
	Non consecutive non-material damages	€160,000 per claim	
	Pollution due to accident	€350,000 per claim and per year	
Civil liability - after delivery:			
	Physical, material and non-material damages (consecutive or non-consecutive)	€3m per claim and per year	
EXECUTIVE'S CIVIL LIABILITY		€8m per claim and per year	14 206 €
ALL RISKS' EXPOSURE			2 019€
ART			14 984 €
VEHICLES	Vehicle fleet	All risks	43 301 €
	Staff missions		3 163 €
	Transportation of Goods	Self-insured	1 433 €

HOTELS	COVERAGE	GUARANTEES	PREMIUMS (INCLUDING CLAIMS MANAGEMENT EXPENSES)
Hotel multi-risk	Damage to assets and operating losses	Limit of liability from €6m to €39m	132 633 €
Hotel civil liability	Included in the Group's civil liability policy		

05 INFORMATION ABOUT THE ISSUER

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

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

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

1982

Creation of the Calais casino.

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.
Re-opening of the Berck casino.

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.

Opening of the Group's first casino in Agadir (Morocco) in association with Club Méditerranée.

1997

Acquisition of a 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 and the Group purchased the Beaulieu-sur-Mer casino.

1998

Celebration of the Group's 25th anniversary in April 1998 and opening of the Djerba Pasino, an innovative concept: an entertainment centre and casino combined.

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

On 2 November 1998, Groupe Partouche 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 1st 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, acquisition of a majority stake in Société Française de Casinos, which operates four casinos (Gruissan, Châtelguyon, Le Mont Dore and La Bourboule).

2000

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

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

2001

In July, the Aix-en-Provence Pasino opened a 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 and the company intended to oversee the creation of a casino in Alvignac was also sold.

2003

In July, Groupe Partouche's first Swiss casino was launched in Meyrin, overlooking Geneva's international airport.

In September, the casino in Spa (Belgium) was sold.

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

2004

La Trinité-sur-Mer casino was opened in March.

In May, Le Lydia casino was reopened in Port-Barcarès.

In June, Groupe Partouche opened the casino in Le Havre at a temporary venue.

Le Palais de la Méditerranée opened its doors to patrons in Nice, followed by the opening of its casino.

2005

On 26 February, opening of Port La Nouvelle Casino.

In March, the Cazaubon-Barbotan casino was sold.

On 30 September, Groupe Partouche acquires the Groupe de Divonne which operates five casinos: Divonne-les-Bains, Annemasse, Hauteville-Lompnes, Saint-Julien-en-Genevois in France and Crans Montana in Switzerland.

2006

In April, Groupe Partouche sold its majority stake in Société Française de Casinos, with four casinos (Gruissan, Châtelguyon, Port La Nouvelle in France and Agadir in Morocco)

On 27 April, Groupe Partouche created Partouche Interactive, a subsidiary specialising in the development of gaming on new technology platforms such as interactive television, mobile telephones and the Internet.

In June, the Havre Pasino opens its doors with combined table games and slot machines rooms.

In August, tests of Texas Hold'em tournaments are run at the Aix en Provence casino with great success.

In November, Partouche Interactive Ltd is granted an on line gaming licence from the government of Gibraltar.

2007

Entry into force of the new gaming regulations, including in particular the authorisation to combine slot machines and table games within the same room and the removal of the stamp duty on entrance cards providing access to traditional gaming rooms.

In November, customer identification checks become mandatory for French casinos.

In March, the Saint-Julien-en-Genevois casino was sold.

In July, opening of the casino at La Tremblade.

Following a test phase in the Aix-en-Provence and Divonne-les-Bains casinos, Texas Hold'em poker is gradually introduced at all the Group's casinos over the course of the summer.

2008

Launching of the Partouche Poker Tour – grand finale at the casino Palm Beach Cannes in September

On 1st January the smoking ban becomes mandatory for French casinos.

In February, gaming authorization is granted to the Dinant Casino in Belgiuim.

In February also, acquisition by Partouche Interactive of Atlas Sports & Games (now Partouche Betting) owner of a Maltese on line gaming licence and more particularly in respect of on line betting.

2009

At the start of the financial year, Groupe Partouche launched its Megapot, a multi-site jackpot interconnecting more than 200 slot machines in more than 45 establishments.

The Megapot generated several payouts during the financial year under review, the largest of which exceeded €3m.

Groupe Partouche opens its second casino in Tunisia, at Tabarka.

5.1.1 COMPANY NAME

The name of the company is Groupe Partouche – Ticker "G.P."

5.1.2 COMMERCIAL REGISTER

The company is registered in the Paris register of commerce and companies under number 588 801 464.

Its NAF code is 7010 Z.

5.1.3 DATE OF INCORPORATION AND LENGTH OF LIFE OF THE COMPANY

Groupe Partouche, which was initially called SA Compagnie Fermière des Eaux et Boues de Saint-Amand, was formed, by a deed received by Maître Cartigny, Notary at Valenciennes, on 18 March 1903.

The term of the company, initially fixed at 60 years, was last extended by the Extraordinary Shareholders' Meeting of 27 April 1994 to 26 April 2058, except in the event of it being wound up before that date or having its term extended as provided by the Articles of Association.

5.1.4 HEAD OFFICE, FINANCIAL YEAR, LEGAL FORM AND APPLICABLE LEGISLATION

The head office is located at 141 bis, rue de Saussure, 75017 Paris, France.

Its telephone number is +33 (0)1 47 64 33 45 and its fax number is +33 (0)1 47 64 19 20.

The company is a Société Anonyme company with an Executive Board and a Supervisory Board. The company is under the jurisdiction of French legislation.

Its legal and accounting documents may be consulted at the registered office.

The financial year commences on 1 November and ends on 31 October.

5.1.5 SIGNIFICANT EVENTS IN THE DEVELOPMENT OF THE COMPANY'S BUSINESS

Following the introduction of identification checks for all individuals entering casino gaming rooms, which became mandatory on 1 November 2006, thus allowing for improved control of problem gamblers under exclusion orders and minors, a change in the regulatory framework for gaming entered into effect, permitting the casino sector to modernise its offerings.

In particular, this has involved the authorisation to combine table games with slot machines in the same room. A number of new measures were introduced during financial year 2007, such as the use of bill acceptors in slot machines and the operation of Texas Hold'em poker.

The period of eleven months that had been granted to casino operators by the decree prohibiting smoking in public places as from 1 February 2007, in order to allow them to "adjust to the economic impact" of this new measure, has expired. Since 1 January 2008, a total smoking ban has been applied at all establishments.

Lastly, our customers may now play Texas Hold'em poker in all the Group's casinos.

This variant of poker enjoys increasing popularity, especially among young people, and has drawn a new breed of customers to our establishments, a clientele that we must seek to develop and retain.

During financial year 2008, poker tournaments were organised on a regular basis, and in particular a national tournament in which all of our casinos participated, the Partouche Poker Tour, which opened for the first time in November 2007 and closed with a grand finale held at the Casino Palm Beach in Cannes in September 2008.

In November 2008, Partouche Interactive Gibraltar, holder of a Gibraltar online gaming licence; switched its online website from free-mode (Play for Fun) to pay mode (Play for Real).

Lastly, at the end of December 2008, Groupe Partouche was the first casino operator to offer a Mega Jackpot, resulting from the combination of the group's slot machines in different casinos. In January 2010, this offer includes 49 casinos of which 5 are non-Group, and since its launch it has generated seven payouts, the largest of which exceeded €3.3m.

5.2 INVESTMENTS

5.2.1 INVESTMENT POLICY

The Group's investment policy over the past several years has been aimed at maintaining an ongoing offering of competitive products while at the same time seeking opportunities for external growth.

The inclusion in the Group of the Compagnie Européenne de Casinos (CEC) establishments in 2002 and those of Groupe de Divonne in 2005 went hand-in-hand with sales of casinos, particularly those of the Société Française de Casinos (Gruissan, Châtel-Guyon, Port-la-Nouvelle and Agadir) and of the casino at Saint-Julien-en-Genevois, since these establishments were of lesser strategic value from the standpoint of the Group's territorial coverage.

The same thinking underlay early disinvestments from non-strategic activities, such as the thermal-spa establishments at Vittel and Contrexéville and the minority interest in SFC-MC (Société Fermière du Casino Municipal de Cannes).

Today, the investment policy for the coming financial years is being reshaped according to the following major thrusts:

- a halt to the establishment of new casinos with the sole aim of increasing territorial coverage;
- maintenance and adaptation of the existing assets within the limits of a gross annual amount of €30m (a covenant under the syndicated loan agreement);
- limiting the development of new "Pasinos" to just three: La Ciotat, Bandol and La Grande Motte, under a global budget, including land, of some €62m, with recourse to external financing;
- disposals of assets, designed to reduce borrowing by €100.1m (a covenant under the syndicated loan agreement).

5.2.2 INVESTMENTS

Cash flows from investing activities in 2007 represented a very limited net use of cash amounting to €2.9m, compared to €41.6m in 2006.

Cash flows €41.0m related to acquisitions of property, plant and equipment were distributed to the following casinos: Forges (€4.5m), Cabourg (€4.5m) and Salies de Béarn (€3.3m). Cash flows related to the acquisition of interests in companies amounted to €8.4m, compared to €8.6m in 2006, and concerned in particular the buyout of minority interests of the companies Belcasinos (€3.3m) and HIL (€3.1m). Disposals of companies represented a cash flow of €9.6m, compared to €1.8m in 2006, and chiefly involved the sale of the St-Julien casino and the decrease in the receivable for La tête dans les nuages. In addition, the Group disposed of the shares it held in SFCMC for €36.0m. The particularly large cash flow resulting from this disposal explains the relatively low net use of cash for investing activities in the financial year.

After a very low net cash outflow in 2007, thanks to the disposal of SFCMC shares for €36m, the net cash used in investing activities returned to a level similar to that in 2006, and represented a net cash outflow of €38.3m in financial year 2008. The cash flow related to acquisitions of companies is mainly attributable to the Partouche Interactive division. The cash flow related to the acquisition of intangible assets of €3.1m concerns Partouche Interactive Gibraltar in the amount of €1.9m. The cash flow relating to property and equipment increased to €46.4m compared to €41.0m in 2007, related to Partouche Immobilier in the amount of €11.2m, which booked the construction termination costs for Boulogne-sur-Mer casino and purchased €6.2m of land to be used for the future Pasinos in La Ciotat and La Grande Motte, and investments for the Group as a whole, of which €15.8m related to slot machines.

The cash flow on the disposal of intangible and tangible fixed assets of €13.9m relates to the Thermes de Vittel spa in the amount of €4.6m and lease rights to the Cassis casino (which is not owned by Groupe Partouche) for €6.9m.

In a trying economic context, investment-related cash flows were considerably reduced in 2009, representing cash employed of €13.5m, compared with €38.3m in 2008. This employment results from the following three main flows:

- acquisitions of property, plant and equipment for €20.2m, including maintenance investments in the various Group subsidiaries;
- a €7.0m flow from asset disposals that includes the proceeds from the sales of the premises at Bagnoles de l'Orne (€2.8m), and of the thermal-spa premises at Contrexéville (€1.6m) and the collection of a debt relating to the disposal of the premises at Saxon (€2.0m);
- the collection of a €0.5m portion of the debt owed by La Tête dans les Nuages.

5.2.3 ASSETS IN PROGRESS

Assets in progress which had a net value of €3.3m at the end of the financial year mainly relate to work apportioned over Partouche Immobilier for €2.2m (the La Ciotat and La Grande Motte projects) and €0.4m for the Royat Casino.

5.2.4 SIGNIFICANT INVESTMENTS THAT THE COMPANY PLANS TO CARRY OUT IN THE FUTURE FOR WHICH MANAGEMENT HAS ALREADY MADE COMMITMENTS

The significant investments for which the Group has made commitments relate to the casino base and mainly concern the construction of a Pasino with hotel in La Ciotat (€24.6m) and new Pasinos in La Grande Motte (€16m) and Bandol (€14m). Fulfilment of these commitments nevertheless remains contingent upon obtaining external financing and upon compliance with a maximum borrowing limit *(see § 4.1.1 "Liquidity Risk")*.

06 BUSINESS OVERVIEW

6.1 PRINCIPAL ACTIVITIES

6.1.1 CASINOS

The casino business represents the Group's main business activity. France authorises the following games, among others:

TABLE GAMES

- Boule;
- English roulette;
- Blackjack, Casino Stud Poker, Casino Hold'em Poker (cards).
- Texas Hold'em Poker.

SLOT MACHINES

Slot machines are legally defined as automatic machines incorporating games of chance and comprise "roll machines" and "video games". Groupe Partouche has 5,543 machines installed in France and 969 machines installed abroad at 31 October 2009.

a) Regulatory framework

According to French Law, gaming activity is 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 extended this authorization 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.

The Commission Supérieure des Jeux (French Betting and Gaming Commission) set up at the Interior Ministry was overhauled in March 2009. Its composition was slimmed from 20 to 12 members (8 senior civil servants and 4 elected officials). Its remit is now confined to primary applications for gaming authorisation renewals, applications to increase the number of gaming tables authorised and applications to increase the number of authorised slot machines only where they exceed the threshold of 500 machines. A Decree and an Order dated 29 July 2009 have radically altered the authorisation criteria for slot machines. The number of slot machines authorised in a casino is now determined by reference to a ratio of the number of machines to the number of gaming tables, which is laid down by the casino gaming regulations. The first gaming table gives entitlement to 50 slot machines and each of the subsequent tables gives entitlement to 25 additional machines.

This reform is a major advance for casinos in giving them greater control over the definition of their gaming offer. By this means, the gaming supply can now be adapted to the specific features of the local market and customers' wishes without having to embark on an unwieldy administrative procedure requiring notification by the betting and gaming commission at the elapse of a 4- or 5-month application processing period. These adaptations are now implemented by the Interior Ministry under applicant-initiated declaration procedures with a short processing period, affording better responsiveness to market changes.

An Order issued by the Ministry of the Interior sets the number and type of games authorised (roulette, blackjack, etc.), the minimum authorised bets as well as the casino opening and closing hours.

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

Casinos that have obtained the necessary license must operate under a manager and an executive committee who are responsible for ensuring total compliance with applicable laws, regulations and the specifications.

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, which was reaffirmed by the decree of 13 December 2006 and the ministerial order of 14 May 2007, updated by the decree of 24 December 2008.

b) 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 and thermal spa 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

Up to 10%	87 000 €		
From 15%	87 001 €	to	171 000 €
From 25%	171 001 €	to	507 000 €
From 35%	507 001 €	to	943 500€
From 45%	943 501 €	to	1 572 000 €
From 55%	1 572 001 €	to	4 716 000 €
From 60%	4 716 001 €	to	7 860 000 €
From 65%	7 860 001 €	to	11 005 500 €
From 70%	11 005 501 €	to	14 149 500 €
Above 80%	14 149 501 €		

The levy scale, which has not changed since 1986, was revised during the year ended 31 October 2009 to be applied retroactively over the whole accounting year.

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 revenue.

In January 1998 the rate of CSG was increased to 7.5% and calculated on a reduced basis of 68% of slot machine gross gaming revenue. As of 1 January 2005, the CSG rate increased by two percentage points to 9.5%.

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

The ministerial Order of 12 April 2002 (enacted on 1 May 2002), abandoned the notion of theoretical receipts and based the various tax levies on actual receipts, subject to a 15% maximum rebate coefficient (with the exception that theoretical receipts should remain higher than the receipts post-rebate).

The ministerial Order of 28 October 2008 cancels the provisions concerning the 15% rebate coefficient set out in the ministerial Order of 12 April 2002.

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

c) Casino operations

Groupe Partouche, via its directly or indirectly owned subsidiaries, operated 56 casinos at 31 October 2009; 47 of these establishments are located in France and nine in other countries.

The Group generated 73.9% of its turnover from gaming, which remains the dominant business sector. Groupe Partouche's 55 casinos are spread throughout France and abroad as follows:

FRANCE - REGIONS	COMMUNE IN WHICH THE CASINO IS LOCATED
NORD - PAS-DE-CALAIS	ST-AMAND-LES-EAUX, CALAIS, BOULOGNE-SUR-MER, LE TOUQUET PARIS PLAGE, BERCK-SUR-MER
HAUTE-NORMANDIE	FORGES-LES-EAUX, DIEPPE, LE HAVRE
BASSE-NORMANDIE	CABOURG, AGON-COUTAINVILLE
BRETAGNE	PLÉNEUF-VAL-ANDRÉ, PLOUESCAT, LA TRINITÉ-SUR-MER
PAYS DE LA LOIRE	PORNICHET, PORNIC
POITOU-CHARENTES	LA ROCHE-POSAY, LA TREMBLADE
BOURGOGNE	ST-HONORÉ-LES-BAINS
LORRAINE	CONTREXÉVILLE, PLOMBIÈRES-LES-BAINS
RHÔNE-ALPES	LYON, LA TOUR DE SALVAGNY, ST-GALMIER, DIVONNE-LES-BAINS, ANNEMASSE, HAUTEVILLE-LOMPNES
AUVERGNE	EVAUX-LES-BAINS, VICHY (LES 4 CHEMINS ET GRAND CAFÉ), ROYAT, ST-NECTAIRE
AQUITAINE	ANDERNOS, ARCACHON, SALIES DE BÉARN
LANGUEDOC-ROUSSILLON	PALAVAS-LES-FLOTS, LA GRANDE MOTTE, PORT BARCARÈS
PROVENCE - ALPES - CÔTE D'AZUR	GRÉOUX-LES-BAINS, AIX-EN-PROVENCE, LA CIOTAT, BANDOL, HYÈRES, GRASSE, CANNES, JUAN-LES-PINS, BEAULIEU-SUR-MER, NICE

OUTSIDE FRANCE	COMMUNE IN WHICH THE CASINO IS LOCATED
BELGIUM	KNOKKE-LE-ZOUTE, OOSTENDE, CHAUDFONTAINE, DINANT
TUNISIA	DJERBA, TABARKA
SPAIN	SAN ROQUE
SWITZERLAND	MEYRIN, CRANS-MONTANA

d) Casino operating concessions

A casino operating concession never exceeds 20 years in France. At 31 October 2009, Groupe Partouche had 47 casinos in France with a concession contract and a ministerial authorization for gaming operations.

There is no pending file with the Ministry of the Interior in respect of a gaming authorization. Other casinos operators are allowed to bid during the renewal, the tender being public (Sapin Act)

To date, no gaming concessions were lost by Groupe Partouche

e) Due dates of the operating concessions

YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2010	2
2011	2
2012	3
2013	2
2014	0
2015	6
2016	6
2017	6
2018	2
2019	1

YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2020	4
2021	3
2022	4
2023	3
2024	1
2025	0
2026	0
2027	0
2028	2
2029	2

f) Ancillary activities of casinos

The Group's casinos generate a portion of their sales from complementary activities, such as catering and entertainment; beyond the contractual obligation attaching to the very definition of a casino, these are regarded as a prime means of receiving and entertaining customers under optimum conditions. Some of the larger establishments, such as St-Amand-les-Eaux, Forges-les-Eaux or La Roche-Posay, have integrated hotel accommodation affording hospitality on a grander scale. The majority of establishments provide private-function areas, on a scale and of a style varying widely according to purpose, with customised, high-quality entertainment to enliven the functions. Lastly, the presence in some resorts of spas affords customers "relaxation and well-being" solutions, with well-being and beauty treatments as well as themed spa cures.

At 31 October 2009, the Group operates:

- 12 hotels from 3* to 4*L with a total of 530 rooms
- 130 restaurants: diners, gourmet restaurants, themes restaurants.
- 4 Health spas and 2 Golf courses

Amongst their other activities, following casinos also offers one hotel or more:

- Forges-les-Eaux;
- Saint-Amand-les-Eaux;
- Le Havre;
- Divonne-les-Bains
- Lyon Vert - Charbonnières
- Hyères
- La Roche-Posay
- Dieppe
- Salies de Béarn
- La Trinitié-sur-Mer

6.1.2 HOTELS

Besides the hotels tied with casinos, the Group possesses seven independent hotels ranging from 3*to 4*L, with more than 710 rooms available. The activity of these hotels accounts for all the Group's hotel-sector sales.

These independent hotels are the following:

- the 3.14 hotel, Cannes;
- the Garden Beach hotel, Juan-les-pins;
- the Aquabella hotel, Aix-en-Provence;
- the Hilton hotel, Lyon;
- the Cosmos hotel and the Grand Hôtel du Parc, Contrexéville;
- the Hôtel Georges, Pléneuf-Val-André

6.1.3 THE INTERACTIVE DIVISION

In April 2006, Groupe Partouche created a new subsidiary, Partouche Interactive, specialising in the development of gaming on new technology platforms such as interactive television, mobile telephones and the Internet.

a) Regulatory framework

With the advent of the Internet, followed by mobile telephones and interactive television, the gaming sector has access to new distribution channels.

The French government quickly grasped the importance of these developments and has for long authorised PMU and La Française des Jeux to offer their products over the Web.

To meet the requests of the European Commission to widen access to the French market for European operators, draft legislation is under debate in Parliament, and scheduled for adoption in the first quarter of 2010.

The legislation provides for admission of operators authorised by a new authority called Arjel (Autorité de réglementation des jeux en ligne - on-line betting and gaming regulatory authority) solely in the activity sectors of horserace betting, sports betting and poker.

These activities will be governed by restrictive conditions.

The regulations implementing the legislation should be introduced rapidly after its final adoption, so as to enable the new rules to be in place for the FIFA World Cup in June 2010.

The impacts of this scope-widening to cover the licensed casinos have not been clearly identified. It is likely that "live" poker, which enjoys great success in French casinos, will be affected by this new legal competition, as it was by illicit operators who have been deploying their activities with impunity for 10 years and whose activity is likely to continue, given the difficulties of implementing effective prohibition.

On completion of the legislative process, Groupe Partouche will consider whether it is worth applying to Arjel for an operating licence.

Through its subsidiaries, **Partouche Interactive** offers solutions and services designed for the Web, mobile telephones and interactive television, through the activities of the following key subsidiaries:

Partouche Technologies provides a wide range of games developed using different programming languages and conceives, builds and develops mobile Web gaming applications;

Partouche Images is a television channel devoted to interactive gaming;

Partouche Productions is a production company for televised programmes and events (Tournoi des As, Partouche Poker Tour, etc.);

Partouche Tournois organises logistical arrangement for poker tournaments;

Quarisma is an interactive platform dedicated to the real-time management of quality services between customers and casino operators;

FairPlayers certifies gaming operators as well as payment and gaming processes;

Caskno manages casino information systems as well as data exchange equipment and networks.

Partouche Interactive Holdings is the entity that controls Partouche Interactive Gibraltar, which holds a gaming licence and conducts gaming operations based in Gibraltar;

Partouche Betting holds a gaming licence in Malta and offers online betting.

c) Strategy

In 2009, Groupe Partouche focused its efforts mainly on:

- developing communication around the Internet;
- acquiring new customers;
- rationalising costs.

During 2009, a competitive market suffered stagnation both nationally and internationally, with reduced market shares for the historic operators (namely Party Gaming, 888, etc.); and yet, against this background Partouche Interactive Gibraltar succeeded in establishing a position through innovative marketing. And the share of consolidated EBITDA generated by the Partouche Interactive division improved by €6.8m.

Today, the innovative strategy developed by the Group is based on three principles:

1/ Technological self-reliance

In 2009, the Group successfully freed itself from all technological intermediaries and can now operate in full independence without reliance on any third-party technology provider;

2/ Renewal of the customer base

The Internet has enabled the Group to generate new custom at the physical casinos. Thus, the websites are proving to be a breeding-ground providing new cus-

tomers for the physical-Casino network: as an example, over six months of operation, 1,500 customers have been recorded as visiting the physical Casinos via the Internet, and they represent an appreciably younger custom than that of the "bricks and mortar" casinos;

3/ International communication

The website showcases the brand internationally.

The international reach of this communication medium gives international brand presence to Partouche, thereby developing for it a new custom, particularly in countries where it was not previously established, namely in Eastern Europe.

6.1.4 OTHER ACTIVITIES

The other activities included in Groupe Partouche turnover are marginal, accounting for fewer than two percentage points of total turnover. They mainly include the thermal-spa activity at Aix and Contrexéville, and a cinema in Vichy.

6.2 PRINCIPAL MARKETS

6.2.1 BREAKDOWN OF TURNOVER BY ACTIVITY

TURNOVER €000 AT 31ST OCTOBER	2009	%	2008	%	2007	%
Casinos	406 071	89,6 %	430 915	89,5 %	455 283	89,1 %
Hotels	32 594	7,2 %	39 840	8,3 %	40 261	7,9 %
Interactive division	7 498	1,6 %	2 982	0,6 %	3 494	0,7 %
Other	6 831	1,5 %	7 941	1,6 %	11 860	2,3 %
TOTAL	**452 993**	**100,0 %**	**481 678**	**100,0 %**	**510 898**	**100,0 %**

6.2.2 BREAKDOWN OF TURNOVER BY GEOGRAPHIC AREAS

TURNOVER €000 AT 31ST OCTOBER	2009	%	2008	%	2007	%
France	382 290	84,4 %	422 343	87,7 %	454 022	88,9 %
Europe (Excluding France)	68 530	15,1 %	57 259	11,9 %	54 792	10,7 %
Outside Europe	2 172	0,5 %	2 076	0,4 %	2 084	0,4 %
TOTAL	452 993	100,0%	481 678	100,0 %	510 898	100,0 %

6.2.3 CASINOS SECTOR IN FRANCE

In financial year 2008/2009, the French casino sector generated total Gross Gaming Revenue (GGR) of €2,344.8m, down by - 8.19% year-on-year. Slot machines accounted for 91,7% of total GGR, i.e. €2,151.2m down by – 9.3%. Table games GGR increased by 6.4% compared to previous year.

Levies represent in total 55.50% of GGR for financial year 2008/2009.

197 casinos are licensed in France (one more than the previous year), more than two-thirds are operated by groups. The main groups are as follows:

NAMES OF GROUPS IN FRANCE	NUMBER OF CASINOS OPERATED	2009 REAL GGR (€M)
GROUPE PARTOUCHE SA	47	624,0
GROUPE BARRIÈRE SAS	34	751,1
GROUPE JOA (ex MOLIFLOR)	19	180,3
GROUPE TRANCHANT	16	196,1
GROUPE COGIT	8	70,7
GROUPE ÉMERAUDE	8	62,5
SMCFC	2	46,9

Information provided by Statistics for fiscal year 2008-2009 at 31/10/2009 published by Service Central des Courses et Jeux.

6.3 EXCEPTIONAL EVENTS HAVING AN IMPACT ON THE BUSINESS AND THE MARKETS

The 2008 and 2009 financial years were affected by the following exceptional events:

- since 1 January 2008, all public establishments have become non-smoking. The Group's casinos apply this rule in all operating areas. A significant proportion of the customer base has changed its attendance habits accordingly;
- the financial crisis that initially struck the banks led to a more generally-pervasive economic crisis which, today, is directly affecting the resources of customers; attendance at establishments and the volume of bets have fallen as a result.

6.4 ISSUER'S DEGREE OF DEPENDENCY

There is no significant degree of dependency with respect to patents or licenses, industrial, commercial or financial contracts, or new manufacturing procedures. In order to build and operate their establishments, casino operators in France enter into municipal services agreements with a maximum renewable term of 20 years.

6.5 EVIDENCE PROVIDING THE BASIS FOR THE COMPETITIVE-POSITION DECLARATION

Statistical report for the 2008-2009 season, Service central des courses et jeux (horseracing, betting and gaming central office), at 31 October 2009.

07 ORGANISATION CHART

7.1 INTERNAL ORGANISATION OF THE GROUP

Groupe Partouche SA is a holding company for a group of leisure industry companies that operate casinos, hotels, restaurants, dancehalls and bars. As the Group's parent company, its shares are traded on the Premier Marché of the Paris Stock Exchange.

Groupe Partouche, which does not directly operate the establishments of the Group, uniquely fulfils a management role, ensuring that its consolidated companies benefit from its knowledge and skills, particularly in terms of human and technical resources. To this end, it provides its subsidiaries with a package of services defined under a head office services agreement. These services cover the areas of strategic planning, marketing, communication, business development, administration, legal affairs, finance and technology.

The remuneration paid by each of Groupe Partouche's subsidiaries is calculated on the basis of a margined share of the expenses incurred by them, in terms of human and technical resources, which is allocated in relation to the turnover generated by each of the subsidiaries bound by the head office services agreement.

For the financial year ended 31 October 2009, the total amount received under head office services agreements was €12,394k excluding VAT.

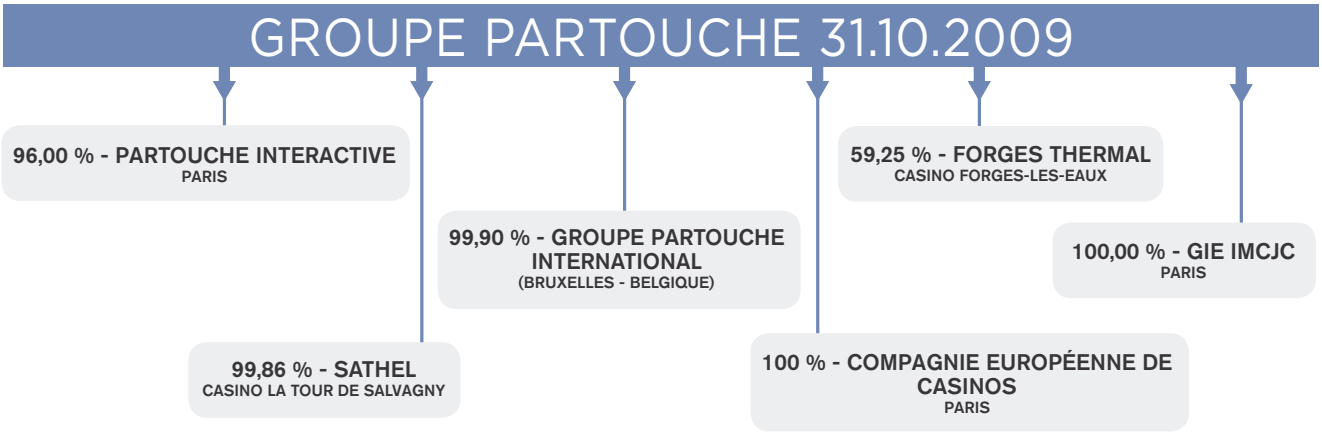
Furthermore, Groupe Partouche maintains a parent-subsidiary relationship with each of the consolidated companies, for which the main related elements for the year ended 31 October 2009 are centralized short-term cash management and the administration of a French tax consolidation structure.

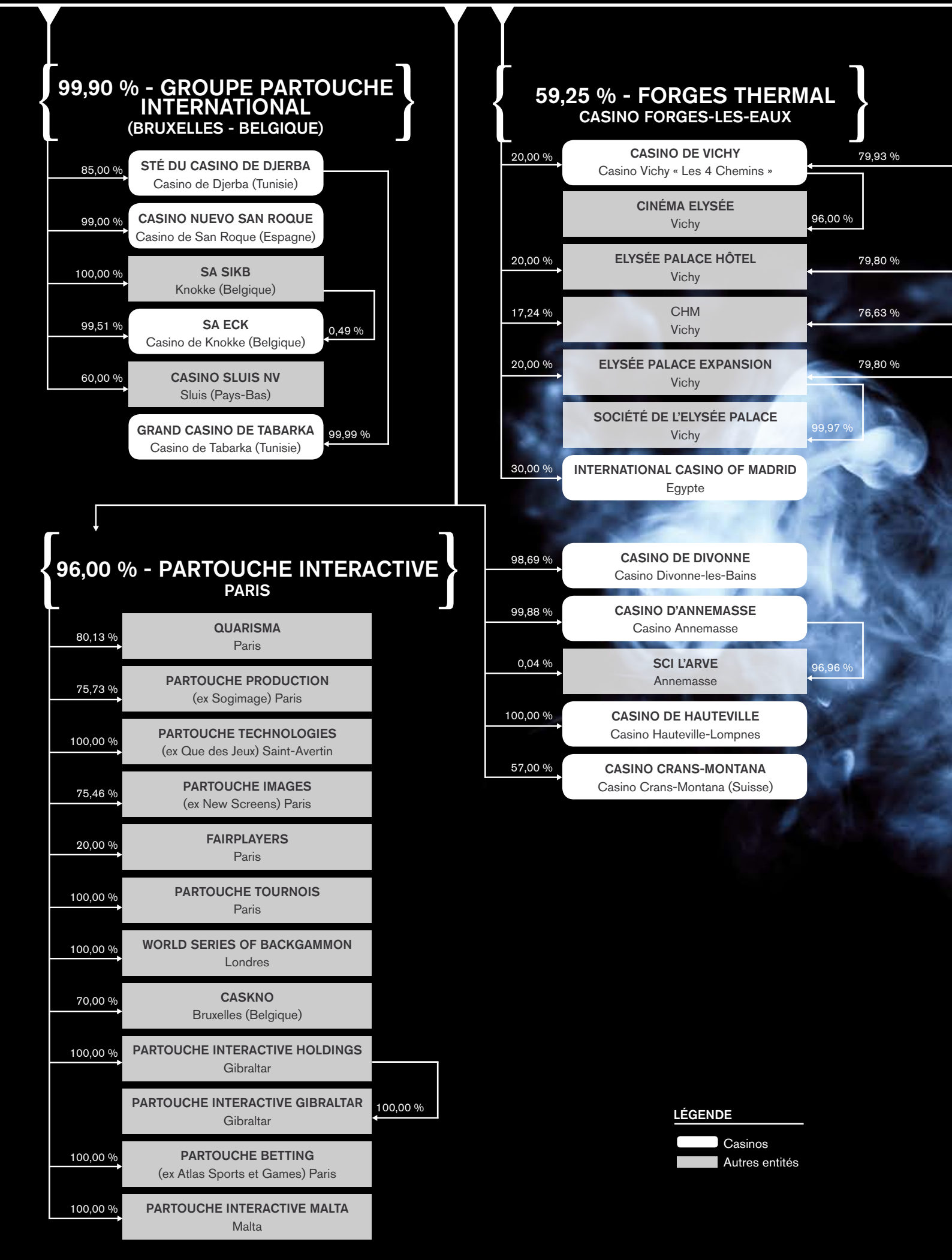
Groupe Partouche fixed assets reached € 566M in net value participations mainly with its subsidiaries. The other part is constituted of €287M provisions with the subsidiaries.

Groupe Partouche liabilities account for € 395M in Group's equity, € 100M in the current account of the main shareholder Financière Partouche and € 305M in the banks debt.

7.2 THE GROUP

In order to provide a graphic representation of the entire group of consolidated companies, we present on the following pages the organisation chart for Group companies.



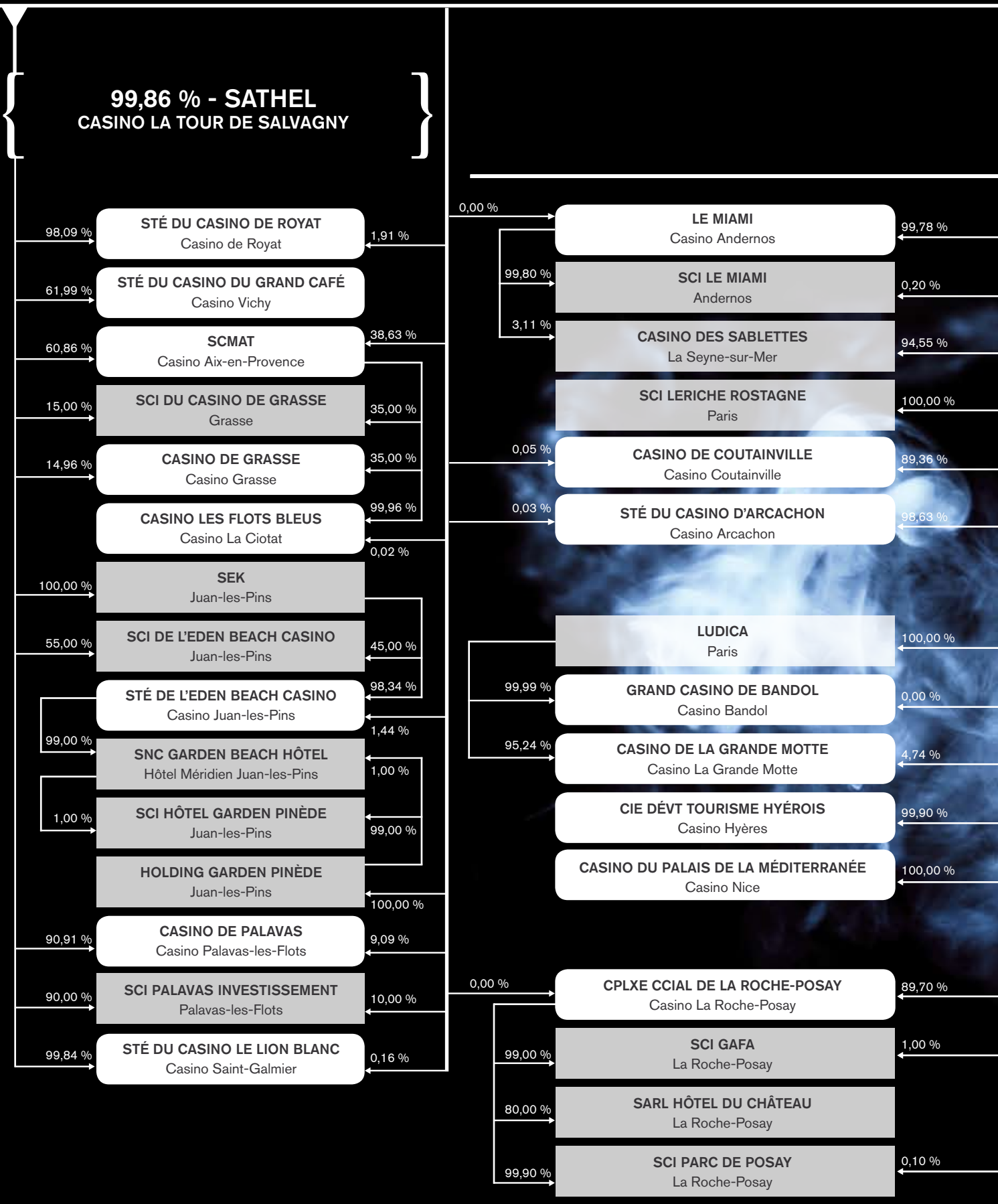

99,90 % - GROUPE PARTOUCHE INTERNATIONAL
(BRUXELLES - BELGIQUE)
85,00 %
STÉ DU CASINO DE DJERBA
Casino de Djerba (Tunisie)
99,00 %
CASINO NUEVO SAN ROQUE
Casino de San Roque (Espagne)
100,00 %
SA SIKB
Knokke (Belgique)
99,51 %
SA ECK
Casino de Knokke (Belgique)
0,49 %
60,00 %
CASINO SLUIS NV
Sluis (Pays-Bas)
GRAND CASINO DE TABARKA
Casino de Tabarka (Tunisie)
99,99 %
59,25 % - FORGES THERMAL
CASINO FORGES-LES-EAUX
20,00 %
CASINO DE VICHY
Casino Vichy « Les 4 Chemins »
79,93 %
CINÉMA ELYSÉE
Vichy
96,00 %
20,00 %
ELYSÉE PALACE HÔTEL
Vichy
79,80 %
17,24 %
CHM
Vichy
76,63 %
20,00 %
ELYSÉE PALACE EXPANSION
Vichy
79,80 %
SOCIÉTÉ DE L'ELYSÉE PALACE
Vichy
99,97 %
30,00 %
INTERNATIONAL CASINO OF MADRID
Egypte
96,00 % - PARTOUCHE INTERACTIVE
PARIS
80,13 %
QUARISMA
Paris
75,73 %
PARTOUCHE PRODUCTION
(ex Sogimage) Paris
100,00 %
PARTOUCHE TECHNOLOGIES
(ex Que des Jeux) Saint-Avertin
75,46 %
PARTOUCHE IMAGES
(ex New Screens) Paris
20,00 %
FAIRPLAYERS
Paris
100,00 %
PARTOUCHE TOURNOIS
Paris
100,00 %
WORLD SERIES OF BACKGAMMON
Londres
70,00 %
CASKNO
Bruxelles (Belgique)
100,00 %
PARTOUCHE INTERACTIVE HOLDINGS
Gibraltar
PARTOUCHE INTERACTIVE GIBRALTAR
Gibraltar
100,00 %
100,00 %
PARTOUCHE BETTING
(ex Atlas Sports et Games) Paris
100,00 %
PARTOUCHE INTERACTIVE MALTA
Malta
98,69 %
CASINO DE DIVONNE
Casino Divonne-les-Bains
99,88 %
CASINO D'ANNEMASSE
Casino Annemasse
0,04 %
SCI L'ARVE
Annemasse
96,96 %
100,00 %
CASINO DE HAUTEVILLE
Casino Hauteville-Lompnes
57,00 %
CASINO CRANS-MONTANA
Casino Crans-Montana (Suisse)
LÉGENDE
Casinos
Autres entités

Groupe Partouche 31.10.2009

100,00 % - GIE IMCJC
PARIS

- 100,00 % → **CASINO TRINITÉ-SUR-MER** — Casino La Trinité-sur-Mer
- 97,00 % → **HÔTEL INTERNATIONAL DE LYON** — Hôtel Hilton Lyon
- 100,00 % → **STÉ DU GRAND CASINO DE LYON** — Casino Lyon
- 97,60 % → **SA LYDIA INVESTISSEMENT** — Casino Port Barcarès
- 97,00 % → **SCI LYDIA** — Port Barcarès
- 99,99 % → **CANNES BALNÉRAIRES** — Cannes
- 100,00 % → **LCLP PALM BEACH CASINO** — Casino Cannes
  - 0,00 % → **CANNES BALNÉRAIRES** — Cannes
  - 100,00 % → **STÉ IMMOBILIÈRE CANNOSTA** — Hôtel 3.14 Cannes
  - 100,00 % → **KIOUSK** — Cannes
- 100,00 % → **STÉ DU CASINO DE SAINT-AMAND** — Casino Saint-Amand-les-Eaux
- 90,05 % → **LE TOUQUET'S** — Casino Calais
- 100,00 % → **NUMA** — Casino Boulogne
- 99,53 % → **STÉ DU CASINO DU TOUQUET** — Casino Le Touquet
- **BARATEM** — Le Touquet → 99,72 % → **STÉ DU CASINO DU TOUQUET** — Casino Le Touquet
- 100,00 % → **JEAN METZ** — Casino Berck-sur-Mer
- 100,00 % → **SACBM** — Casino Dieppe
- 100,00 % → **STÉ DU CASINO DE CABOURG** — Casino Cabourg
- 99,95 % → **CAFÉ CARMEN** — Paris

- 100,00 % → **CASINO DU HAVRE** — Casino Le Havre
- 100,00 % → **LA VILLA DU HAVRE** — Le Havre
- 99,99 % → **SCI RUE ROYALE** — Paris
- 100,00 % → **PARTOUCHE IMMOBILIER** — Paris
- 100,00 % → **STÉ DU CASINO DE BEAULIEU** — Casino Beaulieu-sur-Mer
- 100,00 % → **SCI FONCIÈRE VITTEL ET CONTREX** — Contrexéville
- 100,00 % → **THERMES DE CONTREXÉVILLE** — Thermes Contrexéville
- 100,00 % → **HÔTEL COSMOS** — Hôtel Contrexéville
- 100,00 % → **STÉ EXPL. CASINO ET HÔTELS** — Casino Contrexéville
  - 100,00 % → **GRANDS HÔTEL DU PARC** — Hôtel Contrexéville
- 99,99 % → **SCI LES THERMES** — Aix-en-Provence
  - 99,80 % → **HÔTEL AQUABELLA** — Hôtel Aix-en-Provence
  - 100,00 % → **SARL THERM'PARK** — Aix-en-Provence
    - 0,06 % → **CENTRE BALNÉOTHÉRAPIE AIX** — Aix-en-Provence
  - 99,94 % → **CENTRE BALNÉOTHÉRAPIE AIX** — Aix-en-Provence
- 69,76 % → **CASINO DE LA TREMBLADE** — Casino La Tremblade
  - 1,00 % → **SCI LA TREMBLADE** — La Tremblade
  - 99,00 % → **SCI LA TREMBLADE** — La Tremblade
- 100,00 % → **PARTOUCHE SPECTACLES** — Paris
- 100,00 % → **GROUPEMENT CASINOS** — Paris


99,86 % - SATHEL
CASINO LA TOUR DE SALVAGNY
STÉ DU CASINO DE ROYAT
Casino de Royat
98,09 %
1,91 %
STÉ DU CASINO DU GRAND CAFÉ
Casino Vichy
61,99 %
SCMAT
Casino Aix-en-Provence
60,86 %
38,63 %
SCI DU CASINO DE GRASSE
Grasse
15,00 %
35,00 %
CASINO DE GRASSE
Casino Grasse
14,96 %
35,00 %
CASINO LES FLOTS BLEUS
Casino La Ciotat
99,96 %
0,02 %
SEK
Juan-les-Pins
100,00 %
SCI DE L'EDEN BEACH CASINO
Juan-les-Pins
55,00 %
45,00 %
STÉ DE L'EDEN BEACH CASINO
Casino Juan-les-Pins
98,34 %
1,44 %
SNC GARDEN BEACH HÔTEL
Hôtel Méridien Juan-les-Pins
99,00 %
1,00 %
SCI HÔTEL GARDEN PINÈDE
Juan-les-Pins
1,00 %
99,00 %
HOLDING GARDEN PINÈDE
Juan-les-Pins
100,00 %
CASINO DE PALAVAS
Casino Palavas-les-Flots
90,91 %
9,09 %
SCI PALAVAS INVESTISSEMENT
Palavas-les-Flots
90,00 %
10,00 %
STÉ DU CASINO LE LION BLANC
Casino Saint-Galmier
99,84 %
0,16 %
LE MIAMI
Casino Andernos
0,00 %
99,78 %
SCI LE MIAMI
Andernos
99,80 %
0,20 %
CASINO DES SABLETTES
La Seyne-sur-Mer
3,11 %
94,55 %
SCI LERICHE ROSTAGNE
Paris
100,00 %
CASINO DE COUTAINVILLE
Casino Coutainville
0,05 %
89,36 %
STÉ DU CASINO D'ARCACHON
Casino Arcachon
0,03 %
98,63 %
LUDICA
Paris
100,00 %
GRAND CASINO DE BANDOL
Casino Bandol
99,99 %
0,00 %
CASINO DE LA GRANDE MOTTE
Casino La Grande Motte
95,24 %
4,74 %
CIE DÉVT TOURISME HYÉROIS
Casino Hyères
99,90 %
CASINO DU PALAIS DE LA MÉDITERRANÉE
Casino Nice
100,00 %
CPLXE CCIAL DE LA ROCHE-POSAY
Casino La Roche-Posay
0,00 %
89,70 %
SCI GAFA
La Roche-Posay
99,00 %
1,00 %
SARL HÔTEL DU CHÂTEAU
La Roche-Posay
80,00 %
SCI PARC DE POSAY
La Roche-Posay
99,90 %
0,10 %

Groupe Partouche 31.10.2009

100 % - COMPAGNIE EUROPÉENNE DE CASINOS
PARIS

- 100,00 % → **PLOMBINOISE DE CASINO** — Casino Plombières
- 100,00 % → **CASINO DU MOLE** — Casino Pornic
- 1,00 % → **SCI LES MOUETTES** — Pornic
- 99,00 % → **CASINO DU MOLE** — Casino Pornic
- 97,22 % → **CASINO DE SAINT-HONORÉ-LES-BAINS** — Casino St-Honoré-les-Bains
- 100,00 % → **CASINO DE SAINT-NECTAIRE** — Casino Saint-Nectaire
- 100,00 % → **CASINO DE SALIES DE BÉARN** — Casino Salies de Béarn
- 100,00 % → **CASINO D'EVAUX-LES-BAINS** — Casino Evaux-les-Bains
- 100,00 % → **GIE GESTION CONSEIL COMMUNICATION** — Paris
- 100,00 % → **CASINO DE PORNICHET** — Casino Pornichet
- 100,00 % → **SOC. EXPL. CASINO LA ROTONDE** — Casino Val André
- 100,00 % → **SINOCA** — Hôtel Val André
- 1,00 % → **SCI J.M.B** — Val André
- 99,00 % → **SINOCA** — Hôtel Val André
- 100,00 % → **GRD CASINO DE GRÉOUX** — Casino Gréoux-les-Bains
- 99,99 % → **SCI RÉSIDENCE LES JARRES** — Gréoux-les-Bains
- 0,01 % → **GRD CASINO DE GRÉOUX** — Casino Gréoux-les-Bains
- 96,99 % → **DÉVT DE LA BAIE DE KERNIC** — Casino Plouescat

- 100,00 % → **BELCASINOS** — Bruxelles (Belgique)
- 100,00 % → **VZW** — (Belgique)
- 99,90 % → **CASINO DE CHAUDFONTAINE** — Chaudfontaine (Belgique)
- 0,10 % → **BELCASINOS** — Bruxelles (Belgique)
- 56,90 % → **CHAUDFONTAINE LOISIRS** — Casino Chaudfontaine (Belgique)
- 43,10 % → **CASINO DE CHAUDFONTAINE** — Chaudfontaine (Belgique)
- **N V CASINO KURSAAL OOSTENDE** — Casino Oostende (Belgique)
- 99,98 % → **CASINO DE CHAUDFONTAINE** — Chaudfontaine (Belgique)
- **CASINO DE DINANT** (Belgique)
- 99,99 % → **BELCASINOS** — Bruxelles (Belgique)
- 100,00 % → **BEST GAMING CORPORATION** — Reno (USA)
- 40,00 % → **CASINO LAC MEYRIN** — Casino Meyrin (Suisse)

LÉGENDE

- Casinos
- Autres entités

08 PROPERTY, PLANT AND EQUIPMENT

8.1 EXISTING OR PLANNED MAJOR ITEMS OF PROPERTY AND EQUIPMENT

The Group's property and equipment, consisting mainly of real estate and slot machines, is virtually entirely dedicated for use in the operation of casinos, hotels, etc. These assets' utilisation rate is close to 100%.

With regard to its wholly-owned property assets, Groupe Partouche commissioned a summary estimate in 2005 from a real-estate expert (1) of its properties located in France; the estimate is based primarily on applying market values for premises regarded as «occupied», excepting those that are commonly known to be vacant. This study was completed at end 2005 and has been updated since; in September 2008, the value of this real-estate portfolio was estimated at €423.3m, of which €104.1m on long-term, long leases agreement.

(1) Gérard Naulet: former officer representing the French government in the chamber of the Paris district court responsible for real estate expropriation. Address: 17, allées des Eidres, 75019 Paris.

The Group's main property holdings, based on floor space are as follows:

ESTABLISHMENT	LEGAL STATUS	FLOOR SPACE
Aix-en-Provence casino	Long lease agreement	9 902 sq m
Cannes 3.14 hotel	Finance lease agreement	3 445 sq m
Contrexéville casino & hotels	Full ownership	13 398 sq m
Divonne-les-Bains casino, hotel & golf course	Full ownership	16 399 sq m
Forges-les-Eaux casino & hotels	Full ownership	34 273 sq m
Hyères casino	Long lease agreement	6 100 sq m
Juan-les-pins casino & hotel	Full ownership	12 280 sq m
La Tour de Salvagny casino & hotel	Full ownership	12 243 sq m
Lyons casino & hotel	Long lease agreement	22 605 sq m
Saint-Amand-les-Eaux casino & hotel	Long lease agreement	10 584 sq m

Moreover, the stock of slot machines installed at Groupe Partouche's French casinos reached 5,543 units at 31 October 2009, compared with 5,532 at 31 October 2008. In view of the market's maturity and the amendment of the regulations concerning the installation of these machines (see § 6.1.1.a Regulatory framework), the number of slot machines is not expected to develop significantly.

The following constructions are planned (sq.m of planned useable floor space):

- La Ciotat: a Pasino with a 9,985 sq.m hotel on a plot of 13,653 sq.m;
- La Grande Motte: a Pasino of 8,600 sq.m on a plot of 11,000 sq.m;
- Bandol: a new casino of 4,700 sq.m on a plot of 3,600 sq.m.

8.2 ENVIRONMENTAL CONSTRAINTS LIKELY TO HAVE AN IMPACT ON THE UTILISATION OF THESE PROPERTY ASSETS

There are no environmental constraints likely to have a significant impact on the utilization of these property assets, given the nature of the service activities carried out by the Group.

8.3 EXISTENCE OF ASSETS USED BY THE COMPANY BELONGING TO THE DIRECTORS OR THEIR FAMILY

Significant assets operated by the Company and belonging to the directors or their family are included in the accounts of Financière Partouche, i.e. :

- Property complex housing the premises of Casino du Touquet;
- A 3% investment in SCI Lydia Invest, the owner of a moored boat in Port-Barcarès, which houses the casino;
- A portion of a building located on rue de Saussure in Paris (17th) housing the registered offices of Groupe Partouche SA and of several other Group companies.

09 OPERATING AND FINANCIAL REVIEW

Pursuant to EC Regulation 809/2004, Article 28, the following information is included in this document for reference:

The examination of the financial situation and results (Section 09) for the financial year ended 31 October 2007, included in the company's registration document filed with the Autorité des Marchés Financiers (French Financial Markets Authority – AMF) on 14 March 2008, reference number D.08-0107, on pages 35 ff.;

The examination of the financial situation and results (Section 09) for the financial year ended 31 October 2008, included in the company's registration document filed with the Autorité des Marchés Financiers on 5 March 2009, reference number D.09-098, on pages 40 ff.

9.1 FINANCIAL CONDITION AND RESULTS OF OPERATIONS

9.1.1 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

During the 2009 financial year, Groupe Partouche used capital increases incorporating its current account to increase its interest in the Partouche Interactive Division, in which the Partouche Interactive holding company is now 96%-owned, compared with 78% in 2008.

At the end of the financial year, an agreement was concluded with the Société du Louvre under which the latter company acquired a 25% interest in SFIHC which owns the building of the Palais de la Méditerranée, and 25% of the Hôtel du Palais de la Méditerranée in return for the Group's acquisition of the remaining 75% interest in Casino du Palais de la Méditerranée.

On completion of this transaction, Société du Louvre wholly owns both SFIHC and its hotels subsidiary, and Groupe Partouche becomes sole owner of the recapitalised casino subsidiary *(see Notes 3 and 14 to the consolidated financial statements)*.

9.1.2 POSITION AND TRENDS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009

ACTIVITY OF THE GROUP

The Group's turnover for the financial year ended 31 October 2009 amounted to €453.0m, down by €28.7m (-6.0%) compared to the prior financial year. The breakdown of Group turnover is summarised in the following table :

ANALYSIS OF 2009 TURNOVER (€M)

		2009	2008	DIFFERENTIAL	CHANGE IN %
	France	52,3	51,2	1,1	
	Abroad	29,7	25,6	4,1	
GGR OF TABLE GAMES		82,0	76,8	5,2	6,7 %
% OF ACTUAL GGR		11,4 %	9,7 %		
	France	553,4	636,7	-83,3	
	Abroad	81,3	74,4	6,9	
GROSS REVENUE OF SLOT MACHINES (ACTUAL)		634,7	711,1	**-76,5**	-10,8 %
% OF ACTUAL GGR		88,6 %	90,3 %		
	France	605,6	687,9	**-82,2**	
	Abroad	111,0	100,0	**11,0**	
GROSS GAMING REVENUE (TOTAL)		716,6	787,9	**-71,3**	-9,0 %
	France	330,8	386,8		
	Abroad	51,3	46,5		
GROUP LEVIES		382,0	433,3	**-51,2**	-11,8 %
	France	54,6 %	56,2 %		
	Abroad	46,2 %	46,5 %		
LEVY PERCENTAGE		**53,3 %**	**55,0 %**		
	France	274,9	301,1		
	Abroad	59,7	53,5		
NET GAMING REVENUE		334,6	354,7	**-20,1**	-5,7 %
% OF TOTAL TURNOVER		73,9 %	73,6 %		
	France	107,4	121,2		
	Abroad	11,0	5,8		
NON-GAMING REVENUE		118,4	127,0	**-8,6**	-6,8 %
% OF TOTAL TURNOVER		26,1 %	26,4 %		
	France	382,3	422,3		
	Abroad	70,7	59,3		
TURNOVER		453,0	481,7	**-28,7**	-6,0 %

GGR

The Group's gaming activity, hard hit by the economic crisis, is once again down, with a total gross gaming revenue (GGR) of €716.6m compared to €787.9m in 2008. As GGR for traditional games increased by 6.7%, the overall drop in GGR can be wholly attributed to revenue from slot machines, which was down 10.8%. Slot machines still account for 88.6% of the total, compared to 90.3% previously.

GAMING ACTIVITY IN FRANCE

The effects of the smoking ban and the economic crisis, which both began in 2008 and carried through into 2009, heavily penalised casino activity in France. GGR from casinos in France was particularly affected, falling 12%. This change was largely due to the decline in revenue from slot machines, down 13.1%. All establishments were affected by this decline.

The number of installed slot machines has hardly changed, rising from 5,532 to 5,543 units. Changes to allocation methods for slot machines (see 6.1.1 Regulatory context) only entailed a few adjustments for certain establishments.

It comes as no surprise, therefore, that average GGR per day and per slot machine was down from €316 in 2008 to €271 in 2009.

Traditional games proved resilient, with a GGR of €52.3m (+2.1%) with a particular boost from Palm Beach de Cannes (+33.3%).

GAMING ACTIVITY OUTSIDE FRANCE

Casinos abroad generated a GGR of €111.0m, up €11.0m on the previous financial year. This was due to improved performances from Casino de Meyrin in Switzerland, which recorded a GGR of €60.6m (+7.4%), and the casinos in Belgium. The significant development of recently-opened Casino de Dinant is of particular note.

At the end of 2008, a second casino was opened in Tunisia (Tabarka).

LEVIES

In August 2009, the levy scale applicable in France was amended, with retroactive application as of 1 November 2008, saving the group €9.8m in financial year 2009. The taxation rate on GGR was reduced to 54.6% from 56.2% in 2008.

The average rate of taxation applied abroad for the year was 46.2%.

Net gaming revenue, after applying these levies, amounted to €334.6m

TURNOVER FROM ACTIVITIES OTHER THAN NET GAMING REVENUE

Turnover from activities other than net gaming revenue is down 6.8%. Within it, various changes appear.

Hotels achieved turnover of €32.6m (-18.2%). Only the Aquabella hotel in Aix-en-Provence remained strong, not fanning the flames of the downward trend.

The Partouche Interactive division reaped the rewards of its development through its subsidiary in Gibraltar thanks to the unveiling of an online gaming site. Turnover from the division as a whole thus increased from €3.0m in 2008 to €7.5m in 2009.

Turnover from other activities fell from €7.9m to €6.8m, chiefly owing to the sale of the Contrexéville thermal spa.

Group turnover amounted to €453.0m, down 6% compared to the prior financial year.

CONSOLIDATED PROFIT

The group's current operating profit amounted to €29.0m compared to €30.2m in 2008. Given the business environment described above, this more-or-less stable performance is very satisfying. It was made possible by cost-cutting measures taken at the end of the financial year 2008. These savings offset the impact of the downturn in activity on operating profit.

The €28.7m decline in turnover brought down current operating expenses by €27.5m, falling from €451.5m in 2008 to €423.9m in 2009. Operating profit accounted for 6.41% of turnover, compared to 6.26% in 2008.

These savings were primarily made in:

- purchases and external expenses (down €13.6m). Raw materials were the main source of saving (€7.9m) as they were naturally affected by the decline in activity. They were however also optimised by reviewing how restaurants operated. Advertising costs were reduced by €5.6m; after a general budget review of their usefulness, savings were made chiefly in casinos in France;
- employee-related expenses (down €10.9m) chiefly by not renewing fixed-term contracts. The Group's average workforce has fallen from 6,086 to 5,770 employees.

The net expense on Other current operating income and expenses has increased from €9.6m to €11.3m mainly due to changes in provisions.

Changes in current operating profit vary depending on the sector (see Note 21 of the notes to the consolidated financial statements). Despite levy savings of €24.8m, the casino division still suffered from a decline in turnover, but

managed to curb the decline in operating profit to -€3.6m. Similarly, the hotel division managed to curb its decline in revenue to -€1.7m. On the upside, the Interactive division, bolstered by its subsidiary in Gibraltar, enjoyed revenue growth of €4.5m. It also recorded a €6.4m increase in operating profit thanks to strict cost cutting.

Current operating profit reaped the benefits of a €3.4m tax reduction, largely owing to the €1.9m of net non-recurring charges incurred in 2008. The non-current operating result was a loss of €7.8m versus a profit of €4m in 2008.

The main impacts were:

- A net gain on asset disposals of €3.4m, which was lower than the previous year (€6.9m). The net gain comprised the property disposals of Bagnoles de l'Orne for €2.4m and the property disposals of the Vittel and Contrexéville spas for €1.0m.
- Impairment of goodwill more than doubled, amounting to -€8.7m compared to -€3.9m in 2008).

Operating profit stood at €21.2m compared to €34.2m in 2008. The decline can be explained by the non-current portion of operating profit.

The net financial expense amounted to €25.0m compared to €23.1m in 2008. As market interest rates came down, the cost of debt fell sharply in financial year 2009. On the downside, interest rate hedging had an adverse impact in the period ended 31 October 2009, representing an expense of €4.4m.

Owing to the decline in profitability of the group's main companies, corporate income tax expense dropped sharply, from €13.8m in 2008 to €1.2m.

The group an after-tax loss of €4.9m compared to a loss of €2.7m for the prior year. After accounting for equity affiliate losses of €1.9m, the total net loss for the period amounted to €6.8m. The group share of the net loss was €16.7m. Minority interests, bolstered by profit increases from Meyrin and the Partouche Interactive division, posted a profit of €9.9m.

FINANCIAL POSITION

Non-current assets on the balance sheet fell from €859.6m to €830.4m, largely owing to a reduction in the group's tangible fixed assets as the group curbed its investments. Almost all items concerning investments in equity affiliates were removed from the non-current assets following the changes in ownership interest in Palais de la Méditerrannée in Nice and the recognition of a €5.3m carryback.

The cash balance amounted to €78.9m, up €10.1m despite a decline in group profitability as a result of a reduction in the Group's investments and the restructuring of the repayment schedule for its bank debt.

The Group's equity remained unchanged at €297.4m despite the loss recorded during the period. This was due to the effect on reserves of the transaction involving the Palais de la Méditerrannée division in Nice.

Total financial debt was virtually unchanged at €421.9m. On account of the new debt repayment schedule, the bulk of the syndicated loan is recognised as a non-current liability.

Finally, in Article 9.2.3 of Annex I of EC Regulation No. 809-2004 reference is made to Section 6.3 "Exceptional events having an impact on the business and markets"; it is also specified that to address European Commission's endeavours to increase market entry to European operators a bill of law is under discussion at the French Parliament dealing with the opening-up of online gaming for the following business segments: bets on horse racing, sports betting), poker, licensed by Arjel, a regulatory authority for online gaming. These liberalisation measures announced for 2010 are likely to affect Groupe Partouche.

ACTIVITIES OF SUBSIDIARIES

GGR BY CASINO			
€000 at 31st OCTOBER	2009	2008	2007
CASINO MEYRIN	60 616	56 460	51 467
CASINO CHARBONNIÈRE (LYON VERT)	56 063	62 948	68 508
CASINO AIX-EN-PROVENCE	55 224	61 292	69 238
CASINO SAINT-AMAND-LES-EAUX	42 335	48 388	58 362
CASINO FORGES-LES-EAUX	37 845	42 098	42 719
CASINO LYON (PHARAON)	35 768	37 711	40 379
CASINO DIVONNE-LES-BAINS	30 676	33 610	42 664
CASINO ANNEMASSE	24 465	27 080	31 070
CASINO HYÈRES	21 025	23 600	26 691
CASINO PORNICHET	20 623	23 400	24 607
CASINO LA GRANDE MOTTE	19 159	22 656	24 197
CASINO BANDOL	17 807	21 192	25 229
CASINO CANNES - PALM BEACH	17 634	16 260	16 968
CASINO LE HAVRE	17 612	20 714	18 835
CASINO LA ROCHE-POSAY	15 842	17 710	19 392
CASINO CRANS-MONTANA	14 665	15 062	13 752
CASINO PALAVAS LES FLOTS	14 127	16 474	18 943
CASINO JUAN-LES-PINS	14 027	17 560	20 620
CASINO ROYAT	13 226	15 393	16 949
CASINO SAINT-GALMIER	12 838	14 718	16 656
CASINO PORNIC	11 978	13 125	14 460
CASINO OOSTENDE	11 456	9 040	8 867
CASINO KNOKKE (ECK-Belgique)	9 192	8 405	8 785
CASINO PLOUESCAT	9 149	10 417	10 707
CASINO DIEPPE	9 055	10 375	11 470
CASINO CALAIS	7 878	9 317	10 337
CASINO BOULOGNE	7 823	8 170	6 855
CASINO VICHY GRAND CAFÉ	7 639	8 983	9 311
CASINO CHAUDFONTAINE (LOISIRS)	6 961	5 388	4 651
CASINO ARCACHON	6 593	7 996	9 202
CASINO BERCK	6 561	7 181	7 722
CASINO VICHY 4 CHEMINS	6 448	6 650	8 055
CASINO CABOURG	6 259	7 181	5 895
CASINO LA CIOTAT	6 255	7 569	8 904

GGR BY CASINO			
€000 at 31st OCTOBER	2009	2008	2007
CASINO ANDERNOS	5 765	6 983	7 464
CASINO LE TOUQUET	5 497	6 995	7 208
CASINO DINANT (Belgique)	5 189	2 654	-
CASINO AGON COUTAINVILLE	4 688	5 074	5 252
CASINO VAL ANDRÉ	4 467	5 902	6 392
CASINO PLOMBIÈRES	4 367	5 069	6 141
CASINO CONTREXÉVILLE	4 016	5 047	5 473
CASINO GRÉOUX-LES-BAINS	3 913	4 851	5 444
CASINO HAUTEVILLE-LOMPNES	3 112	3 918	4 180
CASINO BEAULIEU-SUR-MER	2 921	5 136	6 878
CASINO EVAUX-LES-BAINS	2 810	3 464	3 879
CASINO LA TREMBLADE	2 332	2 968	932
CASINO SALIES DE BÉARN	2 081	2 617	3 192
CASINO DJERBA	2 062	1 877	1 849
CASINO SAINT-NECTAIRE	2 021	2 616	2 879
CASINO LA TRINITÉ	1 920	1 353	991
CASINO SAINT-HONORÉ-LES-BAINS	1 881	1 901	2 193
CASINO GRASSE	1 233	1 610	2 112
CASINO SAN ROQUE	758	1 145	942
CASINO PORT BARCARÈS	682	2 611	3 663
CASINO TABARKA (Tunisie)	100	-	-
CASINO SAINT-JULIEN	-	-	5 268
TOTAL GGR	**716 640**	**787 914**	**854 799**

TURNOVER BY ENTITY			
€000 at 31st OCTOBER	2009	2008	2007
PASINO AIX-EN-PROVENCE	28 210	30 794	33 482
CASINO CHARBONNIÈRE (LYON VERT)	28 558	31 134	33 937
CASINO MEYRIN	26 777	24 933	23 570
CASINO SAINT-AMAND	24 448	26 750	30 955
CASINO FORGES-LES-EAUX	23 418	25 497	24 332
CASINO DIVONNE-LES-BAINS	20 981	23 975	27 917
CASINO LYON (PHARAON)	15 747	16 337	17 442
CASINO CANNES - PALM BEACH	13 673	12 324	11 607
CASINO LE HAVRE	11 710	12 948	12 053
CASINO ANNEMASSE	11 145	12 159	13 622
CASINO CRANS-MONTANA	11 141	11 343	10 647
CASINO PORNICHET	10 846	11 684	11 870
CASINO HYÈRES	9 992	10 710	11 559
CASINO LA GRANDE MOTTE	9 589	10 823	11 552
CASINO BANDOL	8 425	9 598	11 276
CASINO LA ROCHE POSAY	8 409	8 944	9 479
CASINO JUAN-LES-PINS	7 919	9 047	10 259
CASINO PORNIC	7 434	7 642	8 297
CASINO OOSTENDE	7 409	6 130	6 781
CASINO PALAVAS-LES-FLOTS	7 027	7 680	8 639
CASINO KNOKKE (ECK-Belgique)	6 950	6 573	7 030
CASINO ROYAT	6 767	7 392	7 937
CASINO SAINT-GALMIER	6 498	6 849	7 570
CASINO DIEPPE	5 572	5 748	6 463
CASINO VICHY - GRAND CAFÉ	5 320	5 701	5 905
CASINO PLOUESCAT	5 248	5 706	5 782
CASINO CHAUDFONTAINE (LOISIRS)	4 904	3 918	4 150
CASINO CABOURG	4 807	5 022	3 931
CASINO BOULOGNE	4 449	4 241	3 324
CASINO CALAIS	4 357	4 816	5 089
CASINO DINANT (Belgique)	4 344	2 378	-
CASINO VICHY - 4 CHEMINS	4 120	4 073	4 545
CASINO BERCK	3 838	3 973	4 116
CASINO LE TOUQUET	3 710	4 269	4 286
CASINO ARCACHON	3 703	4 100	4 496
CASINO VAL ANDRÉ	3 372	3 913	4 079

TURNOVER BY ENTITY			
€000 at 31st OCTOBER	2009	2008	2007
CASINO ANDERNOS	3 321	3 793	3 958
CASINO LA CIOTAT	3 268	3 731	4 252
CASINO PLOMBIÈRES	2 663	2 933	3 392
CASINO AGON COUTAINVILLE	2 646	2 696	2 781
CASINO CONTREXÉVILLE	2 537	3 087	3 397
CASINO GRÉOUX-LES-BAINS	2 401	2 771	3 050
CASINO SALIES DE BÉARN	2 149	2 279	2 102
CASINO BEAULIEU-SUR-MER	2 137	3 258	4 065
CASINO DJERBA	2 072	2 064	2 074
CASINO HAUTEVILLE-LOMPNES	2 017	2 490	2 628
CASINO EVAUX	2 002	2 183	2 338
CASINO LA TREMBLADE	1 564	1 832	679
CASINO LA TRINITÉ	1 529	947	756
CASINO SAINT-NECTAIRE	1 357	1 604	1 758
CASINO SAINT-HONORÉ-LES-BAINS	1 338	1 232	1 374
CASINO GRASSE	846	1 038	1 216
CASINO SAN ROQUE	684	1 111	870
CASINO PORT BARCARÈS	633	2 744	3 553
CASINO TABARKA (Tunisie)	89	-	-
CASINO SAINT-JULIEN	-	-	3 067
TOTAL CASINO	**406 071**	**430 915**	**455 283**
HÔTEL LYON-HIL	11 072	12 041	13 075
HÔTEL JUAN-GARDEN BEACH	7 683	11 581	10 954
HÔTEL CANNES - 3.14	6 721	7 985	8 117
HÔTEL AIX - AQUABELLA	5 812	5 737	5 310
HÔTEL CONTREX COSMOS	1 175	1 604	1 662
HÔTEL VAL ANDRÉ - SINOCA	119	184	172
HÔTEL CONTREX - GD HOTEL DU PARC	11	71	199
HÔTEL CHARBONNIÈRE	-	638	771
TOTAL HOTEL	**32 594**	**39 840**	**40 261**
PI GIBRALTAR	4 459	18	-
PARTOUCHE IMAGES (Ex New Screens)	1 385	821	-
SPRL CASKNO	913	574	947
PARTOUCHE TECHNOLOGIE (Ex QDJ)	733	1 482	1 695

TURNOVER BY ENTITY			
€000 at 31st OCTOBER	2009	2008	2007
PARTOUCHE BETTING LTD	5	-267	-
PARTOUCHE TOURNOIS (Ex Partouche Gammon)	3	49	50
PARTOUCHE PRODUCTION (Ex Sogimage)	-	257	786
WS BACKGAMMON	-	46	4
PARTOUCHE INTERACTIVE	-	1	11
TOTAL INTERACTIVE DIVISION	7 498	2 982	3 494
THERMES - AIX - CBAP (Centre de balnéothérapie)	2 558	2 678	2 853
CINÉMA ÉLYSÉE VICHY	1 592	1 553	1 576
CASINO SLUIS NV	690	4	331
GROUPE PARTOUCHE	442	641	579
BARATEM	361	378	209
THERMES CONTREXÉVILLE	305	1 007	1 167
SA SIKB (Belgique)	254	491	462
SARL CAFÉ CARMEN	212	240	506
SARL THERM'PARK	167	197	204
ÉLYSÉE PALACE (EPSA)	85	73	72
GPT CASINOS	42	42	-
SCI RUE ROYALE	40	43	41
CANNES BALNÉAIRES	24	-	-
PARTOUCHE SPECTACLES	20	-	-
CASINO VIRGINIAN DE RENO	11	11	10
CHM	10	9	7
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	7	37	17
PARTOUCHE IMMOBILIER	4	-	-
VILLA DU HAVRE	3	20	587
SCI DE GRASSE	0	0	0
VZW (Belgique)	-	5	-
KIOUSK	-	-	25
BELCASINOS	-	0	-
SCI GAFA	-	-	0
SCI LERICHE ROSTAGNE	-	95	432
THERMES VITTEL	-	415	2 782
TOTAL OTHER	**6 831**	**7 941**	**11 860**
TOTAL TURNOVER	**452 993**	**481 678**	**510 898**

9.2 FINANCIAL POSITION AND RESULTS OF THE COMPANY

The financial period under review, financial year 2009, is the 12-month period from 1 November 2008 to 31 October 2009.

The financial period was shaped by the following significant events:

- The syndicated loan borrowed from the banking pool on 21 October 2009 was restructured, notably to create a new repayment schedule for the principal;
- A capital increase at Partouche Interactive, which upon integration into Groupe Partouche's current account, increased the Group's stake from 78% to 96%;
- Disposal of all securities in Villa du Havre and Thermes de Contrexéville;
- Transfer of all SA Somarg's assets and liabilities.

Turnover in financial year 2009 amounted to €13.7m, down 7.7% compared with financial year 2008 (€14.8m) due to a reduction in fees received from affiliates, which fell from €13.7m in 2008 to €12.4m this year.

Operating income amounted to €15.3m, a marginal difference from financial year 2008 (€15.4m).

Operating expenses increased €2.1m, chiefly due to the line item «Other purchases and external expenses» which included bank renegotiation fees.

The resulting operating loss amounted to €5.9m, compared with a loss of €3.6m in 2008.

The net financial income of €9.7m in 2008 turned into a net financial loss of €12.5m in 2009:

- financial income declined by €28.7m for two reasons: lower dividends from subsidiaries as their level of profitability eroded, and a decline in other financial income (-€8.4m) mainly owing to the change in interest rate hedges (-€2.8m) and the €5.2m gain attributable to mergers from the previous year;
- financial expenses fell by €6.5m; payment of bank debt and the current account of the main shareholder benefited when market rates interest plummeted over the course of the period, offsetting the merger deficit of €3.7m in 2008. Furthermore, interest rate hedges generated an expense of €1.9m compared to €0.1m in 2008 (up €1.8m).

The group posted a pre-tax loss on ordinary activities of €18.4m compared to a profit of €6.1m in 2008.

It also posted a loss on exceptional activities of €1.7m, which included the exceptional expense of credit renegotiation fees (€3m) and exceptional income from the disposal of the Casino de Bagnoles de l'Orne property (€2.8m).

Tax savings amounted to €19.2m, particularly from the tax consolidation mechanism and the recognition of a carry-back of €5.3m.

The group posted a €0.9m loss for the period, compared to a €22.1m profit in 2008.

9.3 PROPOSED APPROPRIATION OF NET PROFIT FOR FINANCIAL YEAR 2009

The proposed appropriation of profit for financial year 2009 is as follows:

Net loss for the year	-866 099 Euros
Retained earnings	-866 099 Euros
Which, after appropriation amounts to :	231 317 782 Euros

10 CASH AND CAPITAL RESOURCES

10.1 INFORMATION CONCERNING THE GROUP'S EQUITY

Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2009.

Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2008.

Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2007.

10.2 SOURCES AND AMOUNTS OF AND A NARRATIVE DESCRIPTION OF THE GROUP'S CONSOLIDATED CASH FLOWS

Please refer to Note 26 of Chapter 20.2.1 of the Group's consolidated financial statements for 2009.

Please refer to Note 26 of Chapter 20.2.1 of the Group's consolidated financial statements for 2008.

Please refer to Note 26 of Chapter 20.2.1 of the Group's consolidated financial statements for 2007.

10.3 FINANCING STRUCTURE AND CASH RESOURCES, INFORMATION REGARDING ANY RESTRICTIONS ON THE USE OF CAPITAL RESOURCES THAT HAVE MATERIALLY AFFECTED, OR COULD MATERIALLY AFFECT, DIRECTLY OR INDIRECTLY, THE COMPANY'S OPERATIONS

Please refer to Note 17 of Chapter 20.2.1 related to bank debt and to Note 13 of Chapter 20.2.1 relating to cash and cash equivalents for 2009.

Please refer to Note 17 of Chapter 20.2.1 related to bank debt and to Note 13 of Chapter 20.2.1 relating to cash and cash equivalents for 2008.

Please refer to Note 17 of Chapter 20.2.1 related to bank debt and to Note 13 of Chapter 20.2.1 relating to cash and cash equivalents for 2007.

10.4 INFORMATION REGARDING THE ANTICIPATED SOURCES OF FUNDS NEEDED TO FULFIL COMMITMENTS REFERRED TO IN ITEMS 5.2.3 AND 8.1

Considering the constraints arising from the syndicated loan agreement *(please refer to paragraph 4.1.1 Liquidity risks 4. Change in the limit of investments)*, financing the Pasinos referred to in items 5.2.3 and 8.1 is envisaged throught external funding, particularly by real-estates leasing.

11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

In light of its principal business activity, Groupe Partouche does not carry out any research and development activity.

12 TREND INFORMATION

The following press release was published by Group Partouche on the evening of 25th February :

FINANCIAL INFORMATION – Q1 2009/2010

1. SIGNIFICANT TRANSACTIONS AND EVENTS

At the end of the financial year, the Group entered into a mutually beneficial agreement with Société du Louvre, in which the Group divested 25% of its stake in SFIHC, which owns the Palais de la Méditerrannée property and 25% of Hôtel du Palais de la Méditerrannée, in exchange for the acquisition of an additional 75% stake in Casino du Palais de la Méditerrannée, which is now fully consolidated.

The Group formalised its agreements with two major benchmark casinos – Gran Casino Madrid in Spain and Estoril Casino in Portugal – to organise poker tournaments along the same lines as the Partouche Poker Tour. The tournaments will be called the Partouche Poker Million. These agreements strengthen the international reputation of the Partouche brand.

A safeguard procedure was opened on 15 February 2010 on behalf of Casino de Grasse with an observation period running until 16 August 2010.

The company is 50%-owned by Boucau group, which has always managed it, and 50%-owned by Groupe Partouche. It generated gross gaming revenue of €2.5 million in 2009.

2. OPERATING AND FINANCIAL REVIEW

The new levy scale in force has cushioned the fall in gross revenue generated by casinos, and therefore the Group's current operating margin has remained at a similar level to that of the prior year.
The Group's financial debt has not changed significantly since 31 October 2009.

3. TURNOVER

Group turnover:

(€M) AT 31 JANUARY	2010	2009	CHANGE
Casinos	106.7	107.1	-0.3%
Hotels	5.0	6.6	-24.1%
P. Interactive	2.6	1.3	109.6%
Other companies	1.4	1.8	-17.9%
TOTAL	115.8	116.7	-0.8%

Casino activities:

(€M) AT 31 JANUARY	2010	2009	CHANGE
Gross gaming revenue	164.9	178.0	-7.4%
Hotels Drawdowns	75.9	87.3	-13.0%
P. Net gaming revenue	89.0	90.8	-2.0%

Gross gaming revenue in France, which is down 7.5%, now includes the figures for the Palais de la Méditerrannée casino in Nice. Excluding these figures, GGR is down 10% on a like-for-like basis, reflecting the ongoing tough economic conditions for the Group's primary business activity.

Gross gaming revenue abroad has also fallen significantly (-6.7%), dragged down by the Swiss casino Meyrin (-18.3%) which introduced a smoking ban at the beginning of the financial year.

Following amendments made in August 2009 to the tax rates applicable in France, the tax bite is smaller and accordingly, net gaming revenue has only fallen by 2%.

Partouche Interactive has doubled its turnover through its subsidiary in Gibraltar and the development of its online gaming site at www.partouche.com.

FINANCIAL INFORMATION

Groupe Partouche
Alain Cens, Finance Director
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info-finance@partouche.com

Having contended with the introduction of customer identification checks at casino entrances in financial year 2007, the Group faced a new significant hurdle in the financial year, with the entry into force on 1 January 2008 of the ban on smoking in casinos and its effect persisted in financial year 2009. Furthermore, the impact of the present economic crisis together with the competition of the online gaming developed by Française des Jeux, PMU and other operators outside France, continue to represent hurdles for our business.

Turnover for the first quarter of the current financial year, and particularly the benchmark gross gaming revenue indicator, show that activity levels have not stabilised and reflect an ongoing deterioration in visibility.

In view of this reduced activity, at the very end of the 2008 financial year, Groupe Partouche took measures making for substantial operating cost savings in 2009, in excess of €27m, and renegotiated the terms of the syndicated loan with its banking pool.

In this context, Groupe Partouche focused its efforts primarily on operating profitability – a concern that has now come very much to the fore at the operating subsidiaries – and on carrying out a programme of disposals designed to pay down part of the syndicated loan.

The 2010 financial year should also see continued development of the activities of the Partouche Interactive Division, within the as-yet relatively undefined legal framework for online, Internet gaming in France.

13 PROFIT FORECASTS OR ESTIMATES

None.

14.1 INFORMATION ON MANAGEMENT BODIES

14.1.1 SUPERVISORY BOARD

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR. ISIDORE PARTOUCHE **BORN 21 APRIL 1931** **IN TREZEL (ALGERIA)** **1 160 915 SHARES HELD**	AGM of 20 June 1996	31 October 2013	Chairman of the Supervisory Board	Chairman of the Supervisory Board of Financière Partouche SA	**IN FRANCE** **Managing Director :** SA Société Européenne des Grands Restaurants (Paris) **Director :** SA Socle (Lille) SASP Losc Lille Métropole (Lille) **OUTSIDE FRANCE** **Chairman :** Enderbury GR Ltd (Cayman Islands) **Chairman of the Board, Director :** SA Ispar Holding (Fribourg)
MR. MARCEL PARTOUCHE **BORN 24 FEBRUARY 1920** **IN TIARET (ALGERIA)** **21 345 SHARES HELD**	AGM of 20 June 1996	31 October 2013	Vice-Chairman of the Supervisory Board	Member of the Supervisory Board of Financière Partouche SA	

14 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

FUNCTIONS & MANDATES HELD WITHIN THE GROUP

IN FRANCE

Chairman of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board),
Chairman: SAS COMPAGNIE EUROPEENNE DE CASINOS – CEC (Paris), SAS SOCIETE D'EXPLOITATION DU CASINO DE CONTREXEVILLE (Contrexeville), SAS SOCIETE DU CASINO DE SAINT AMAND (Saint-Amand les Eaux)
Director:, SAS CASINOS DU TOUQUET (Le Touquet), SAS DU GRAND CASINO ET DES BAINS DE MER (Dieppe), SAS GRAND CASINO DE CABOURG (Cabourg), SAS SOCIETE DU CASINO MUNICIPAL DE ROYAT (Royat), SAS CASINOS DE VICHY (Vichy), SA SOCIETE DES CHEMINS DE FER ET HOTELS DE MONTAGNE AUX PYRENEES - CHM (Vichy), SAS GRAND CASINO DE BEAULIEU (Beaulieu), SAS CASINO DE SAINT CAST LE GUILDO, SAS CASINO DE PALAVAS (Palavas les Flots), SA LYDIA INVEST (Port Barcarès), SA FORGES THERMAL (Forges les Eaux), SA SATHEL (La Tour de Salvagny), SA SOCIETE TOURISTIQUE THERMALE ET HOTELIERE DE DIVONNE - TTH DIVONNE (Divonne les Bains), SA GROUPE DE DIVONNE (Paris), SA SOCIETE DE BRASSERIE ET CASINOS " LES FLOTS BLEUS" (La Ciotat), SA CANNES BALNEAIRE - Palm Beach Casino (Cannes), SA SOCIETE DU CASINO MUNICIPAL D'AIX THERMAL (Aix en Provence), SA EDEN BEACH CASINO (Juan les Pins), SAS HOLDING GARDEN PINEDE (Juan les Pins)
Corporation Manager: SCI FONCIERE DE VITTEL ET CONTREXEVILLE (Vittel), SCI LES THERMES (Aix en Provence), SCI LERICHE ROSTAGNE (Paris), SOCIETE CIVILE IMMOBILIERE ET MOBILIERE PARTOUCHE "SCIMP" (Paris).

OUTSIDE FRANCE

Chairman, Corporate Director : SA GROUPE PARTOUCHE INTERNAT IONAL – GPI (Brussels)
General Manager : SA CASINO SLUIS (Belgium)
Director : SA LE GRAND CASINO DE DJERBA (Tunisia), SA CASINO NUEVO SAN ROQUE (Spain)
Corporate Director : SA ECK (Belgium), SA SIKB (Belgium), SA BELCASINOS (Belgium)

IN FRANCE :

Member of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman: SAS CASINO D'EVAUX LES BAINS (Evaux les Bains), SAS SOCIETE D'EXPLOITATION DU CASINO DE LA ROTONDE (Val André)
Deputy General Manager, Director: SAS JEAN METZ (Berck)
Director: SAS NUMA (Boulogne sur Mer), SAS CASINOS DU TOUQUET (Le Touquet Paris Plage), SAS PLOMBINOISE DE CASINO (Plombières les Bains), SA BARATEM (Le Touquet)

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR. MAURICE SEBAG **BORN 1 DEC. 1926** **IN TIARET (ALGERIA)** **5 100 SHARES HELD**	AGM of 20 June 1996	31 October 2013	Member of the Supervisory Board	Vice-Chairman of the Supervisory Board of Financière Partouche SA	
MR. GASTON GHRENASSIA AKA ENRICO MACIAS **BORN 11 DEC. 1938 IN CONSTANTINE (ALGERIA)** **70 SHARES HELD**	Co-opted to replace Mr. Jacques BENHAMOU by decision of the Supervisory Board of 11 December 1998	31 October 2013	Member of the Supervisory Board	Singer	**Deputy General Manager - Director:** SA Société Européenne des Grands Restaurants (Paris)

The business address of the members of the Supervisory Board with regard to their functions within Groupe Partouche is the registered office of Groupe Partouche (141 bis, rue de Saussure - 75017 Paris – France).

(*) The above mentioned mandates are in force except for those whose date of expiration is indicated

FUNCTIONS & MANDATES HELD WITHIN THE GROUP

EN FRANCE

Vice-Chairman of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman: SAS NUMA (Boulogne sur Mer), SAS CASINO DE PORNICHET (Pornichet)
Chairman of the Board of Directors: SA GRAND CASINO DU HAVRE
Director SAS CASINOS DU TOUQUET (Le Touquet Paris Plage), SAS JEAN METZ (Berck sur Mer)

OUTSIDE FRANCE

Director SA CASINO NUEVO SAN ROQUE (Spain)

Member of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman of the Board of Directors: SA SOCIETE DU CASINO D'ARCACHON

14.1.2 MEMBERS OF THE EXECUTIVE BOARD

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR. PATRICK PARTOUCHE **BORN 13 JUNE 1964** **IN ORAN (ALGERIA)** **27 986 SHARES HELD**	Supervisory Board of 20 June 1996	2 November 2013	Chairman of the Executive Board	Chairman of the Executive Board of Financière Partouche SA	Director SA Société Européenne des Grands Restaurants (Paris) Member of the Board of Directors, Director : SA Ispar Holding (Fribourg) Chairman, Member of the Executive Committee : SAS Mereal Biometrics
MR. ARI SEBAG **BORN** **25 SEP 1961** **IN TIARET (ALGERIA)** **22 300 SHARES HELD**	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board, General Manager	Member of the Executive Board of Financière Partouche SA	Corporation manager : SARL NOA Music (St-Saëns) SCI Elisa (Paris)

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

IN FRANCE

Chairman of the Executive Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman of the Board of Directors: PARTOUCHE INTERACTIVE SA (Paris)
Chairman: PARTOUCHE IMMOBILIER SAS (Paris)
Deputy General Manager: COMPAGNIE EUROPEENNE DE CASINOS SAS (Paris)
Deputy General Manager-Director: EDEN BEACH CASINO SA (Juan les Pins), CANNES BALNEAIRE SA Palm Beach Casino (Cannes)
Director: SAS CASINO DE SAINT AMAND LES EAUX (Saint-Amand-les-Eaux), SAS LE TOUQUET'S (Calais), SAS DU CASINO ET DES BAINS DE MER (Dieppe), SAS SOCIETE D'EXPLOITATION DU CASINO DE CONTREXEVILLE, SAS GRAND CASINO DE LYON, SAS GRAND CASINO DE BEAULIEU (Beaulieu-sur-Mer), SAS CASINO DE PALAVAS (Palavas-les-Flots), SA FORGES THERMAL (Forges-les-Eaux), SA SOCIETE DU CASINO MUNICIPAL D'AIX THERMAL (Aix-en-Provence), SA LYDIA INVEST (Le Barcarès), SA SOCIETE DU GRAND CASINO D'ANNEMASSE (Annemasse), SA DU GRAND CASINO D'HAUTEVILLE LOMPNES (Hauteville,) SA SOCIETE TOURISTIQUE THERMALE ET HOTELIERE DE DIVONNE TTH (Divonne les Bains), SAS PARTOUCHE TECHNOLOGIES (Saint-Avertin), SAS LE CASINO DE LA POINTE CROISETTE (Cannes) starting 11 January 2010
Corporation Manager: SARL SEK (Juan Les Pins), SCI DU CASINO DE GRASSE
Member of the Executive Committee of : SAS PARTOUCHE IMAGES (Clichy)
Permanent Representative: SAS COMPAGNIE EUROPEENNE DE CASINOS, Director of SA SOCIETE DU CASINO DU PALAIS DE LA MEDITERRANEE (Nice), GROUPE PARTOUCHE corporation manager of SCI Rue Royale (Paris), SARL SEK (Juan-les-Pins), corporation manager of SCI EDEN BEACH CASINO (Juan-les-Pins).

OUTSIDE FRANCE

Chairman of the Board of Directors : SA BELCASINOS (Brussels), SA GRAND CASINO DE DJERBA (Tunisia)
Director : SA SIKB (Belgium), SA ECK (Belgium), SA CASNO NUEVO SAN ROQUE (Spain), SA CASINO KURSAAL OOSTENDE (Belgium)
Corporate Director : SA CHAUDFONTAINE LOISIRS (Belgium)
Permanent Representative : SA GROUPE PARTOUCHE, director of SA GROUPE PARTOUCHE INTERNAITONAL (Brussels)
Chairman of GROUPE PARTOUCHE BAHAMAS LIMITED

IN FRANCE

General Manager and Member of the Executive Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Managing Director: SA FORGES THERMAL
Chairman Director : SAS CASINO ET BAINS DE MER DE DIEPPE, SAS PARTOUCHE SPECTACLES & EVENEMENTS "PSE" (Paris)
Deputy General Manager - Director: SA GRAND CASINO DU HAVRE
General Manager: PARTOUCHE IMMOBILIER SAS (Paris)
Director: SA CASINO DE COUTAINVILLE, SAS CASINO DE LA TREMBLADE, SA SOMARG (Paris), SA SOCIETE DU GRAND CASINO D'ANNEMASSE (Annemasse), SA DU CASINO D'HAUTEVILLE LOMPNES (Hauteville), SA CANNES BALNEAIRES (Cannes), SA SOCIETE DU CASINO DU PALAIS DE LA MEDITERRANEE (Nice), SAS HOLDING GARDEN PINEDE (Juan les Pins), SAS SOCIETE DU GRAND CASINO DE CABOURG (Cabourg), SA CASINO DE GRASSE (resigned on 16 April 2008), SAS GRAND CASINO DE LA TRINITE, SA PARTOUCHE INTERACTIVE (Paris),
Permanent Representative: SA GROUPE PARTOUCHE Director of SA GRAND CASINO DE DJERBA (Tunisia), SA GROUPE PARTOUCHE Director of SAS NUMA (Boulogne), SAS Casino de PORNICHET, SAS CASINO DE SAINT HONORE LES BAINS, and SAS GRAND CASINO DE BEAULIEU.

OUTSIDE FRANCE

Chairman : SA GRAND CASINO NUEVO SAN ROQUE (Spain)
General Manager : SOCIETE GROUPE PARTOUCHE BAHAMAS LIMITED
Director: GROUPE PARTOUCHE INTERNATIONAL GPI (Brussels), SA CASINO KURSAAL OOSTENDE (Belgium), SA CHAUDFONTAINE LOISIRS (Belgium).
Permanent Representative : SA GROUPE PARTOUCHE INTERNATIONAL, Director of SA GRAND CASINO DE DJERBA (Tunisia)

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MRS. KATY ZENOU **BORN 6 AUGUST 1961** **IN TIARET (ALGERIA)** **35 469** **SHARES HELD**	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board General Manager	Member of the Executive Board – General Manager of Financière Partouche SA	
MR. RICHARD PARTOUCHE **BORN 7 DEC 1946** **IN TIARET (ALGERIA)** **17 276** **SHARES HELD**	Supervisory Board of 10 September 2009	2 November 2013 Resignation as from 2 December 2009	Member of the Executive Board	Chairman General Manager of Casino Annemasse as from 2 December 2009	
MR. FABRICE PAIRE **BORN** **10 OCTOBER 1969 IN MONTMORENCY (VAL D'OISE)**	Supervisory Board of 3 November 2008	2 November 2013	General Manager Member of the Executive Board		Member of the Executive Committee : SAS Mereal Biometrics (Paris)
MR. MOÏSE SERERO **BORN 3 JANUARY 1962** **IN FÈS (MOROCCO)**	Supervisory Board of 9 December 2009 in replacement of Mr. Richard Partouche (resigning)	2 November 2013	Member of the Executive Board		

The business address of the members of the Executive Board with regard to their functions within Groupe Partouche is the registered office of Groupe Partouche (141 bis, rue de Saussure - 75017 Paris – France).

(*) The above mentioned mandates are in force except for those whose date of expiration is indicated

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)
IN FRANCE General Manager and Member of the Executive Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board) Deputy General Manager and Director: SAS CASINOS DU TOUQUET Director: SAS NUMA (Boulogne sur Mer), SA SOCIETE DU GRAND CASINO D'ANNEMASSE (until 02/12/2009) , SA BARATEM (Le Touquet) Permanent Representative of GROUPE PARTOUCHE SA, Director of SA GRAND CASINO DU HAVRE & SA CANNES BALNEAIRESS (Cannes) **OUTSIDE FRANCE** Director : SA GROUPE PARTOUCHE INTERNATIONAL (Brussels)
IN FRANCE Chairman General Manager – Director of SA SOCIETE DU GRAND CASINO D'ANNEMASSE
IN FRANCE General Manager and Member of the Executive Board of GROUPE PARTOUCHE SA (with Executive Board and Supervisory Board) Chairman : SAS LUDICA (Paris) Member of the Executive Committee : SAS PARTOUCHE IMAGES (Clichy) Director : SAS CASINO DE LA GRANDE MOTTE, SA PARTOUCHE INTERACTIVE (PARIS), SAS PARTOUCHE TECHNOLOGIES (SAINT AVERTIN) Management Accountant : INSTITUT DES METIERS CLIENTS DES JEUX ET DES CASINOS GIE I.M.C.J.C (Troyes) Permanent Representative of CEC – DIRECTOR : SA SOCIETE DU CASINO D'ARCACHON, SA CASINO DE COUTAINVILLE Permanent Representative: of Groupe Partouche, Director: SA COMPLEXE COMMERCIAL DE LA ROCHE-PÖSAY, SAS PLOMBINOISE DE CASINO. Corporation Manager : SARL SOCIETE DU CASINO DE BOURBON LANCY **OUTSIDE FRANCE** Director : SA CHAUDFONTAINE LOISIRS (BELGIUM), SA CASINO KURSAAL OOSTENDE (BELGIUM) Deputy Director : SA BELCASINOS (BELGIUM), SA CASINO DE CHAUDFONTAINE (BELGIUM) Deputy Director – Member : CERCLE PRIVE DU CASINO DE SPA (BELGIUM), CLUB PRIVE DU CASINO D'OOSTENDE (BELGIUM)
IN FRANCE Member of the Executive Board GROUPE PARTOUCHE SA (with Executive Board and Supervisory Board) Chairman – Director : SAS PARTOUCHE TECHNOLOGIES (SAINT AVERTIN) General Manager – Director : SA PARTOUCHE INTERACTIVE (PARIS) Corporate Manager : SARL QUARISMA (PARIS) Sole Director : GIE IMCJC (TROYES) **OUTSIDE FRANCE** Director : SA PARTOUCHE INTERACTIVE (GIBRALTAR), SA PARTOUCHE INTERACTIVE HOLDINGS (GIBRALTAR), PARTOUCHE BETTING LTD (MALTA)

14.1.3 TYPE OF FAMILY RELATIONSHIPS BETWEEN MEMBERS OF THE EXECUTIVE AND SUPERVISORY COMMITTEES

DIRECTION OF RELATIONSHIP →	ISIDORE PARTOUCHE	MARCEL PARTOUCHE	MAURICE SEBAG	GASTON GHRENASSIA	PATRICK PARTOUCHE	ARI SEBAG	RICHARD PARTOUCHE	KATY ZENOU
ISIDORE PARTOUCHE	-	Brother	Brother-in-law	-	Father	Uncle	Uncle	Uncle
MARCEL PARTOUCHE	Brother	-	Brother-in-law	-	Uncle	Uncle	Uncle	Father
MAURICE SEBAG	Brother-in-law	Brother-in-law	-	-	Uncle	Father	Uncle	Uncle
GASTON GHRENASSIA	-	-	-	-	-	-	-	-
PATRICK PARTOUCHE	Son	Nephew	Nephew	-	-	Cousin	Cousin	Cousin
ARI SEBAG	Nephew	Nephew	Son	-	Cousin	-	Cousin	Cousin
RICHARD PARTOUCHE	Nephew	Nephew	Nephew	-	Cousin	Cousin	-	Cousin
KATY ZENOU	Niece	Daughter	Niece	-	Cousin	Cousin	Cousin	-
FABRICE PAIRE	-	-	-	-	-	-	-	-
MOÏSE SERERO	-	-	-	-	-	-	-	-

14.1.4 PROFESSIONAL EXPERIENCE

▸ **Isidore Partouche** arrived in France in 1965. In 1973 took over the Saint Amand casino, thus laying the foundations of a business that brought together his brothers and sisters. During the following years he carried out a succession of takeovers, acquisitions and creations of casinos in France. In 1995, Groupe Partouche was the first French casino operator to carry out an initial public offering on the stock market giving credibility to an industry which had suffered image problems until then. As the Group's Chairman, he inaugurated in 1998 its first Pasino in Djerba, a concept incorporating a gaming and leisure centre that he conceived. The second Pasino, the biggest casino in France, was opened in 2001 in Aix en Provence. In 1999, he opened the first casino in a major French city, Le Pharaon in Lyon. In 2002, he launched a successful counter-offer, opposing Accor, by means of a Public Cash Offer for the CEC, which propelled his Group into the position of European leader.

▸ **Patrick Partouche** arrived in France in 1965. He terminated his university studies in 1982 to join the business founded by his father Isidore Partouche. His first operational position in the group: At 25, he was appointed General Manager of Dieppe casino and remained in this position from 1989 to 1993. He became Managing Director of Casino Eden Beach, Juan les Pins, in 1993. In 1998, he took part in the acquisition of Casino Carlton and Palm Beach in Cannes which he obtained the authorisation to open in August 2002. As General Manager of Groupe Partouche until 2004, he assumed responsibility for the Group's business in South East France and was also in charge of marketing, communication and new technologies. He focused

particularly on strategic issues and questions. He was appointed Chairman of the Executive Board of Groupe Partouche on 31 January 2005. Since December 2006, he has also represented the profession as Chairman of the Syndicat des Casinos Modernes de France.

▸ **Ari Sebag** has a degree in business law and tax (University Paris 1 - 1984). After spending three years with a law firm and an experience in audiovisual production, he joined Groupe Partouche in 1989 as General Manager of Forges-Les-Eaux Casino. As General Manager and member of the Executive Board of Groupe Partouche following its initial public offering in 1995, he focuses on international business development while assuming operating responsibility of the establishments in north west France. He has provided support for his cousin Patrick Partouche since the latter's appointment as Chairman of the Group's Executive Board.

▸ **Marcel Partouche**, having begun his professional career as a teacher, he went on to become a wholesaler. Right from the start, under the leadership of Isidore Partouche and alongside his brothers, he took an active role in Groupe Partouche's creation and development. From his base in Le Touquet, where the group has its roots, he continues to monitor the activities of casinos based in the North of France on a daily basis.

▸ **Maurice Sebag** began his career as a post office employee, before becoming the first employee of his brother-in-law, Isidore Partouche, right from the beginning of his professional career; he assumed a range of operating responsibilities in the Group which he knows very well. He is now based in Forges-les-Eaux and takes part in the supervision of casinos in Normandy and Brittany.

▸ **Gaston Ghrenassia aka Enrico Macias** contributes to Groupe Partouche his extensive knowledge and irreplaceable experience of live shows, which the casinos are legally required to provide.

▸ **Richard Partouche**- as a member of the second generation of the family, which under the leadership of Isidore Partouche carried out the consolidation of the group, he has the widest ranging experience of the operating activities of big casinos. He has managed the Saint-Amand les Eaux casino for almost 15 years and the Lyon Vert casino in Charbonnières since 1996; and then he focused mainly on the hotels business. He was appointed Chairman General Manger of Casino Annemasse on 2 December 2009.

▸ **Katy Zenou** joined the gaming business before the end of her business studies degree, as an employee in all departments, over the last twenty years she has managed several casinos and provides a female perspective on this business, which is particularly important given the spectrum of the group's customer base.

▸ **Fabrice Paire** has a degree in Internal Audit and Chartered Accountant (University of Paris Dauphine). He started his career as an associate in a Counselling and Auditing Company; where he was in charge of the accounts of many casinos of Groupe Partouche. He joined the latter in 2001 as administrative manager. In 2005, Patrick Partouche appointed him company secretary of the Group; before joining the Executive Board of the Group. He became General Manager on November 2008.

▸ **Moïse Serero**, a graduate of Paris I University, with a post-graduate degree from the ESCP Europe Business School, began his career at Métrologie before founding his own business, SVP group, which he subsequently sold to Sitel/Onex. With 20 years' experience in information technology, telecommunications and BPO, as well as having headed several businesses in France and abroad, he joined the Group in 2008 as a board member and managing director of Partouche Interactive.

14.1.5 ADDITIONAL INFORMATION

There is no independent member in the Supervisory Board up to date. No member of the Board has been elected by the personnel.

Each member of the Board is bound to detain at least one share of the Company.

14.1.6 CONDEMNATIONS, BANKRUPTCIES, SANCTIONS, ETC.

To the best of the company's knowledge, none of these people has been subject to the following during the five years until the date of registration of the present annual report:

- condemnation for fraud;
- bankruptcy, sequestration of assets;
- incrimination, official public condemnation handed down by statutory or regulatory authorities;
- prohibition by a court of law to act as a member of a management, executive or supervisory body of the issuer or participate in the management or the business operations of the issuer.

14.2 CONFLICTS OF INTEREST WITH RESPECT TO EXECUTIVE, SUPERVISORY AND SENIOR MANAGEMENT BODIES

14.2.1 INDEPENDENCE OF EXECUTIVE BODIES

The company is not aware of any potential conflicts of interest between the members of the Executive Board, members of the Supervisory Board and the Group. It should be mentioned that Paragraph 14.2 of Annex I of the European Regulation n° 809-2004 (nomination of the proxies) does not apply to our Company.

Last, no restrictions have been accepted by any member of the management, executive or supervisory bodies in respect of an assignment, within a specific period, of their participation in the share capital of the issuer.

14.2.2 TRANSACTIONS IN SECURITIES BY GROUPE PARTOUCHE EXECUTIVES

It is regulatory that the members of the Supervisory Board detain each, one share of the Company. Otherwise, no restrictions have been accepted by any member of the management, executive or supervisory bodies in respect of an assignment, within the period of their participation in the share capital of the issuer. None of the executives of Groupe Partouche carried out any transactions in securities during the financial year under review.

14.3 INTERNAL RULES OF PROCEDURE FOR THE SUPERVISORY BOARD AND ITS COMMITTEES

On 27 October 2005, the Supervisory Board decided to draw up the following internal rules of procedure covering the guiding principles for its operations, amended on 24 December 2008, and this after the suppression of the of its committees. In fact, considering the strong family spirit prevailing in the company and the restricted number of members of the board, it became more and more difficult to apply the provisions of Article R225-56 of the Code of Commerce and the recommendations of the Afep/Medef report published on October 2003.

Article 1. Strategic orientations

All important decisions pertaining to employment policies and labour–management relations as well as the strategic, economic, social, financial or technological orientations of the company require the approval of the Supervisory Board, which also supervises their implementation by Management.

The Group's medium-term orientations are laid down in the form of a strategic plan, a draft of which is prepared and presented by the Executive Board for approval and adoption by the Supervisory Board. This draft notably includes forecasts for the development of the Group's main operating and financial indicators. In conjunction with this strategic plan, the Executive Board presents an annual budget proposal.

The Executive Board is responsible for implementing the orientations of the strategic plan.

Article 2. Information provided to the members of the Supervisory Board

Together with the agenda of each meeting the members of the Supervisory Board are individually provided with sufficient documentation to ensure that their decisions may be made in full possession of the facts concerning each of the issues before the meeting.

At each meeting of the Supervisory Board, its Chairman informs all members of the significant facts and events affecting the business of the Group that have come to pass or have been brought to his attention since its last meeting.

Article 3. Control by the Supervisory Board

The Supervisory Board may be convened by its Chairman or by the Chairman of an Audit Committee to hear a proposal in support of a control or verification mission. In all circumstances, the Supervisory Board considers the matter at hand as quickly as possible.

Should the Supervisory Board decide that the control or verification needs to be performed, it enters into discussions to determine the objective and the procedures to be followed and either carries out the mission itself or entrusts it to one of its committees, to one of its members or to a third party.

Should the Supervisory Board decide that the control or verification mission shall be performed by one of its members or by a third party, the mission is defined under the terms and conditions set forth in Article 4.

The Chairman determines the conditions for the execution of the control or verification mission. In particular, the necessary measures are taken to ensure that the conduct of the mission disturbs the Group's operations as little as possible. Where required, employees of the Group are invited to appear before the Supervisory Board.

The Chairman ensures that the information required for control or verification is provided to the party carrying out the mission.

Irrespective of the party performing the control or verification mission, the conduct of such a mission does not authorise this party to intervene in any manner whatsoever in the Group's business operations.

A report is presented to the Supervisory Board at the conclusion of the control or verification mission. The Supervisory Board then determines the actions to be taken based on these conclusions.

Article 4. Option to entrust a mission to a member of the Supervisory Board

Should the Supervisory Board decide to entrust a mission to one (or several) of its members or to one (or several) third parties, it enters into discussions to define the main parameters of the mission. Where the party or parties entrusted with the mission are members of the Supervisory Board, they are not allowed to participate in any vote pertaining to these determinations.

On the basis of the Supervisory Board's decisions, a proposed mission letter is prepared under the direction of the Chairman, which includes the following elements:

- a statement of the precise objective of the mission;
- the desired format for the mission report;
- the duration of the mission;
- the remuneration due, if applicable, to the party executing the mission, as well as the terms and conditions for payment of these sums to this party;
- indication, where applicable, of the ceiling for the reimbursement of travel and all other expenses incurred by the party that are related to the execution of the mission.

The mission report is distributed by the Chairman to the members of the Supervisory Board.

Article 5. Meetings of the Supervisory Board

Acting upon a proposal from its Chairman, each year the Supervisory Board decides upon the meeting calendar for the following year.

This meeting calendar includes the dates for regular meetings of Supervisory Board (first and third quarter meetings, first half results, meeting in advance of the Annual Shareholders' Meeting, etc.) and, on a provisional basis and subject to modification, the dates to be reserved by members of the Supervisory Board for possible special meetings.

The Chairman decides upon the agenda for each meeting of the Supervisory Board, which he communicates in a timely fashion and by all appropriate methods to all its members.

The documents required to ensure that decisions by members of the Supervisory Board on issues before the meeting included on the agenda received from the Chairman may be made in full possession of the facts are forwarded to the members of the Supervisory Board no less than 48 hours in advance of the meeting, with the exception of urgent matters or where there is a need to maintain complete confidentiality.

On the recommendation of its Chairman, the Supervisory Board may discuss urgent matters not included in the agenda received by members at any of its meetings.

Article 6. Participation in the meetings of the Supervisory Board via video-conferencing

The Chairman is responsible for ensuring that reliable video-conferencing methods are made available to members of the Supervisory Board who do not reside in the Paris region or who live abroad, as well as to those who find themselves in distant locations for legitimate purposes, so as to allow them to participate in the meetings of the Supervisory Board.

Members of the Supervisory Board who participate in meetings by way of video-conferencing or other telecommunication methods shall be deemed present when calculating the quorum and the majority.

The video-conferencing methods chosen must meet technical specifications guaranteeing effective participation in the meeting whose deliberations must be communicated without interruption. Should the equipment used not meet such specifications, the members in question shall not

be deemed present and, in the absence of a quorum, the meeting of the Supervisory Board shall need to be rescheduled.

The attendance register for the meetings of the Supervisory Board must mention, where applicable, which of its members have participated by way of video-conferencing.

In addition, the minutes of Supervisory Board meetings must indicate the names of members participating by way of video-conferencing.

The minutes must also note the occurrence of any technical incidents affecting a video-conferencing session when such an incident caused the meeting to be interrupted.

The preceding provisions are not applicable to the adoption of decisions of the nature specified under Article 9, paragraphs 1 and 3, of the Law No. 83-675 of 26 July 1983, and under Articles L. 225-47, L. 225-53, L. 225-55, L. 232-1 and L. 233-16 of the Code of Commerce.

Article 7. Duty of confidentiality imposed upon members of the Supervisory Board

The members of the Supervisory Board are required to maintain absolute secrecy with respect to the content of discussions and deliberations of the Supervisory Board and its committees as well as the information presented.

As a general rule, the members of the Supervisory Board are obliged to refrain from communicating outside the company, and in particular to the press, in their capacities as members.

The Chairman brings to the attention of the members of the Supervisory Board the information to be released to the various markets, as well as the contents of press releases distributed for this purpose in the name of the Group.

In the event of an admitted breach of confidentiality by one of the members of the Supervisory Board, following discussion with the Chairmen of all Committees assembled for this purpose, the Chairman of the Supervisory Board reports to the entire body on the course of action, potentially including legal consequences that he intends to pursue with respect to this breach.

Article 8. Code of ethics for members of the Supervisory Board

In the performance of his or her duties, each member of the Supervisory Board must reach decisions based on the best interests of the company and without regard to any other interests.

Each member of the Supervisory Board is required to inform the Chairman of any situation with the potential to create a conflict of interest between his or her personal interests and the interests of the company or of any of the Group's subsidiaries. Where appropriate, the Chairman requests the opinion of the Remuneration Committee. Based on the outcome of this procedure, it is the responsibility of the Supervisory Board member involved to take any action necessary, pursuant to applicable laws.

The members of the Supervisory Board must register the shares they hold in the Company upon their appointment as well as those they acquire while serving their term in office.

The members of the Supervisory Board inform the Chairman and the Autorité des Marchés Financiers (AMF) of any transactions involving shares in the Company to which they have been a party.

The members of the Supervisory Board must refrain from:

- carrying out any transaction involving shares in publicly listed Group companies while in possession of privileged information;
- engaging, either directly or indirectly, in any short selling of these shares.

The first prohibition applies in particular during the preparation and presentation of the Group's half-yearly and quarterly results.

It also applies exceptionally where the preparation of certain projects or operations justifies this prohibition.

The Chairman sets or confirms the start and end dates for the preparation periods mentioned and communicate these dates to the members of the Supervisory Board in a timely fashion.

The Chairman reports to the Supervisory Board on the measures taken to ensure that employees of the Group having access to information by virtue of their positions and/or participating as members of the teams involved in the operations concerned comply with these rules of procedure.

15 REMUNERATION AND ADVANTAGES

15.1 AMOUNT OF REMUNERATION AND BENEFITS IN KIND

15.1.1 REMUNERATION ALLOTTED TO THE EXECUTIVE AND SUPERVISORY BOARDS BY GROUPE PARTOUCHE SA

The total remuneration paid to the Executive and Supervisory bodies during the financial year ended 31 October 2009 amounted to 1,159,933 €.

15.1.2 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 financial year ended 31 October 2009 from Groupe Partouche, is summarized in the table below on an individual basis:

List of company officers of Groupe Partouche SA

SUMMARY OF THE REMUNERATION OF EACH COMPANY'S OFFICER			
FINANCIAL YEAR AT	31/10/2009	31/10/2008	31/10/2007
	AMOUNTS DUE AND PAID	AMOUNTS DUE AND PAID	AMOUNTS DUE AND PAID
Mr. Isidore Partouche – Chairman of the Supervisory Board			
Fixed Remuneration	216 000	216 000	216 000
Exceptional Remuneration			
Directors' fees	0	60 000	30 000
Benefit in kind			
Total	216 000	276 000	246 000
Mr. Patrick Partouche – Chairman of the Executive Board			
Fixed Remuneration	317 085	324 000	324 000
Exceptional Remuneration	0	218 842	1 094 261
Directors' fees			
Benefit in kind (***)	6 915	6 915	6 915
Total	324 000	549 757	1 425 176
Mr. Ari Sebag – Member of the Executive Board & General Manager			
Fixed Remuneration	354 583	375 858	364 424
Exceptional Remuneration			
Directors' fees			
Benefit in kind (***)	21 399	21 275	14 841
Total	375 982	397 133	379 265
Mrs Katy ZENOU – Member of the Executive Board & General Manager			
Fixed Remuneration	233 924	233 924	233 924
Exceptional Remuneration			
Directors' fees			
Benefit in kind			
Total	233 924	233 924	233 924
Mr. Marcel Partouche – Vice Chairman of the Supervisory Board			
Fixed Remuneration	204 522	204 522	204 522
Exceptional Remuneration			
Directors' fees	0	2 000	12 000
Benefit in kind			
Total	204 522	206 522	216 522

SUMMARY OF THE REMUNERATION OF EACH COMPANY'S OFFICER			
FINANCIAL YEAR AT	31/10/2009	31/10/2008	31/10/2007
	AMOUNTS DUE AND PAID	AMOUNTS DUE AND PAID	AMOUNTS DUE AND PAID
Mr. Maurice Sebag – Member of the Supervisory Board			
Fixed Remuneration	154 179	154 179	154 179
Exceptional Remuneration			
Directors' fees	0	2 000	12 000
Benefit in kind (***)			
Total	154 179	156 179	166 179
Mr. Gaston Ghrenassia – Member of the Supervisory Board			
Fixed Remuneration	5 000	30 000	30 000
Exceptional Remuneration			
Directors' fees	0	2 000	12 000
Benefit in kind (***)			
Total	5 000	32 000	42 000
Mr. Fabrice Paire – Member of the Executive Board & General Manager			
Fixed Remuneration	216 000		
Exceptional Remuneration			
Directors' fees			
Benefit in kind (***)			
Total	216 000	0	0
Mr. Hubert Benhamou – Member of the Executive Board & General Manager (*)			
Fixed Remuneration			53 464
Exceptional Remuneration			
Directors' fees			
Benefit in kind (***)			
Total	0	0	53 464
Mr. Richard Partouche – Member of the Executive Board & General Manager (**)			
Fixed Remuneration	14 300	366 170	257 640
Exceptional Remuneration			
Directors' fees			
Benefit in kind (***)			
Total	14 300	366 170	257 640

(*) Mr. Hubert Benhamou resigned from his positions effective 1 May 2007.

(**) Mr. Richard Partouche resigned from his positions effective 30 September 2008, and has been replaced by Mr. Fabrice Paire as from 2 November 2008; then re-appointed member of the Executive Board on 10 September 2009.

(***) Benefits in kind of Mr. Patrick Partouche are in respect of insurance, and those of Mr. Ari Sebag and in respect of insurance and accommodation.

All the amounts comprising remuneration are fixed. None of this remuneration is subject to any calculation criteria.

Mr. Fabrice Paire is the only member with a pre-existing employment contract.

As provided by the recommendations of the Autorité des Marchés Financiers in respect of directors' fees, the group would like to mention that:

- directors have not and do not benefit of any stock options;
- directors have not and do not benefit of any performance allowance;
- directors have not and do not benefit of any supplementary pension scheme
- directors have not and do not benefit of any compensation in respect of a cessation or change in their terms in office;
- directors have not and do not benefit of any compensation in respect of a non-competition clause.

15.1.3 DIRECTORS' FEES PAID TO THE MEMBERS OF THE SUPERVISORY BOARD

No directors' fees were paid for the 2008-2009 financial year.

For information, the total amount of directors' fees paid for the 2007–2008 financial year was €66,000.

15.2 TOTAL AMOUNTS SET ASIDE OR ACCRUED BY THE ISSUER OR ITS SUBSIDIARIES TO PROVIDE PENSION, RETIREMENT OR SIMILAR BENEFITS

The total amount set aside to provide pensions for the entire financial year for all persons listed Chapter 14.1 was €22,865.

16 OPERATION OF DIRECTORS' AND EXECUTIVE BODIES

16.1 TERM OF OFFICE OF DIRECTORS

The terms in office of all the members of the Executive Board, Messrs Isidore Partouche, Marcel Partouche, Maurice Sebag and Gaston Ghrenassia were renewed in their entirety by the General Meeting of 2 April 2008 for a period of six financial years, i.e. until the Annual General Meeting convened to approve the financial statements for the year ended 31 October 2013.

The terms in office of all the members of the Executive Board were renewed in their entirety by the Supervisory Board at its meeting of 2 November 2007, for a period of six years; they will expire on 1st November 2013.

Considering the limited number of members of the boards and the family character of the company, the recommendations of the Afep-Medef report issued in 2003 cannot be applied.

16.2 CONTRATS DE SERVICES PRÉVOYANT L'OCTROI D'AVANTAGES À TERME

Service agreements involving Financière Partouche SA

(see § 20.2.1 Note 29, Related Parties)

Financière Partouche is a company with an Executive Board and a Supervisory Board, headed by Mr. Isidore Partouche, which has entered into the centralised cash pooling agreement concluded between Group companies and Groupe Partouche SA.

Furthermore, Groupe Partouche and Financière Partouche have signed a shareholder advance agreement and a subordination agreement concerning the repayment of the syndicated loan, granting the syndicated loan precedence of over the shareholder advance.

Following negotiations with the banking pool, the shareholder advance agreement and subordination agreement governing the €100m loan made by Financière Partouche to Groupe Partouche contain the following key clauses:

1. Shareholder advance agreement

The advance expires on 31 December 2015.

The outstanding debt on the shareholder advance is charged at an annual rate equal to the 1-, 2-, 3- or 6-month Euribor plus a 2.00% margin per year.

The loan made to Groupe Partouche SA under the shareholder advance agreement can only be reimbursed according to the terms set forth at the expiration of the subordination agreement.

2. Subordination agreement

Repayment of the syndicated loan will take precedence over reimbursement of the shareholders' advance. Groupe Partouche shall not pay any interest or dividends to Financière Partouche under the subordinated shareholder advance or for any other motive except for payments from surplus cash flow. *(see § 4.1.1 Liquidity risk note 5. Repayments of surplus cash flow).*

Service agreements involving Ispar Holding SA

(see § 20.2.1 note 29 Related parties)

Ispar Holding SA is a company chaired and managed by Mr. Isidore Partouche, which has concluded a headquarters' service sharing agreement with Groupe Partouche SA. It provides support and advisory services to the Group's Swiss casinos.

Service agreements involving Shal & Co SA

(see § 20.2.1 note 29 Related parties)

Shal & Co is chaired and managed by Mr. Hubert Benhamou. Shal & Co entered into a management consultancy agreement with Groupe Partouche for some of its subsidiaries.

Pursuant to §16.2 of Annex 1 of Decision No. 804/2004/EC, it is stipulated that with the exception of the information disclosed above, there are no other service provision contracts between members of the administration, executive or supervisory bodies and the issuer or any of its subsidiaries, under which benefits would be granted on the termination of such a contract.

16.3 EXECUTIVE BOARD AND SUPERVISORY BOARD

16.3.1 EXECUTIVE BOARD

Composition of the Executive Board

Mr. Patrick Partouche : Chairman

Mr. Ari Sebag : Member of the Executive Board, Managing Director

Mrs. Katy Zenou : Member of the Executive Board, Managing Director

Mr. Fabrice Paire : Member of the Executive Board, Managing Director and simultaneously Secretary-General

Mr. Richard Partouche : Member of the Executive Board, appointed by the Supervisory Board on 10 September 2009. He resigned on 28 December 2009 given his nomination on the same day, as Chairman General Manager of Grand Casino d'Annemasse

Mr. Moïse Serero : Member of the Executive Board, appointed by the Supervisory Board on 9 December 2009 in replacement of Mr. Richard Partouche who resigned

Meetings of the Executive Board

The Executive Board met on eight occasions during the financial year ended 31.10.09, and twice afterwards, with a 100% attendance rate.

Functioning of the Executive Board

Please refer to Chapter 21.2.2.

Main work performed in financial year 2009

The meetings of the Executive Board related first and foremost to the quarterly accounts closes. The Executive Board presented a detailed activity report which allows the Supervisory Board to carry out its mission appropriately.

Accounts meetings:

- Quarterly: 8 December 2008 (4th quarter 2008), 23rd February 2009 (1st quarter 2009), 25th may 2009 (2nd quarter 2009), 8th September 2009 (3rd quarter 2009);
- Half-yearly: consolidated accounts 22nd June 2009;
- Annual: 28th January 2009 (financial year 2007/2008).

During the financial year under study, the Executive Board also approved:

- The transmission universelle de patrimoine (TUP) of SAS Somarg: on 4th February 2009;
- The disposal of its assets in Bagnoles de l'Orne: on 21st April 2009

Subsequently to the end of the financial year, the Executive Board met on:

- 8th December 2009 in order to review the accounts of 4th quarter 2009;
- 27th January 2010, in order to review the consolidated accounts and the Company accounts as at 31st October 2009 and to prepare the terms of the management report, in addition to the text of the resolutions which will be presented for the approval of shareholders.

16.3.2. SUPERVISORY BOARD

Composition of the Supervisory Board

Mr. Isidore Partouche : Chairman of the Board

Mr. Marcel Partouche : Vice-Chairman of the Board

Mr. Maurice Sebag : Member of the Board

Mr. Gaston Ghrenassia : Member of the Board

Functioning of the Supervisory Board

Please refer to Chapter 21.2.2.

Meetings of the Supervisory Board

During the financial year ended 31.10.09, the Supervisory Board met on 13 occasions, with an attendance rate of more than 95%; and on six occasions afterwards.

Preparatory meetings for the Board meetings

Meetings of the Supervisory Board: The members of the Supervisory Board receive accounting documents and, in general, documents relating to the Board, on average 10 days before the Board meeting.

Evaluation of supervisory Board members

The methods of evaluating members of the Supervisory Board, as detailed in the Viénot 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.

This is one of the concerns of the Chairman of the Supervisory Board and dovetails with the working methods applied within the Group. In the case of your Company, each member of the Supervisory Board has over 30 years experience and has a highly honed set of skills and knowledge of the leisure business, and particularly of gaming establishments and managing live shows, events and restaurants.

The Supervisory Board evaluates its members once a year. During the financial year under review, this assessment did not reveal any dysfunction which may have a prejudicial effect on the company.

No variable portion of remuneration related to performance or progress is allocated to the company officers.

Main work performed in financial year 2009

The meetings of the Executive Board related first and foremost to the review of the detailed activity reports submitted by the Executive Board at the end of quarterly, half-yearly and annual periods, which allows the Supervisory Board to carry out its mission appropriately.

During the past financial year, the Supervisory Board met in order to the reports on:

- Quarterly statements on 16th December 2008, 24th February 2009, 27th May 2009 and 10th September 2009;
- Half-yearly statements on 24th June 2009;
- Annual statements on 29th Janaury 2010.

During the past financial year, the Supervisory Board also decided:

- to appoint Mr. Fabrice Paire, member of the Executive Board and managing director, until 1 November 2013, date of that the Executive Board will be renewed (Supervisory Board meeting of 3 November 2008);
- to abide by the recommendations made by Afep-Medef on 6 October 2008 concerning executive compensation (Supervisory Board meeting of 24 November 2008);
- to amend internal regulations adopted on 27 October 2005 (Supervisory Board meeting of 24 December 2008);
- to authorise disposal of the Bagnoles de l'Orne property;
- to authorise the signing of a loan write-off agreement with a clawback provision for Casino de la Tremblade (Supervisory Board meeting of 7 July 2009);
- to appoint Mr. Richard Partouche, member of the Executive Board until 1 November 2013, date that the Executive Board will be renewed (Supervisory Board meeting of 10 September 2009);
- to authorise the signing of a tax consolidation agreement with four of its subsidiaries;
- to authorise the sale of shares in the capital of SAS Villa du Havre to its subsidiary, Casino du Havre, and the sale of its shares in the capital of Thermes de Contrexéville SARL to its subsidiary Hôtel Cosmos; to authorise the signing of a memorandum of understanding with Société Francaise de Casinos and with Mr. Eric Cantona (Supervisory Board meeting of 20 October 2009).

The Supervisory Board met six times after the balance sheet date, between 1 November 2009 and 1 February 2010:

- to authorise Groupe Partouche to provide a guarantee on behalf of its subsidiary, Société du Palais de la Méditerranée, in favour of Société du Louvre (Supervisory Board meeting of 3 November 2009);
- to authorise the signature of a loan write-off agreement with a clawback provision for Société du Grand Casino du Havre (Supervisory Board meeting of 30 November 2009), and the signature of a memorandum of understanding with the shareholders of SEC Saint-Julien particularly to settle the fate of the issue of debt owed to Groupe Partouche;
- to examine the financial statements for the 4th quarter of 2009 and to appoint Mr. Moïse Serero as a member of the Executive Board to hold office until the renewal of the executive board on 1 November 2013, replacing Mr. Richard Partouche, who is resigning (Supervisory Board meeting of 9 December 2009);
- to authorise the signature of all the ancillary agreements to the memorandum of understanding entered-into with the banking pool on 21 October 2009 (Supervisory Board meeting of 29 December 2009);
- to authorise the waiver of its claim on SEC Saint-Julien (Supervisory Board meeting of 19 January 2010);
- lastly, in its meeting held on 29 January 2010, the Supervisory Board examined the parent company and consolidated financial statements for the year ended 31 October 2009 in addition to the management report of the Executive Board.

16.4 COMPLIANCE WITH CORPORATE GOVERNANCE SCHEMES

Groupe Partouche SA's corporate governance practices are not defined by any corporate governance framework or code.

However, Groupe Partouche endeavours to observe and apply the principles of corporate governance. More specifically, in so far as specific aspects of its operating procedures linked to its continued significant family control allow, it draws on the small- and mid-cap companies implementation guide forming part of the reference framework published by the Autorité des Marchés Financiers on 9 January 2008.

For this reason, the Supervisory Board, which consists of only four members, was forced to disband the Audit, Finance and Remuneration Committees set up by it in 2005, since it had proven impossible for them to operate under the required legal and regulatory conditions given the Board's specific characteristics.

As regards the requirements of the 8 December 2008 Order instituting the obligation to form an Audit Committee, Groupe Partouche has until 30 June 2011 to comply with this Order unless any Board member's term of office is renewed earlier than the initially planned date. For our company, the first financial year commencing after 1 January 2008 will be the financial year ending 31 October 2010.

However, the Supervisory Board will fulfil the responsibilities allocated to the Audit Committee with effect from the 2010 financial year, as set out in Articles L.823-19 et seq. of the French Commercial Code.

Each equity share carries only one voting right.

Other significant items with respect to corporate governance, procedures and internal control:

- The Extraordinary Shareholders' Meeting of 20 June 1996 decided to change the management mode of our Company, until then governed by a Board of Directors, to that of a Société Anonyme with Executive and Supervisory Boards;
- The decision to adopt this structure was made to observe the principles of corporate governance that have since been adopted under French legislation, the most recent changes in which increase the required level of transparency;
- This dual structure encourages a clear separation between, on the one hand, the functions of the Company's operational management, which is carried out by the five members of the current Executive Board and on the other hand, the control function, which is permanently exercised by a Supervisory Board, which at present has four members.

It should also be noted that the Supervisory Board meets very frequently, with an attendance rate by its members of over 95%. After familiarising itself with the required documents and information, the Supervisory Board carries out an in-depth review of items for discussion.

16.5 OTHER SIGNIFICANT ITEMS WITH RESPECT TO CORPORATE GOVERNANCE, PROCEDURES AND INTERNAL CONTROLS

16.5.1 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE COMPANY'S ORGANISATION AND INTERNAL CONTROL PROCEDURES

Ladies and Gentlemen,

Pursuant to the provisions of Article L. 225-68 of the Code of Commerce ensuing from Article 117 of the Loi de sécurité financière (Financial Security Act), it is my responsibility as Chairman of the Supervisory Board of Groupe Partouche SA to present: (I) the conditions under which the Board's work is prepared and organised, and (II) the internal control procedures implemented by your Company during the financial year 31 October 2009, procedures which apply to all of the Company's majority-owned consolidated subsidiaries.

This report has been prepared with the assistance of the Company's operational and functional divisions, and draws on the small- and mid-cap companies implementation guide forming part of the internal control reference framework published by the Autorité des Marchés Financiers on 9 January 2008.

You are also informed that:

- corporate governance practices are set out in section 16.4 above;
- the methods use to determine remuneration for corporate officers are set out in section 15.1.2;
- the terms under which shareholders may attend Shareholders' Meetings are set out in Article 27, points III and V of the Articles of Association.

CONDITIONS UNDER WHICH THE SUPERVISORY BOARD'S WORK IS PREPARED AND ORGANISED

Information on the conditions under which the Supervisory Board's work is prepared and organised are set out in section 16.3.2 above, and relate in particular to the following:

- the organisation and functioning methods of the Supervisory Board;
- the report on its activity for the financial year under review;
- its preparatory work;
- and finally, the evaluation of its members.

INTERNAL CONTROL PROCEDURES IMPLEMENTED

Although the Company's internal control procedures are not defined by any framework, in implementing them, Groupe Partouche has drawn on the small- and mid-cap companies implementation guide forming part of the reference framework published by the Autorité des Marchés Financiers on 9 January 2008.

The internal control procedures defined and implemented under the Company's responsibility are intended to prevent, manage and control the main risks to which the Company is exposed (see Section 4), by ensuring:

- legal and regulatory compliance;
- that instructions and guidelines issued by senior management are applied;
- the smooth running of the Company's internal processes, and in particular those that contribute to protecting the Company's assets;
- the reliability of financial information and transactions.

More generally, internal control arrangements also help the Company manage its activities, operate efficiently and make efficient use of its resources.

By helping prevent and control risks that might prevent the Company achieving its objectives, the internal control system plays a key role in the management and coordination of the Company's various activities.

However, internal control arrangements cannot provide an absolute guarantee that the Company will achieve its objectives.

In the specific case of Groupe Partouche, which operates in an environment of decentralised functions and responsibilities, internal control arrangements are based on a set of rules, policies, procedures and practices intended to ensure that the required measures are implemented to control risks liable to have a material impact on the Group's assets or the achievement of its objectives.

SCOPE OF INTERNAL CONTROL

In order to achieve these objectives, the Group's internal control procedures are implemented within each subsidiary under the responsibility of operational and functio-

nal divisions at all levels of the organisation. Each person involved in internal control within the organisation is thus informed of his or her role and responsibilities.

Internal control procedures are therefore applied the whole of Groupe Partouche, which consists of Groupe Partouche SA and all its fully consolidated entities.

INTERNAL CONTROL OBJECTIVES

Internal control procedures form part of the general framework of policy defined by the Executive Board. At head office level, they are implemented by senior management and operational divisions; at subsidiary level, they are implemented by and under the responsibility of senior management.

IDENTIFICATION, ASSESSMENT, MONITORING AND CONTROL OF RISKS

The internal control procedures are part of an ongoing process of evaluating and managing risks that may impact the realisation of objectives defined by the Group. The evaluation of risk factors helps to define the appropriate internal control procedures.

Risk factors are assessed in order to help define appropriate internal control activities. These risk factors are identified through regular, detailed interviews held by senior management with members of operational and functional head office divisions, taking into account the Group's past experience in relation to risk.

The identification, assessment and monitoring of risks is regularly updated by senior management, with the help of the relevant operational staff, via meetings at head office. At subsidiary level, this information is updated via meetings involving members of senior management and staff from operational divisions.

Groupe Partouche SA uses these meetings to promote a controlled risk environment within its subsidiaries, and to manage as effectively as possible any risks liable to impact the achievement of the Group's objectives.

The main risks are described in Section 4.

The methods used to manage and control these risks are set out below.

INTERNAL CONTROL PROCEDURES RELATIVE TO OPERATIONAL CONTROL AND LEGAL AND REGULATORY COMPLIANCE

OPERATIONAL CONTROL

Operational control is mainly dependent upon the sustainability and security of the Group's information systems.

Information systems

The accounting and financial system used within the Group aims to meet requirements for reliability, security, availability and traceability of information.

In order to achieve consistency between company and consolidated accounting data, the system is built around a reporting tool and an interfaced system covering virtually all the Group's activities.

Risk monitoring and control procedures

Subsidiaries' accounts departments are also provided with an internal user guide on managing payroll, covering both technical aspects (procedures and instructions) and legal aspects (calculation methods used by the Group in accordance with employment standards, collective bargaining agreements and tax regulations). This ensures that they are able to make proper use of these tools, thus guaranteeing that information is relevant.

The system is configured by external consultants. Updates to the software are performed only by the Group's in-house IT department. The system runs on an AS 400 and data is backed up on tape on a daily basis for all subsidiaries. These tapes are placed in fireproof safes which guarantee that the data is stored in optimal security and an annual backup copy of each accounting entity is sent to the site in CD format.

The software used has numerous security features which can be used to restrict access to certain information on a user-by-user basis.

Moreover, payroll for the group's operating units is managed using a shared information system which operates under the same environment, for which the control, maintenance and backup procedures are identical to those of the accounting information system.

Finally, the accounting and finance system is regularly updated to ensure that it continues to meet the Group's specific requirements.

LEGAL AND REGULATORY COMPLIANCE

77% of the Group's business centres on the casino business in France, which has "three distinct segments: gaming, restaurants and entertainment, all of which are combined under a single management structure, without any individual segment being run separately" (Article 1 of the Order of 23 December 1959 governing to the regulation of gaming in casinos).

The management of these activities therefore falls within an extremely precise scope, defined by the regulations governing the gaming industry, a very strict set of controls covering the authorisation, organisation of business, levying

of taxes by the public authorities and oversight.

Groupe Partouche SA's head office makes available to its operating units its know-how, resources and skills, in terms of personnel and technical resources, and provides technical support, particularly in legal matters.

Legal Department

This is attached to the Company Secretarial Department and its function is:

- to ensure that Groupe Partouche observes the legal and regulatory framework that applies to it;
- to protect the Group's assets and business as a whole;
- to safeguard the Group's interests, and protect its corporate officers and its employees in the performance of their duties.

Risk control and monitoring procedures

The legal department is required to advise the Company Secretary or senior management of sensitive matters that must be reported to them regularly, particularly:

- any changes in laws or regulations applicable to any Group area of business, and in particular to gambling;
- any significant legal proceedings;
- any criminal proceedings against Groupe Partouche or any of its directors;
- any requirement for authorisation from the Executive or Supervisory Boards for projects related to developing the group's businesses or giving rise to any special risk for it.

In addition, all Group management personnel have been made aware of the need to observe laws and regulations by means of delegations of authority, wherever possible, and receive regular training on the prevention of risks in general and legal risks in particular.

INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

One of the main objectives of internal control is to contribute to the assurance that accounting and financial information, in particularly the company and consolidated financial statements, should be objective and give a true and fair view of the Group's net assets and business, and that they should identify and evaluate risks of any type that it might face.

ACCOUNTING FUNCTION STRUCTURE

The accounting department organises and schedules all accounting work to produce reliable consolidated accounts and consistent data; this is facilitated by using Group-wide accounting standards and procedures and a standardised procedure for preparing Group accounts which therefore applies to the operating companies from first consolidation.

Indeed, one of the internal control procedure objectives of Groupe Partouche SA, the Group parent company, is to ensure that the consolidated financial statements are reliable. Specific procedures deal with the preparation of the consolidated financial statements by the dedicated department at Groupe Partouche's head office.

All of the consolidation adjustments are performed at the head office on the basis of interim or year-end information communicated by the chief accountants of the subsidiaries.

The consolidated financial statements are audited by the Group's statutory auditors.

Information is regularly exchanged with the subsidiaries managers, which means that any special transactions that may affect the subsidiaries may be anticipated.

The state of completion of the accounts, the homogeneity of accounting process and any other element that is required in order to fully understand subsidiaries' data are monitored.

We can give some details of the various sequences in the preparation of consolidated financial statements by going through some of the main checks carried out.

The definition of the scope of the consolidated companies is performed by monitoring the equity stakes held by all of the companies within the Group and is validated by cross-checking with the information held by the Group's central legal department.

Changes in the regulatory framework governing consolidation are permanently monitored, where necessary, in conjunction with external advisors. This allows work to be carried out to make the standards applied consistent, ensure that they comply with Group policies and that the information system is updated as appropriate, in liaison with consultants from the software supplier.

On receipt of the consolidation packages from the subsidiaries, the consolidation department ensures compliance with the Group's accounting policies, which allows the consistency of presentation of the financial statements to be guaranteed.

The subsidiaries are provided, on the one hand, with consolidation instructions for the production of consolidation packages and which presents the consolidation work through the documents and information submission procedures, and on the other hand, accounts closing information, comprising the schedule of consolidation operations and the specific information for each accounting close.

Finally, the consolidation department checks for compliance with standards on all matters likely to have an impact on the consolidated accounts. At its level it also gathers all

matters reported by subsidiaries for technical evaluation and for making decisions on accounting treatment.

A standardised Group chart of accounts is used by the operating units, tailored for the specific provisions on recording and accounting for casinos.

Procedural instructions are prepared by Group accounting department for the subsidiaries, particularly to cover the specific accounting features of their business sector.

These arrangements ensure that accounting data transmitted to Groupe Partouche SA is consistent. Group accounting department organises and timetables the accounts close work for the individual Groupe Partouche SA companies, and prepares an annual and half yearly control schedule.

It performs an exhaustive listing and ensures the reciprocity of inter-company transactions.

Groupe Partouche SA manages and co-ordinates the calculation and monitoring of the group's tax charge, using a specific application dedicated to tax consolidation.

For companies that are part of a tax consolidation group, head office departments perform a control of the tax schedules prepared by chartered accountants.

Group financial information comes directly from applications integrated with accounting and administrative software, although technically the financial information has its own database.

This means accounts transaction processing can be monitored on site in real time, and is then uploaded monthly into the reporting package.

The head office consolidation department continually updates the expertise that it has acquired since it prepared the very first set of consolidated financial statements for Groupe Partouche SA.

Chief accountants at the operating units are responsible for preparing the consolidation packages by completing the accounting and financial information to be sent to the consolidation department.

The information system used to prepare the consolidation is one of the leading products on the market. A certain amount of work was required to configure the system to the specific needs of the Group, and this was performed exclusively by the software maker itself.

Information is collected from the subsidiaries using centralised modules of the information system.

These modules are secure; subsidiaries have access only to the current period, without being able to modify any parameters.

The accounting information validated by the subsidiaries is interfaced from the accounting information system to the centralised consolidation information system.

The finance department is responsible for preparation and publication of financial and accounting information.

The Groupe Partouche accounts department coordinates and supervises the structure of the accounts departments.

Groupe Partouche SA uses a standard accounts information system, as do its operating units.

Control and risk monitoring procedures implemented

A series of controls has been implemented within the majority of subsidiaries, in particular those with casino operations, to check the principal risks associated with the activity of operating a casino and which may have a financial impact on the financial statements.

These controls cover in particular the recording of monthly revenue figures, the monitoring of investments, debt recovery, purchases and financial information, as communicated by all subsidiaries.

They are carried out each month by all of the Group subsidiary users of accounting and financial information and are designed to identify any dysfunctions.

The Group carries out monthly reporting on the financial statements and performs half-yearly accounting closes.

The main monthly accounting controls carried out are as follows:

- regularity of accounting data;
- the stability and position of the current accounts between Groupe Partouche SA and the other group entities are checked by the head office accounting department;
- bank reconciliations;
- correct recording of revenue figures.

Furthermore, the main controls carried out by the consolidation management function are as follows:

- checking of the reciprocity of the current accounts at Group level;
- monthly analyses of the results of the operating companies;
- more complete balance sheet analyses are carried out in April and in October at the half-yearly and annual accounting closes alongside the publication of an in-depth analysis of all balance sheet items, off-balance sheet items and financing tables.

In association with accounting and financial management functions, the following monthly controls are carried out with a view to safeguarding assets:

- reconciliation of operating profit with management profit figures;
- analysis of investments;
- analysis of financial income;
- analysis of net borrowings.

MANAGEMENT BODIES

The management services of Groupe Partouche SA's head office are responsible for coordinating the Group's management controls.

They are supported by the management accountants in charge of preparing and monitoring budgets and the financial reporting of their operating units, within the subsidiaries.

Control and risk monitoring procedures implemented:

▪ Budgetary reporting process

All of the information used, in the budgetary reporting process, is processed by one of the leading information systems on the market. This analysis tool is based on a single reference system applicable to all of the units, which ensures the homogeneity of information. The units have decentralised data input modules which feed into a single group-wide database.

This database guarantees the reliability and the traceability of data, thanks notably to controls and automated validations of data and a set of controls that are specific to the Group's line of business.

The budgetary reporting process is a useful internal control enabling the analysis of financial flows.

▪ Monthly financial reporting

Financial reporting is provided to senior management at every month-end. The relevant management bodies are required to present their monthly activity in a formal meeting. Furthermore, an overall analysis of the results of the operating companies is performed using information taken from the management software package of the accounting function.

The budget process developed by Groupe Partouche SA allows the operating units to produce a forecast operating statement and an investment budget.

The key stages of the budget process are as follows:

- August: operating units prepare their annual monthly-apportioned budget and investment budget;
- September and October: operating unit directors present their budgets to the Budget Committee which makes any final adjustments;
- Budgets may be revised during the current reference period whenever a structural modification affects the operating conditions of a unit. Specific indicators are defined and summary reports are prepared on the basis of budgetary information in order to optimise the level of analysis.

All of this information helps to ensure the monitoring, control and co-ordination of the operations, by using the data produced from the financial reporting and management processes. The financial reporting process is fundamental to controlling accounting, financial and management information. It also produces a set of performance indicators.

Reporting based on the transmission of operating income statements and investment commitments makes detailed information available on the operation of the units.

On the basis of an analysis of this data, concerted efforts can be made to achieve the objectives that have been set.

Management of cash flow and financing activities:

The management of Groupe Partouche's cash flow and financing activities is centralised at the head office and is designed to guarantee the security, transparency and efficiency of the operations relating to cash flow and financing activities.

This management function is responsible for:

- managing financial resources (financing and investment) to maintain the Group's cash levels;
- ensuring control of financial expenses;
- managing cash flows;
- quantifying and hedging financial risks;
- monitoring banking relationships;
- supporting the subsidiaries' management decisions and their financing of new projects.

Control and risk monitoring procedures implemented

In order to perform its missions, the services of the treasury and finance defined Group rules and procedures, such as a procedure requiring signing authorities for bank accounts to limit the risk of fraud.

Weekly and monthly reporting enables the general management to remain informed of the Group's forecast and real debt levels and liquidity, monitor risk, maturities of hedging transactions and the state of relationships with the banks etc.

FINANCIAL COMMUNICATION

The financial communication department is placed under the responsibility of the finance director. It is based in the head office and is in charge of communicating the company's strategy and results to the financial markets.

Control and monitoring procedures implemented

Every year a schedule is drawn up summarising all the company's financial communication requirements vis-a-vis the market and regulatory and stock market authorities.

The schedule specifies the nature of each periodic obligation as well as its deadline.

This schedule is distributed internally to the relevant teams.

Procedures for regulating financial and accounting information provide the basis for:

- monthly audits of all accounting and financial information (management and treasury functions);
- account verification by the statutory auditors of information presented in the interim and annual reports;
- finally, the finance director, who is in charge of financial communication, works with the legal department to establish legal and regulatory communication requirements concerning risk.

In conclusion, in 2009 Groupe Partouche maintained and strengthened its policy of increasing awareness of the inherent risk involved in its activities and the internal control procedures implemented to ensure optimal risk monitoring and management.

Isidore Partouche
Chairman of the Supervisory Board

16.5.2 STATUTORY AUDITORS' OBSERVATIONS, ESTABLISHED PURSUANT TO ARTICLE L.225-235 OF THE CODE OF COMMERCE, ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD IN RESPECT OF INTERNAL CONTROL PROCEDURES RELATING TO FINANCIAL INFORMATION

Ladies and Gentlemen,

In our capacity of statutory auditors of Groupe Partouche SA and pursuant to the provisions of Article L.225-235 of the Code of Commerce, we hereby present our observations on the report of the Chairman [of the Supervisory Board] of your Company, in accordance with the provisions of Article L.225-68 of the Code of Commerce for the financial year ending 31 October 2009.

It is the Chairman's task to draw up and submit to the Supervisory Board's approval a report describing the internal-control and risk-management procedures instituted within the company, and providing the other disclosures required by Article L. 225-68 of the Code of Commerce, particularly regarding the scheme of corporate governance.

Our role is to:

- communicate to you our observations on the information provided in the Chairman's report relating to internal control procedures governing the preparation and processing of accounting and financial information;
- to certify that the report contains the other disclosures required by Article L. 225-68 of the Code of commerce, it being pointed out that we are not required to verify the truthfulness or accuracy of such other information.

We conducted our work in accordance with French accounting principles.

Information concerning the internal-control and risk-management procedures governing the generation and processing of accounting and financial information

Accounting rules and practices require us to perform investigations for ascertaining the truth and fairness of the information given in the Chairman's report concerning the internal control procedures governing the generation and processing of accounting and financial information. These investigations focus among others on the following:

- acquainting ourselves with the internal control and risk management procedures governing the generation and processing of the accounting and financial information underlying the information given in the Chairman's report and the existing documentation;
- acquainting ourselves with the work involved in generating that information and the existing documentation;
- determining whether the Chairman's report appropriately discloses any major shortcomings in the internal control measures governing the generation and processing of the accounting and financial information noted by us during our audit.

On the basis of our work, we have no comments to make on the information provided relating to the Company's internal control procedures governing the preparation and processing of accounting and financial information, contained in

the report of the Chairman of the Supervisory Board, prepared in application of the provisions of the last subsection of Article L.225-68 of the Code of Commerce.

Other information

We hereby certify that the report by the chairman of the Supervisory Board contains the other disclosures required by Article L. 225-68 of the Code of commerce.

Marseille and Sceaux, 22 February 2010

MCR **José David**

Jean-Louis Mathieu

17 EMPLOYEES

17.1 HUMAN RESOURCES – WORKFORCE

CATEGORIES AT 31 OCTOBER	2009	2008	2007
Managers	991	963	875
Supervisors and technicians	312	294	321
Other employees excluding labour	4 225	4 628	4 696
Labour	242	200	192
Total	**5770**	**6086**	**6 084**

Pursuant to article L.225-102-1 of the Code of Commerce, please find below information relating to our workforce.

OUR PEOPLE MAKE US WHAT WE ARE

At the end of the financial year, Groupe Partouche had 5,770 employees, down by 5,2% compared to previous year. This is mainly due to the decrease in the expenses due to the economic situation. 88% of the Group's workforce is employed under open-ended employment contracts.

Women represent 39% of the workforce. There are a total of 991 management-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.

Work time reduction agreements have been negotiated and signed in certain subsidiaries. Subcontracting is only used on a relatively small scale, as our key professional specialities cannot be easily outsourced. During the financial year, subcontracting represented €10.8, chiefly attributable to the provision of security services.

REWARDS AND LOYALTY ENHANCEMENTS

Total payroll including social charges came to €196.6m, and the combined total of profit-related pay paid by the subsidiaries came to €3.7m.

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 respected by all of our subsidiaries.

This exemplary level of commitment is part of Groupe Partouche's longstanding policy of providing quality hospitality services and respecting its clientele. Moreover, a system of internal risk assessment documents has been implemented and is 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 made this a moral principle, a core component of our essential values of respecting people at the workplace.

TRAINING TO KEEP A COMPETITIVE EDGE

The training of sales teams in all the Group's casinos was completed successfully, designed to accompany the development of Groupe Partouche's business and the growth of activities other than gaming, namely restaurants and entertainment.

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, via its subsidiaries, mainly takes an active role in local initiatives preferring to focus on its role in the local community. Examples abound, notably 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.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

As part of its development of the policy of responsible gaming and the charter signed by the professional union, "Syndicat des Casinos Modernes de France", of which Groupe Partouche is a member, measures to protect players were stepped up.

The contracts signed with ADICTEL have all been renewed. ADICTEL is a company responsible for the prevention of excessive gaming and providing help to dependant players.

Management personnel and team leaders regularly receive training.

Groupe Partouche therefore assumes its social responsibilities concerning the most direct impact of its activity on citizens and, on an ongoing basis, makes resources available for its patrons to continue using gaming as a source of controlled pleasure.

Moreover, the business activities of Groupe Partouche do not comprise any direct, significant risks with respect to environmental responsibility.

17.2 SHAREHOLDINGS AND STOCK OPTIONS OF MEMBERS OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

Nil.

17.3 EMPLOYEE PROFIT SHARING IN THE CAPITAL OF GROUPE PARTOUCHE

17.3.1 DISCRETIONARY PROFIT SHARING

To date, there is no discretionary employee profit sharing contract at Groupe Partouche SA.

17.3.2 NON-DISCRETIONARY PROFIT SHARING

Pursuant to the provisions of article L.225-102 of the Code of Commerce, we hereby indicate that there is no non-discretionary employee profit sharing in the share capital under the terms of a company savings plan as of the balance sheet date, 31 October 2009.

17.3.3 EMPLOYEE SHAREHOLDERS

Nil.


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18 PRINCIPAL SHAREHOLDERS

18.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

The following table shows the breakdown of capital and voting rights over the last three years:

PRINCIPAL SHAREHOLDERS	12/11/2009		31/12/2008		31/01/2008	
	NUMBER OF SHARES	% OF CAPITAL % OF VOTING RIGHTS (1)	NUMBER OF SHARES	% OF CAPITAL % OF VOTING RIGHTS (1)	NUMBER OF SHARES	% OF CAPITAL % OF VOTING RIGHTS (1)
FINANCIÈRE PARTOUCHE SA (2)	28 840 000	66.92 %	28 840 000	66,92 %	28 840 000	66,92 %
PARTOUCHE FAMILY	1 673 079	3.88 %	1 631 317	3.78 %	1 633 371	3.79 %
SUBTOTAL	**30 513 079**	**70.80 %**	**30 471 317**	**70.70 %**	**30 473 371**	**70.71 %**
PUBLIC (3)	12 584 339	29.20 %	12 626 101	29.30 %	12 624 047	29.29 %
TOTAL	**43 097 418**	**100,00 %**	**43 097 418**	**100,00 %**	**43 097 418**	**100,00 %**

(1) There are no double-voting rights.

(2) SA FINANCIÈRE PARTOUCHE is a family holding company.

(3) By letter dated 20 May 2009,KBL Richelieu Gestion, acting on behalf of the mutual fund it manages, declared that it had crossed down the disclosure threshold of 5% of the share capital and voting rights of Groupe Partouche, and that it thereby held 2,060,000 shares representing 4,78% of the share capital and voting rights of Groupe Partouche. As far as the company is aware, there are no additional shareholders holding 5% or more of the share capital and voting rights, apart from Financière Partouche.

Groupe Partouche requested Euroclear France to perform a survey on 12 November 2009 of intermediaries holding at least 11,000 shares. This survey enabled us to identify 4,471 shareholders, representing 27,1% of the share capital. Taking into account the 99 shareholders holding registered shares at this date, we have thereby established that at this date 99.9% of the share capital of Groupe Partouche was owned by 4,570 shareholders.

A very substantial proportion of the shareholders identified by the Euroclear France survey – some 44,0% – were institutional investors.

No securities are owned by employees under a share ownership program.

To the best of the company's knowledge, there are no shareholder pacts or share purchase or subscription plans.

At the balance sheet date, the Company held 19,166 self-owned shares.

18.2 DIFFERENT VOTING RIGHTS

There are no double voting rights. Shares issued and in circulation each have one associated voting right.

18.3 INFORMATION ON THE CONTROL OF THE SHARE CAPITAL OF THE COMPANY

The company is 66.92% controlled by the majority shareholder, Financière Partouche, a company whose share capital is entirely owned by the members of the Partouche family. The Partouche family, via the Financière Partouche holding company and natural persons therefore control 70.80% of the share capital of Groupe Partouche. No particular measures are in place to ensure that control is not exercised in an abusive manner.

18.4 CHANGE OF CONTROL

To the best of our knowledge, neither shareholders' pacts nor any clauses of any agreement comprising preferential sale or acquisition conditions for Groupe Partouche shares have been notified to the Autorité des Marchés Financiers. Moreover, no actions in concert have been reported.

19 RELATED-PARTY TRANSACTIONS

Please refer to Section 7.2 of this Document for the organisational structure and Note 29 "Related parties" of the notes to the consolidated financial statements.

Any relations with associated entities are performed in accordance with normal market conditions.

Moreover, the special report of the Statutory Auditors on third-party agreements is presented below.

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009

Ladies and Gentlemen,

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

1. AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE FINANCIAL YEAR

According to the provisions of Article L. 225-88 of the Code of Commerce, 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 the 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 R.225-58 of the Code of Commerce, to assess the beneficial nature of these transactions with a view to approving them.

We have carried out the work that we deemed necessary in light of the professional doctrine of the CNCC relating to this mission: the consistency of the information with which we have been provided and the source documents from which it has been extracted.

1.1 WAIVER OF RECEIVABLE IN FAVOUR OF SAS CASINO DE LA TREMBLADE

During the financial year ended 31 October 2009, your company waived a claim of €502,000 owed to it by SAS Casino de La Tremblade. The waiver agreement contains a clawback provision, and relates to a portion of the current-account balance owed to your company by SAS Casino de La Tremblade.

This agreement was authorised by your Supervisory Board on 7 July 2009.

Member of the Executive Board concerned:

Mr. Ari Sebag

1.2 SALE OF THE SHARES AND CURRENT ACCOUNT OF THE SAS VILLA DU HAVRE TO THE SAS GRAND CASINO DU HAVRE

On 30 October 2009, your company sold 4,000 shares, representing the whole of the share capital in Villa du Havre SAS, to Grand Casino du Havre SAS for a price of €40,000, corresponding to the carrying amount of those shares.

On 30 October 2009, Groupe Partouche SA also assigned a debt of €3,254,466 owed to it by Villa du Havre SAS, to SAS Grand Casino du Havre. This debt was assigned at its nominal value.

The related agreement was authorised by your Supervisory Board at its meeting on 20 October 2009.

Members of the Supervisory Board / Executive Board concerned:

Mr. Maurice Sebag

Mr. Ari Sebag

2. AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS FINANCIAL YEARS, THE EXECUTION OF WHICH CONTINUED DURING THE FINANCIAL YEAR

Moreover, pursuant to the Code of Commerce, we were informed that the execution of the following agreements and commitments, approved in previous financial years, continued in the financial year under review.

2.1 TAX CONSOLIDATION AGREEMENT

In the financial year ended 31 October 2009, the tax consolidation agreement encompassing 61 subsidiaries was extended to the following companies, the integration of which will become effective as of 1 November 2009: Partouche Interactive SA, Partouche Technologies SAS, Société du Casino du Palais de la Méditerranée SA and Partouche Tournois SARL.

This tax consolidation agreement is applied in accordance with Article 223 A of the French General Tax Code.

This agreement generated for your company a tax saving for the financial year ended 31 October 2009 of €13,897,697 and a carryback tax receivable of €5,291,300, making a total tax saving of €19,188,997.

2.2 LEASE AGREEMENT WITH FINANCIÈRE PARTOUCHE SA

During the financial year ended 31 October 1998, your company signed a lease agreement with Financière Partouche SA. This lease covers the lease of your company's headquarters at 141 bis, rue de Saussure 75017, Paris, France. A rider to the lease was signed on 1 August 2002, in light of the extension of the surface area occupied by Groupe Partouche SA. The lease term is now nine years, commencing 1 August 2002 and ending 31 July 2011, the annual lease is now fixed at €160,000 excluding VAT before re-indexation.

This agreement generated for your company an expense of €206,661 in rent, and €67,286 of tenant service charges, making a total expense of €273,946.

2.3 CASH POOLING AGREEMENT WITH FINANCIÈRE PARTOUCHE SA

Financière Partouche SA was authorised to participate in the cash pooling agreement for Group companies with Groupe Partouche. It is stipulated to this effect that any loans and advances that may be granted under this agreement will be remunerated at preferential rates compared to market rates.

The interest rate applied for the financial year ending 31 October 2009 was 4.25%.

Under the terms of this agreement, your company recognised a net interest expense of €45,814 for the financial year ending 31 October 2009. The amount owed by Groupe Partouche SA to Financière Partouche SA recorded in the current account amounted to €2,272,947 at 31 October 2009.

2.4 SHAREHOLDER ADVANCE AGREEMENT WITH FINANCIÈRE PARTOUCHE SA

On 26 August 2003, your Company signed a shareholder advance agreement with Financière Partouche SA. Under the terms of this agreement, Financière Partouche SA granted your company an advance in the amount of €100,000,000 for a period of 7 years and 3 months, commencing on 29 August 2003, which was extended by a rider until 30 November 2012.

Pursuant to the memorandum of understanding on the restructuring of the debt, concluded with the banking pool on 21 October 2009, the maturity date for the shareholder advance was set at 31 December 2015.

This advance bears interest at the EURIBOR 1-, 2-, 3- or 6-month rate plus 2%. The amounts lent to Groupe Partouche SA under the shareholder advance are to be repaid only in accordance with the terms laid down in the subordination agreement signed on 27 September 2005 between Financière Partouche SA and Groupe Partouche SA.

Under this agreement, payment of sums owed under the syndicated loan has priority over the repayment of the shareholder advance.

Pursuant to the memorandum of understanding on the restructuring of the debt concluded with the pool of banks on 21 October 2009, it was further agreed that no interest or dividend would be payable by Groupe Partouche SA to Financière Partouche SA in respect of the subordinated shareholder advance or on any other grounds, subject to the exception of repayments using surplus cash flow as defined in the abovementioned agreement.

Pursuant to this agreement, and for the financial year ended 31 October 2009, Financière Partouche SA billed your company for €3,923,164 of financial interest and €405,629 for the cost of interest-rate hedging, making a total expense of €4,328,793.

2.5 AUTHORISATION FOR THE USE OF A TRADEMARK GRANTED TO PARTOUCHE INTERACTIVE SA

Your company has granted exclusive licence for the use of the French trademark "Groupe Partouche" to Partouche Interactive SA.

This licence gives Partouche Interactive SA the right to manufacture and/or sell all services and products covered by this trademark distributed over the Internet, television, mobile and fixed-line telephony, as well as over any other existing or future electronic distribution channels. This agreement entered into force on 11 April 2006 with an initial term of ten years. Under the terms of this agreement, Partouche Interactive SA pays Groupe Partouche SA a licensing fee equal to 15% of the turnover excluding VAT generated by the services and products manufactured and/or sold under the Groupe Partouche brand by the licence holder.

Operating income recorded with respect to this agreement amounted to €642 for the financial year ended 31 October 2009.

2.6 MANAGEMENT CONSULTING AGREEMENT WITH SHAL & CO SA

Your company has concluded a management consulting agreement with Shal & Co SA. Under the terms of this agreement, Shal & Co SA provides consulting services to certain subsidiaries of Groupe Partouche SA together with assistance in the areas of sales and administration as well as financial, legal, accounting and tax matters. This agreement was amended on 28 December 2008 to extend its term indefinitely.

With respect to this agreement, your company recorded a charge of €567,433 under operating expenses for the financial year ended 31 October 2009.

2.7 PARTNERSHIP AGREEMENT FOR HEAD OFFICE SERVICES WITH ISPAR HOLDING SA

Your company has concluded a partnership agreement with Ispar Holding SA covering head office services. Under the terms of this agreement, Groupe Partouche SA undertakes to retrocede to Ispar Holding SA:

- 25% of the compensation invoiced by Groupe Partouche SA to Casino du Lac Meyrin SA (Switzerland) for the rendering of head office services;
- 50% of the compensation invoiced by Groupe Partouche SA to Casino de Crans-Montana (Switzerland) for the rendering of head office services.

With respect to this agreement, your company recorded a charge of €337,813 under operating expenses for the financial year ending 31 October 2009.

Marseille and Sceaux, 22 February 2010

MCR **José DAVID**

Jean-Louis Mathieu

20 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1 HISTORICAL FINANCIAL INFORMATION

Pursuant to article 28 of Regulation (EC) N°809/2004, the following information is included by reference in this Document:

- the consolidated financial statements for the financial year ended 31 October 2007, prepared in accordance with French GAAP and the report of the Statutory Auditors relating to the consolidated financial statements of the financial year ended 31 October 2007, which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 14 March 2008 under number D.08-0107, pages 78 and seq.;
- the consolidated financial statements for the financial year ended 31 October 2008, prepared in accordance with French GAAP and the report of the Statutory Auditors on the consolidated financial statements for the financial year ended 31 October 2008, which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 5 March 2009 under number D.09-098, pages 91 and seq.;
- the individual company financial statements for the financial year ended 31 October 2007 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2007 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 14 March 2008 under number D.08-0107, pages 115 and seq.;
- the individual company financial statements for the financial year ended 31 October 2008 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2008 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 5 March 2009 under number D.09-098, pages 138 and seq.;

Both of the reference documents referred to above are available on the website of the Company (www.partouche.com) and the Autorité des Marchés Financiers (www.amf-france.org).

20.2 FINANCIAL STATEMENTS

20.2.1 GROUP FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2009

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT PER SHARE DATA)	NOTES	2009	2008	2007
Turnover	21	452 993	481 678	510 898
Purchases and external expenses	22	(140 731)	(154 324)	(146 091)
Tax		(26 014)	(29 371)	(27 258)
Personnel costs	23	(200 373)	(211 243)	(206 921)
Depreciation, amortisation and impairment on fixed assets		(45 565)	(47 009)	(44 400)
Other current operating income and expenses	24	(11 274)	(9 566)	(10 403)
Current operating profit		**29 036**	**30 165**	**75 825**
Other non-current operating income and expenses	24	1 517	8 317	(1 692)
Gain (loss) on the sale of consolidated investments		(637)	(417)	(2 766)
Impairment of non-current assets	5-6	(8 686)	(3 905)	(6 304)
Non-current operating profit		**(7 806)**	**3 994**	**(10 762)**
Operating profit		**21 230**	**34 159**	**65 063**
Financial items	**25**	**(24 956)**	**(23 074)**	**(21 258)**
Income before tax		**(3 726)**	**11 085**	**43 805**
Corporate income tax	27	(1 169)	(13 832)	(18 015)
Income after tax		**(4 894)**	**(2 747)**	**25 790**
Share in earnings of equity affiliates	7	(1 922)	(1 719)	(2 001)
Total net income		**(6 816)**	**(4 466)**	**23 789**
o/w Group share		(16 679)	(8 485)	14 259
o/w minority interests		9 863	4 019	9 530
Net income per share – Group share		**(0,387)**	**(0,197)**	**0,331**
Dividend distributed per share		-	-	-
Number of shares on which the earnings per share calculation is based		43 097 418	43 097 418	43 097 418

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET (NET VALUE)

ASSETS NET €000 AT 31 OCTOBER	NOTES	2009	2008	2007
Intangible assets	4	11 572	11 684	9 599
Goodwill on acquisition	5	412 123	414 114	407 747
Property and equipment	6	386 362	413 161	414 801
Investments in companies accounted for using the equity method	7	3	5 665	7 670
Other non-current financial assets	8	3 011	4 161	4 014
Deferred tax assets	27	2 397	855	1 988
Other non-current assets	9	14 883	9 980	4 987
TOTAL NON-CURRENT ASSETS		**830 350**	**859 620**	**850 806**
Inventories and semi-finished goods	10	3 572	4 052	7 840
Trade and other receivables	11	30 108	25 432	36 633
Tax receivables		4 206	8 516	8 099
Derivative financial instruments		-	333	2 973
Other current assets	12	14 844	13 576	15 234
Cash and cash equivalents	13	78 866	68 972	128 824
TOTAL CURRENT ASSETS		**131 596**	**120 881**	**199 604**
Available for sale assets	30	-	-	572
TOTAL ASSETS		**961 946**	**980 501**	**1 050 982**

EQUITY AND LIABILITIES €000 AT 31 OCTOBER	NOTES	2009	2008	2007
Share capital	14	86 195	86 195	86 195
Treasury shares	14	(59)	(79)	(169)
Share premium		9 411	9 411	9 411
Consolidated reserves	14	216 590	208 977	194 241
Revaluation reserve		1 920	1 339	(627)
Net profit (loss) for the year		(16 679)	(8 485)	14 259
GROUP EQUITY		**297 377**	**297 358**	**303 310**
MINORITY INTERESTS	**14**	**28 917**	**29 200**	**30 459**
TOTAL EQUITY		**326 294**	**326 558**	**333 768**
Non-current financial debt	17	409 807	116 979	431 292
Employee commitments	15	8 285	6 670	6 035
Other non-current provisions	16	5 473	15 058	19 136
Deferred tax liabilities	27	33 180	34 491	32 673
Other non-current liabilities	18	11 060	12 247	9 737
TOTAL NON-CURRENT LIABILITIES		**467 805**	**185 445**	**498 872**
Derivative financial instruments		-	-	-
Current financial debt	17	12 113	304 810	50 686
Current provisions	16	4 611	2 549	1 945
Trade and other payables	19	112 532	118 671	99 261
Current tax liabilities	20	36 619	40 925	63 461
Other current liabilities	18	1 971	1 544	2 990
TOTAL CURRENT LIABILITIES		**167 847**	**468 497**	**218 341**
Held for sale liabilities	30	-	-	-
TOTAL EQUITY AND LIABILITIES		**961 946**	**980 501**	**1 050 982**

(Number of shares in circulation at 31 October 2009, 31 October 2008 and 31 October 2007: 43,097,418)

CONSOLIDATED CASH FLOW STATEMENT

€000 AT 31 OCTOBER	2009	2008	2007
Total net income	**(6 816)**	**(4 466)**	**23 789**
Adjustments:			
Elimination of income from associates	1 922	1 720	2 001
Elimination of tax expense (income)	1 169	13 832	18 015
Elimination of depreciation, amortisation and provisions	56 435	45 562	54 969
Elimination of gains and losses on revaluation to fair value	4 383	3 192	(573)
Elimination of results on the sale of assets	(2 718)	(8 055)	4 126
Elimination of net interest expense (income)	18 366	27 116	26 900
Elimination of dividend income	-	(14)	(14)
Impact of the change in WCR	(12 604)	10 802	17 876
Interest paid	(19 197)	(28 582)	(28 999)
Tax paid	(5 988)	(17 904)	(16 148)
Net cash inflow from operating activities, activities in the course of being divested	-	-	-
Net cash flow from operating activities	**34 951**	**43 202**	**101 942**
Acquisition of investment securities net of cash acquired	(68)	(6 530)	(8 410)
Disposal of consolidated companies, less cash sold	500	1 818	9 643
Impact of other changes in consolidation scope	2	165	694
Acquisition of intangible assets	(1 643)	(3 109)	(1 428)
Acquisition of property and equipment	(20 223)	(46 374)	(41 002)
Acquisition of financial assets	1	470	(1 012)
Loans and advances granted	(633)	(1 115)	(968)
Disposal of intangible assets	27	6 950	192
Disposal of property and equipment	6 960	7 000	339
Disposal of financial assets	14	-	35 988
Reimbursements received from loans	768	983	667
Interest received	832	1 463	2 088
Dividends received	-	14	14

€000 AT 31 OCTOBER	2009	2008	2007
Net change in short term investments	-	3	238
Cash flow from investing activities, activities in the course of being divested	-	-	9
Net cash flow from investing activities	**(13 463)**	**(38 260)**	**(2 948)**
Capital increase subscribed by minority interests	-	-	-
Loans issued	1 073	93	540
Loans reimbursed	(4 232)	(54 882)	(59 168)
Reimbursement of other financial debts	(570)	(3 247)	(8 165)
Dividends paid to minority shareholders	(7 335)	(9 748)	(8 319)
Net cash flow from financing activities	**(11 062)**	**(67 784)**	**(75 112)**
Impact of foreign exchange rates	(329)	2 889	29
Change in cash and cash equivalents	**10 094**	**(59 953)**	**23 911**
Opening cash position	**68 759**	**128 712**	**104 801**
Closing cash position	**78 856**	**68 759**	**128 712**

The comments on the cash flow statement are presented in Note 26.

The amount of 78 866 000 € of the assets heading: cash & cash equivalents represents the closing cash position 78 856 000 €, increased by the accrued interests to be received 20 000€ and less provisions on investments 11 000€.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€000 AT 31 OCTOBER	CAPITAL	TREASURY SHARES	SHARE PREMIUM RELATED TO CAPITAL	CONSOLIDATED RESERVES	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Equity at 31 October 2006	86 195	(169)	9 411	175 930	(151)	**271 216**	32 336	**303 552**
Distribution of dividends	-	-	-	-	-	**-**	(8 060)	**(8 060)**
Change in fair value of available for sale financial assets	-	-	-	9 081	-	**9 081**	216	**9 297**
Other movements	-	-	-	9 230	(476)	**8 754**	(3 564)	**5 190**
Net income for 2007 financial year	-	-	-	14 259	-	**14 259**	9 531	**23 790**
Equity at 31 October 2007	86 195	(169)	9 411	208 500	(627)	**303 310**	30 459	**333 768**
Distribution of dividends	-	-	-	-	-	**-**	(9 749)	**(9 749)**
Other movements	-	90	-	477	1 966	**2 533**	4 471	**7 004**
Net income for 2008 financial year	-	-	-	(8 485)	-	**(8 485)**	4 019	**(4 466)**
Equity at 31 October 2008	86 195	(79)	9 411	200 492	1 339	**297 358**	29 200	**326 558**
Distribution of dividends	-	-	-	12	-	**12**	(7 337)	**(7 325)**
Other movements	-	19	-	16 086	581	**16 686**	(2 809)	**13 877**
Net income for 2009 financial year	-	-	-	(16 679)	-	**(16 679)**	9 863	**(6 816)**
Equity at 31 October 2009	**86 195**	**(59)**	**9 411**	**199 911**	**1 920**	**297 377**	**28 917**	**326 294**

Please see comments in note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Notes to the consolidated financial statements are an integral part thereof.

GENERAL PRESENTATION

In the following notes to the financial statements, "Groupe Partouche" and "the Group" define all of the Group and its consolidated subsidiaries. Groupe Partouche SA defines the parent company of Groupe Partouche.

Groupe Partouche is a société anonyme (limited company) governed by French law, subject to all of the texts governing commercial companies in France, particularly the Code of Commerce. It has its registered office at 141 bis rue de Saussure, Paris 17th arrondissement and has been listed on the Paris stock exchange since March 1995.

Groupe Partouche SA, the company and its subsidiaries, are organised around the casino and hospitality business. The consolidated financial statements were approved for publication by the Executive Board of Groupe Partouche SA on 27 January 2010.

Pursuant to French legislation, the consolidated financial statements for the financial year ended 31 October 2009 will be subject to the approval of the shareholders of the Group at the shareholders' meeting convened for 20 April 2010.

NOTE 1. KEY EVENTS DURING THE FINANCIAL YEAR

The second half of the 2009 financial year featured the conclusion of a memorandum of understanding for restructuring the Group's debt, enabling it to adjust the scheduling of its debt within a financial framework taking into account the economic and operating conditions of its sector.

Over the financial year, the cost reduction policy introduced significantly limited the impact of the lowered activity on operating profitability.

During the financial year, the Group restructured the companies of its Swiss division, resulting in the liquidation of the following three Swiss companies: Casino de Saxon, Compagnie des Casinos Holdings and Vistaleasing.

A last highlight of the financial year 2009 was the signing at the year-end of a memorandum of understanding giving the Group, on completion of the transaction, ownership of all the shares in Casino du Palais de la Méditerranée in Nice.

NOTE 2. DESCRIPTION OF THE ACCOUNTING POLICIES AND VALUATION METHODS APPLIED BY THE GROUP

ACCOUNTING FRAMEWORKS

The consolidated financial statements of Groupe Partouche have been prepared under International Financial Reporting Standards (IFRS) as adopted in the European Union, following the regulation n° 1606-2002 of 19 July 2002.

The financial information has been prepared for the periods presented in compliance with the rules of recognition and measurement under IFRS 1, First-time adoption of IFRS.

IFRS/IFRIC (International Financial Reporting Interpretations Committee)

Groupe Partouche did not opt for early application of standards and interpretations published by the IASB whose application was not yet mandatory for the preparation of consolidated financial statements for the year ended 31 October 2009:

- IFRS 8 "Operating Segments"
- IFRIC 13 "Customer Loyalty Programmes"
- IAS 1 (as amended on 09/2007) "Presentation of the Financial Statements"
- Amendment of IAS 23 "Borrowing costs"
- Amendment to IFRS 2 Share-Based Payment entitled "Vesting Conditions and Cancellations"
- IAS 27 amended " Consolidates and Individual Financial Statements"
- IFRS 3 amended " Business Combinations "

PREPARATION PRINCIPLES, ACCOUNTING JUDGMENTS AND ESTIMATES

The consolidated financial statements are prepared on the basis of historic costs, with the exception of certain financial instruments are recorded as of 1 November 2004, based on their fair value:

- derivative financial instruments;
- available for sale financial assets.

Groupe Partouche closes its financial statements at 31 October. The subsidiaries that do not have a 31 October year-end prepare interim financial statements at that date.

The subsidiaries acquired are consolidated in the group's financial statements as of the date of their acquisition, commencing on the most recent date of preparation of the most recent consolidated balance sheet.

Preparing the financial statements requires Groupe Partouche to perform estimates and make assumptions liable to have an impact both on the amounts of assets, liabilities, income and expenses and the information provided in the notes to the financial statements. The estimates and assumptions are realised based on comparable historic data and other factors considered to be reasonable in view of the circumstances. They are therefore used as a basis to exercise judgment rendered in determining accounting values. The Group's management reviews these estimates and assumptions continually in order to ensure their pertinence with regard to the current economic environment. Based on the evolution of these assumptions, the items included in its financial statements may differ from current estimates. The impact of changes in accounting estimates is recognised during the period of the change and all affected future periods.

The principal estimate rules applied by the Group are presented below and relate to:

- the valuation in the balance sheet of tangible fixed assets, intangible assets and goodwill. The Group regularly reviews certain indicators which would lead where applicable to an impairment test
- determination of deferred tax and the level of recognition of deferred tax assets based on the principles described below. Management has established a tax recoverability plan enabling the amount of deferred tax assets that may be recognised in the Group's consolidated balance sheet to be estimated.
- determination by the Group of the provision for retirement commitments and similar benefits and related expenses depends on the assumptions used in the actuarial provision calculation.
- the analysis of risks and litigation, including the estimate of the probability of the outcomes of litigation in progress and future litigation, which are, by their nature, dependant on necessarily uncertain future events.

CONSOLIDATION METHODS

The full consolidation method is applied in 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 partners are consolidated under the proportional consolidation method. This method was applied to SA du Casino de Grasse and SCI du Casino Grasse.

Companies over which Groupe Partouche has significant influence are equity-accounted.

The consolidated income statement includes the income statements of the companies acquired as of their date of acquisition.

Business combinations are recognised as provided by IFRS 3.

FOREIGN CURRENCY TRANSLATION METHODS

1. Foreign companies' financial statements

The consolidated financial statements are presented in euros, which is the functional and presentation currency of the company.

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 financial year. Equity items are translated on the basis of the historical exchange rates, with translation differences from the previous financial year being accrued under the heading "translation differences" included in equity.

The income statement and cash flow headings are translated using an average rate during the financial 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 the balance sheet date. 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.

3. Main conversion rates

The main exchange rates applied outside the euro zone are as follows:

CURRENCIES / EURO	CLOSING RATE 31/10/2009	AVERAGE RATE 31/10/2009	CLOSING RATE 31/10/2008	AVERAGE RATE 31/10/2008	CLOSING RATE 31/10/2007	AVERAGE RATE 31/10/2007
USD US Dollar	**1,48000**	**1,33163**	1,2757	1,46437	1,4447	1,344310
CHF Swiss Franc	**1,51230**	**1,49346**	1,4686	1,58568	1,6762	1,632800
TND Tunisian Dinar	**1,915716**	**1,83626**	1,745806	1,8032	1,7784	1,73156
EGP Egyptian Pound	**8,092914**	**7,40734**	7,12836	7,95598	7,968	7,65717
GBP Sterling Pound	**0,89375**	**0,86151**	0,78690	0,7595	0,6973	0,67765

INTANGIBLE ASSETS

Intangible assets with indefinite useful lives are not amortized. In light of the Group's sectors of activity, they represent assets in respect of which it is possible to verify the change in value. They are subject to periodic impairment testing.

Intangible assets with definite useful lives are depreciated based on their expected useful lives and are impaired where there is an indication of impairment in value.

Other intangible assets notably include operating rights acquired to operating licenses, client lists and lease rights.

1. Determination of Goodwill

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 is the difference between the acquisition cost of shares and the Group's share in the fair value of any identifiable assets and liabilities. All of the expenses representing external costs directly related to the acquisition are included in the acquisition cost.

Most of the goodwill has been generated by external growth operations.

Moreover, goodwill generated by acquisitions related to the internet and the interactivity sectors are linked to the outlook concerning the opening in 2010 of the French market to the online gaming.

Upon the sale of a subsidiary, the amount of goodwill attributable to the company sold is included in the calculation of the gain or loss on disposal.

2. Measurement of goodwill

Goodwill is not amortized, but is subject to impairment tests annually or more frequently if there is any indication of identified impairment in value. For the purposes of carrying out impairment testing, each goodwill item is allocated to a cash generating unit (CGU) or to a group of CGUs representing the lowest level at which goodwill is monitored for the purposes of monitoring for internal management purposes. The Group falls within the scope of application of paragraph 135 of IAS 36.

3. Impairment testing of goodwill

3.1 Method for identifying CGUs

Goodwill is tested at the level of the smallest identifiable grouping of assets that generates cash inflows (CGU or group of CGUs), determined in accordance with the requirements of IAS 36.

The analysis conducted by the Group has led to the recognition of either:

- a CGU, in cases where the subsidiary in question can be said to demonstrate economic and financial autonomy and independence (e.g., a company operating a casino);
- or a "group of CGUs": groups of CGUs generally correspond to several subsidiaries involved in a relationship of close economic dependence (e.g., a casino + a real estate investment company that owns the casino premises).

The grouping of companies into "groups of cash-generating units" (consistent with the economic organisation of operating sites) allowed the Group to recognise 16 groups of cash-generating units, most of which include a casino, measured using the methodology described in §3.3.

In cases where the recoverable amount is lower than the net carrying amount, a provision is recognised for impairment corresponding to the difference between these two amounts.

3.2 Impairment testing frequency

In accordance with IAS 36, whenever events or changes in the market environment or internal circumstances indicate the risk of a loss in the value of goodwill, the latter is tested for impairment. In the absence of indications prompting more frequent testing, goodwill is tested for impairment at least once each year.

Apart from the loss indicators related to the external economic situation, the Group main internal indicators are the gross gaming revenue and the Ebitda.

3.3 Methodology for impairment testing of goodwill

The impairment tests performed by the Group in application of IAS 36 consist of comparing the recoverable values of the cash generating units (CGUs) or, where applicable any CGU group, with the net carrying amount of the corresponding assets, including goodwill.

The recoverable value of a CGU or CGU group is determined as the higher of the value in use and the fair value (less disposal costs). These items are defined as follows:

- The value in use of the CGU or CGU group is determined by discounting the future cash flows generated by it, using cash flow forecasts consistent with the 2009 budgets drawn up by Group management. The discount rate used is the weighted average cost of capital. These cash flow forecasts are prepared for a 3- to 5-year period, beyond which a terminal value are calculated on the basis of zero growth to infinity.

This method is mainly applied for the tests on the Partouche Interactive division, whose development prospects remain contingent on the liberalisation of Internet gambling.

The method is also applied to the casino business to confirm the results obtained using the fair-value method described below:

- The fair value (less disposal costs) is the amount that could be obtained from the sale of the CGU or CGU group on arm's length terms between knowledgeable, willing parties, less disposal costs. Fair value is determined by the method of stockmarket comparables, failing which by reference to recent transactions in similar assets.

This method is mainly applied to casino establishments accounting for nearly 90% of acquisition goodwill recognised.

In applying this test to goodwill, the carrying amount of the CGU's intangible assets (including goodwill) is compared with the fair value of that CGU as determined by reference to a multiple of gross gaming revenue, which is the main performance indicator for the casino activity. Referring to the latest significant transactions recorded in the sector, as analysed by the Group management, the coefficient used is 2.

In applying these tests, the Group takes account of the fact that for certain entities or CGUs, the value in use method leads in some cases to results that are not relevant for purpose of fair value. This is due to the fact that the value in use, being based on dis-

counted future cash flows, fails to take account of the intrinsic value of assets that produce no financial flows, and relies solely on the profitability criterion, which is affected by the general economic context.

Any impairment is recorded in the line item "Impairment of non-current assets" under non-current operating profit. In accordance with IFRS as adopted by the European Union, an impairment loss recognised in respect of a goodwill item may not be reversed.

3.4 Impairment sensitivity tests

The Group performs impairment sensitivity tests on goodwill, referring mainly to the following two parameters:

- the discount rate;
- the growth rate to infinity used in cash flow forecasts.

Allowing for the fact that the fair value of most of the CGUs proves to be higher than the value in use, the sensitivity tests have no significant impact for the Group.

PROPERTY AND EQUIPMENT

1. Evaluation

The Group's property, plant and equipment is recognised at their acquisition cost (acquisition price and acquisition costs of the fixed assets) or at their production cost.

Borrowing costs directly attributable to the acquisition, construction or production of certain assets until the date on which they are brought into service are recognised under finance costs in the financial period in which they are incurred.

Property and equipment is valued at each balance sheet date, based on the amortised cost model: at cost less depreciation and any impairment losses.

The Group owns investment property for which it has maintained the cost method.

Assets under construction correspond to fixed assets for which the acquisition or production is not yet completed, with the result being that the expected initial return has yet to be realised.

2. Depreciation method and period

The main depreciation method used by the Group is the straight-line method.

Land is not depreciated. Depreciation is applied based on the expected useful life of the assets. The main useful lives fall within the following ranges:

Buildings - structures	20 to 50 years
Buildings - fluids	15 to 20 years
Buildings - fittings	8 to 15 years
Equipment, fixtures and fittings	5 to 10 years
Other fixed assets	3 to 7 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.

The residual values and useful lives of the assets are reviewed and, where applicable, are adjusted at the balance sheet date. The carrying amount of an asset is immediately impaired to bring it in line with its net realisable value when he carrying amount of the asset is higher than its estimated net realisable value.

Gains and losses on disposal are determined by comparing the proceeds on sale with the carrying amount of the asset sold. They are recognised in the income statement under "other current operating income and expenses", or "other non-current operating income and expenses" based on the principles described above.

INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

Companies, over which the Group exerts significant influence, whether in relation to management or financial policy, are accounted for using the equity method.

Investments in associates accounted for using the equity method are presented under this caption. In accordance with this method, the investment is initially recognized at cost. The carrying amount is thus increased or decreased to recognize the portion attributable to the investor in the earnings of the entity owned after the acquisition date.

Goodwill relating to these entities is included in the carrying amount of the investment.

FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available for sale financial assets. The classification depends on the reasons underlying the acquisition of the financial assets. Management determines the classification of its financial assets on their initial recognition and reviews it at each accounting close.

1. Financial assets and liabilities at fair value through profit or loss

A financial asset is classified in this category if it is acquired primarily for the purpose of being sold in the near term or has been designated as such by Management. Derivatives are designated as held for trading, except where they are qualified hedge accounting transactions. All of the derivatives held by the Group are designated as hedges. Assets attached to this category are classified under current assets when they are held for trading, or where they are expected to be realised within twelve months following the accounting close.

2. Assets held to maturity

Assets held to maturity are non derivative financial assets other than loans and receivables having a fixed settlement term, whose payments are determined or determinable and which the Group plans and has the capacity to hold until maturity. These assets are initially recognised at fair value and then at amortised cost in accordance with the effective interest rate method. They are subject to impairment tests where there is an indication of losses of value. An impairment loss is recognised if the carrying amount is higher than the estimated realisable value.

3. Loans, receivables and debt issued by the company

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included under current assets, except those falling due within more than twelve months after the balance sheet date, which are classified under "Other non-current financial assets".

4. Other available for sale financial assets

Available for sale financial assets are derivates attached to this category or those which do not fall within another category. They are included under non-current assets unless Management intends to sell such assets within 12 months following the balance sheet date.

Investments in equity instruments in which the Company owns less than 20% of the shares in circulation or the voting rights of the issuing entity, and which are neither controlled by, nor under the significant influence of the Company, are classified as available for sale financial assets and are recognised under "Other non-current financial assets" within non-current assets. Quoted instruments are measured at fair value and changes in fair value taken directly to equity. Non-quoted instruments are recognised as follows:

- if the fair value of the unquoted instruments is determinable by valuation techniques that are appropriate to the type of security, they are recognised at fair value and the changes in fair value are taken directly to equity,
- if the fair value cannot be determined reliably, the instruments are measured at cost.

Gains and losses recognised on the sale of equity investments are recognised in the consolidated income statement. Any impairment loss representing a non-permanent impairment loss is recognised in the period in which such a loss of value arose. At each balance sheet date, the Group measures the impairment in value of a financial asset or a group of financial assets if there is an indication of a loss of value of a financial asset or a group of financial assets.

INVENTORIES

Inventories are valued on a "first-in, first-out" basis. An impairment loss is recognised when the carrying amount of inventories is higher than their net realisable value.

RECEIVABLES AND OTHER DEBTORS

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.

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 each company's tax position or on the income of all the companies that are included in the tax consolidation groups.

Deferred tax is calculated by applying the most recent tax rate enacted at the balance sheet date applicable to the period in which temporary differences reverse.

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.

All deferred tax liabilities are recognised unless the tax results from the initial recognition of goodwill.

In accordance with paragraph 39 of IAS 12, the Group did not recognise a deferred tax liability relating to the difference between the book value of equity-accounted investments and their tax bases.

Deferred taxes are classified as non-current assets and liabilities.

CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes cash at bank and in hand as well as all immediately available short-term investments.

These investments are made in SICAV-type or FCP-type mutual fund units, the value of which is not subject to changes in stock market prices and which can be converted easily into a cash amount subject to negligible risk of change in value.

Cash and cash equivalents are financial assets held for trading and are valued at their fair value. Changes in value are recorded as results from financial items.

Cash presented in the consolidated cash flow statement includes cash and cash equivalents such as defined above, net of current bank overdrafts, which are an integral part of the Group's cash management.

DISCONTINUED OR DISCONTINUING OPERATIONS

An operation is considered to be discontinued or discontinuing when it represents a significant, distinct operation for the Group and when its sale is considered to be highly probable. Discontinued or discontinuing operations are presented on a single line of the income statement, comprising the net profit after tax until the date of sale. Similarly, cash flows generated by discontinued or discontinuing operations are presented on a distinct line for each cash flow category in the consolidated cash flow statement.

RECOGNITION OF PUT OPTIONS GRANTED TO MINORITY INTERESTS

In accordance with IFRS, put options granted to minority interests are recorded among balance sheet liabilities as current derivative instruments in the line item "Current financial debt". At 31 October 2007, current financial debt included the call option in the amount of €2.680m to purchase the minority interests of Newscreens. The call option was exercised during the first half of the financial year ended 31 October 2008.

At the balance sheet date of the period under review, no put options were recognised.

FINANCIAL DEBT

Financial debt is recognised at face value, net of related issuing costs and premiums. Subsequently, these borrowings are recognised at amortised cost using the effective interest-rate method, the difference between cost and repayment value being recognised in the income statement over the term of the borrowings.

The cost of net financial debt includes interest payable on borrowings calculated using the effective interest-rate method, interest receivable on investments, and income from other dividends. No finance costs are capitalised in asset costs.

Income from interest is recognised in the income statement when it is acquired, using the effective interest-rate method.

Income from dividends is recognised in the income statement when the Group acquires the right to collect the payments.

Financial debt is classified under current liabilities unless the Group has the unconditional right to defer the settlement of the debt at least twelve months after the balance sheet date, in which case these borrowings are classified as non-current liabilities.

PROVISIONS

A provision is established when, at the closing date, the Group has an obligation resulting from a past event that is likely to result in an outflow of resources representing future economic benefits, the amount of which may be estimated reliably.

The obligation may arise from an agreement or from legal or regulatory provisions or from any established legal precedent, or it may be implicit since, through its past practices, its stated policy or a recent, sufficiently explicit statement, the Group created a reasonable expectation among third parties that it will assume this liability.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the closing date. If the amount of the obligation cannot be evaluated with sufficient reliability, no provision is recognised.

If the effect of discounting is significant, the amount of the provision recognised relates to the discounted value of the expenditures that the Group expects to have to incur to settle the corresponding obligation.

In determining the possible outcomes of tax risks and litigation, Management uses as its basis the assessment performed by external consultants who have knowledge of each of the related issues and jurisprudence.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised at their fair value. They are then re-evaluated at their fair value. The method of accounting for the related profit or loss depends on whether the derivative is designated as a hedging instrument and, as applicable, the nature of the hedged item.

The Group designates certain derivatives as:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge)
- hedges of a specific risk associated with a recognised asset or liability or with a highly probable future transaction (cash flow hedge)
- hedges of a net investment in a foreign operation (net investment hedge).

The Group uses cash flow hedges to manage risks on financial flows related to floating-rate borrowings.

According to IAS 39, the application of hedge accounting requires the company to demonstrate and document the effectiveness of the hedging relationship upon its establishment and throughout its life. The effectiveness of the hedge with respect to accounting is verified by the relationship among changes in value of the derivative and of the underlying hedged asset.

Derivative instruments are recognised in the balance sheet for their market value at the closing date. The market value is established by reference to market data and according to commonly used models.

In the case of hedging future interest expense, the hedged financial debt continues to be recognised at amortised cost, with the change in value of the effective portion of the hedging instrument being recorded in equity within "Consolidated reserves".

The change in value of the ineffective portion of hedging instruments is recorded in the result from financial items.

The development of the financial instruments is backed up by two independent valuations.

EMPLOYEE BENEFITS

1. Retirement plans

The Group has set up various defined-contribution or defined-benefit retirement plans.

The provision recognised in the balance sheet for defined-benefit plans relates to the discounted value of the commitment for defined benefits at the closing date, less the fair value of the plan's assets at that date, adjusted for unrecognised actuarial gains or losses, and less the cost of past service. The provision relating to defined-benefit plans is calculated annually according to the projected unit of credit method. The discounted value of commitments under defined-benefit plans is determined by discounting future disbursements with a market rate at the closing date based on first-class corporate bonds, corresponding to the currency and to the estimated schedule of benefit payments.

For defined-contribution plans, the Group pays contributions to private or public insurance companies on a mandatory, contractual or voluntary basis. The Group's commitments are limited to contributions paid. Contributions are recorded in expenses when they are due. Contributions paid in advance are deferred to assets insofar as the payment in advance will result in a decrease in future payments or a cash reimbursement.

2. Other post-employment benefit plans

Nearly all employees of the Company are covered by health insurance plans and life insurance plans financed by the government. Consequently, the Company has no significant commitment in respect of its employees in terms of post-employment benefits other than retirement benefits; as a result, no provision has been established to this effect.

3. Termination benefits

Termination benefits are employee benefits payable as a result of either the Group's decision to terminate an employee before the normal retirement date or an employee's decision to accept benefits in connection with a voluntary redundancy. The Group recognises these termination benefits when, and only when, it is demonstrably committed either to terminate the employment contract of a staff member in accordance with a detailed official plan without any real possibility of withdrawal or to grant termination benefits as a result of an offer made to encourage voluntary redundancy.

INCOME FROM ORDINARY ACTIVITIES

Consolidated turnover recognised for the Group corresponding to income from ordinary activities as defined under IAS 18 mainly includes income generated by the following activities:

- Net gaming revenue;
- Sales of services.

Turnover is recognised on the accrual basis for net gaming revenue or in relation to the degree of completion for sales of services and lease agreements, provided that a contract exists between the parties, that the price is fixed or may be determined and that the corresponding receivable is likely to be recovered. Turnover is measured at the fair value of the consideration received or to be received.

1. Net gaming revenue

This item corresponds to gross gaming revenue, less the corresponding gaming levies, in accordance with the chart of accounts for casinos. Net gaming revenue (the net win from gaming less gaming levies) is known and recognized at the end of each gaming day.

2. Sales of services

Turnover generated by sales of services includes proceeds arising from restaurant, hotel and entertainment activities constituting the full range of leisure services provided to the clientele of the Group's establishments in addition to gaming activities.

LEASE AGREEMENTS

The lease agreements referenced at the level of the Group as a whole are in large part operating leases under which the lesser retains a significant portion of the risks and benefits inherent in ownership of the asset under lease. Payments made under these leases are recognised in expenses on a straight-line basis over the term of the leases. Only significant finance-lease agreements for fixed assets are restated. They give rise to recognition of an asset, the leased property, and a liability, the financial debt. These assets are depreciated in accordance with the schedule defined by the Group in respect of the fixed assets concerned.

OPERATING PROFIT

In order to aid in the understanding of its financial performance, the Group considers that it is pertinent to divide its operating profit into two components on its income statement: current operating profit and non-current operating profit.

1. Current operating profit (COP)

Current operating profit combines all of the income and expenses directly related to the Group's businesses to the extent that these items are recurring, usual items of the operating cycle or that they result from ad hoc events or decisions related to the Group's operations. This indicator used by the Group allows for the presentation of a level of operating performance able to facilitate a forward-looking approach to recurring performance.

2. Non-current operating profit (NCOP)

Non-current operating profit comprises all non-current events that are not usually part of the operating cycle: it therefore comprises impairments of fixed assets, the net gain or loss from the sale of consolidated investments, the net gain or loss on the sale of assets or other non-current operating income and expenses that are not related to the normal operating cycle. ng income and expenses that are not related to the normal operating cycle.

COVENANTS: CONSOLIDATED EBITDA

Under the terms of the new memorandum of understanding relating to the restructuring of the loan in the second half of the year, the covenants were redefined and are now prepared based on IFRS financial statements using a new accounting caption: CONSOLIDATED EBITDA, presented in the note to the financial statements relating to financial debt.

This caption comprises the income and expense items constituting Current Operating Profit (as defined in the interim and annual financial statements of Groupe Partouche), excluding depreciation and amortisation (allocations and reversals) and provisions (allocations and reversals) relating to the operating cycle and one-off items relating to the Group's activities that are included under Current Operating Profit but are excluded from EBITDA given their exceptional nature.

SEGMENT INFORMATION

Considering its internal reporting, the Group believes that its operating companies have a unique activity contributing to a global service offering for its customers. In fact, several restrictions are attached to the operation of casinos, which, according to gaming regulations, are establishments, comprising three distinct activities: gaming, entertainment and food services, together under a single management structure. The specifications to be followed therefore include ancillary services necessarily incidental to the main activity, gaming. However, calls for tenders from local governments more and more often include the obligation to provide hotel services.

The segments determined by the Group consist of a grouping by company based on a common activity, as follows:

- Casino operators
- Hotel operators
- Interactive operators
- Other activities

This representation will be used with respect to the application of IFRS 8 Operating Segments, on 1st half-year 2010.

Second-level segment information is based on a breakdown of turnover by large geographic regions in which the Group operates:

- France
- Europe excluding France
- Rest of the world

SPECIFICITIES OF THE GROUP'S ACCOUNTING RULES

1. The chart of accounts for casinos (Order of 27 February 1984) involves the application of particular rules with respect to capital subsidies arising from the applicable levy.

The applicable levy relates to the additional revenue earned by the casinos using the new progressive levy scale (26 August 2009), 50% of which must be earmarked for capital investment designed to improve tourist facilities, as provided by Decree. The capital subsidies appearing in equity of the subsidiaries' individual company financial statements are recorded in the line item "Other current liabilities" in the consolidated balance sheet.

2. Groupe Partouche sets aside provisions for progressive jackpots at the end of the financial year. This provision is recognised in the line item "Current provisions" in the consolidated balance sheet. The jackpot provision is calculated at a given date on the basis of the jackpot amount displayed on all progressive slot machines, minus the amounts at the start of the period for each of these jackpots.

3. Since the 31 October 1997 financial year-end, and in order to comply with an interpretation of the chart of accounts applicable to spa resort casinos, Groupe Partouche 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 "trade and other accounts payable" in the consolidated balance sheet.

NOTE 3. CHANGES IN THE SCOPE OF CONSOLIDATION

Groupe Partouche SA's consolidated financial statements, prepared at 31 October 2009, include the financial statements of the companies listed in Note 32.

The table below summarizes the number of entities consolidated by the full consolidation, proportional consolidation and equity methods.

	2009			2008			2007		
Number of companies	FRANCE	EURO AREA (EXCLUDING FRANCE)	ABROAD	FRANCE	EURO AREA (EXCLUDING FRANCE)	ABROAD	FRANCE	EURO AREA (EXCLUDING FRANCE)	ABROAD
Fully consolidated companies	100	14	8	101	13	11	103	11	10
Proportionally consolidated companies	2	-	-	2	-	-	2	-	-
Equity-method companies	1	-	1	4	-	1	5	-	1
TOTAL	**103**	**14**	**9**	107	13	12	110	11	11

The main changes in the scope of consolidation during the financial year were as follows:

ADDITIONS TO THE SCOPE OF CONSOLIDATION

€000 AT 31 OCTOBER	CONSOLIDATION METHOD	GOODWILL (NOTE 5)	ACQUISITION PRICE	TURNOVER	OPERATING INCOME	NET INCOME
Partouche Interactive Malta	FC	-	-	-	(9)	(7)
GIE IMCJC	FC	-	-	-	-	-

FC: Full consolidation method

IMPACT ON THE PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF FULLY CONSOLIDATING THE NICE PALAIS CASINO (EQUITY-CONSOLIDATED IN YEAR N-1)

ASSETS AT 31 OCTOBER 2009 €'000	GROSS	DEPRECIATION, AMORTISATION AND PROVISIONS	NET	NOTES
Intangible assets	96	(16)	80	4
Property and equipment	7 816	(5 345)	2 472	6
Other financial assets	*232*	-	*232*	8
Other non-current financial assets	232	-	232	
Deferred tax assets	308	-	308	27
Non-current assets	**8 452**	**(5 360)**	**3 091**	
Inventories and work in progress	41	-	41	10
Trade accounts receivable	*2 680*	*(213)*	*2 467*	11
Other receivables	*42*	-	*42*	11
Trade and other receivables	2 722	(213)	2 509	
Employee loans	*17*	-	*17*	12
Receivables from the French State	*389*	-	*389*	12
Prepaid expenses	*91*	-	*91*	12
Other current assets	496	-	496	
Bank	*1 243*	-	*1 243*	13
Cash	*295*	-	*295*	13
Positive cash balances	1 538	-	1 538	
Current assets	**4 797**	**(213)**	**4 585**	
Total assets	**13 249**	**(5 573)**	**7 676**	

LIABILITIES AT 31 OCTOBER 2009 €000	2009	NOTE
Group consolidation reserves	*10 780*	14
Consolidated reserves	10 780	
Revaluation reserve	8	
Non-group reserves	*(6 190)*	14
Non-group earnings	-	14
Minority interests	(6 190)	
Net income for the year	(2 060)	
GROUP EQUITY	**2 538**	
Employee commitments	147	15
Other non-current provisions	187	16
Deferred tax liabilities	256	28
Deferred income	*70*	18
Other non-current liabilities	70	
NON-CURRENT LIABILITIES	**660**	
Current financial debt	-	17
Jackpot provisions	*53*	16
Other current provisions	*46*	16
Current provisions	99	
Customers, advances and down payments received	*13*	19
Trade accounts payable	*470*	19
Liabilities in respect of fixed asset acquisitions	*81*	19
Amounts payable to employees	*234*	19
Social security organisations	*171*	19
Paid vacation	*511*	19
Gaming levies	*92*	19
State - VAT	*1*	19
State – expenses payable	*328*	19
Other	*1 362*	19
Trade and other payables	3 262	
State - Gaming levies	*1 107*	20
Current tax liabilities	1 107	
Other current liabilities	9	18
CURRENT LIABILITIES	**4 477**	
TOTAL EQUITY AND LIABILITIES	**7 676**	

❖ This tickmark appended to certain line items indicates that the reader should refer to this document for the impact of the full consolidation of the Nice casino. However, if the amount of the impact is material in relation to the total for the consolidated line item presented in the notes, mention of this fact is included at the foot of the note concerned.

CHANGE IN PERCENTAGE INTEREST AND CONTROL

COMPANIES	CONTROL 2009	INTEREST 2009	CONTROL 2008	INTEREST 2008	CONTROL 2007	INTEREST 2007
PARTOUCHE INTERACTIVE BUSINESS SEGMENT						
CASKNO	70	67,19	70	54,60	70	56
QUARISMA	80,13	76,93	80,13	62,50	80,13	64,11
PARTOUCHE PRODUCTION (ex SOGIMAGE)	75,43	72,42	75,43	58,84	75,43	60,35
PARTOUCHE TECHNOLOGIE (ex QUE DES JEUX)	100	96	100	78	100	80
PARTOUCHE TOURNOI (ex PARTOUCHE GAMMON)	100	95,99	85	66,30	85	68
PARTOUCHE IMAGE (ex NEWSCREEN)	75,46	72,44	75,46	58,86	46,18	36,94
FAIRPLAYERS	20	19,20	20	15,60	20	16
PARTOUCHE INTERACTIVE	100	96	78	78	80	80
PARTOUCHE INTERACTIVE GIBRALTAR	100	96	100	78	100	80
PARTOUCHE INTERACTIVE HOLDING	100	96	100	78	100	80
PARTOUCHE BETTING LTD	100	96	100	78	-	-
WORLDSERIES OF BACKGAMMON	100	96	85	66,30	85	68
OTHER MOVEMENTS						
CASINO LA SEYNE-SUR-MER	97,66	97,65	97,65	97,65	97,65	97,64
FORGES THERMAL	59,25	59,25	58,75	58,75	58,76	58,76
GRAND CASINO DE LYON	100	97	100	97	100	96,50
AGON COUTAINVILLE	89,41	89,41	89,41	89,41	89,36	89,36
CASINO DE SLUIS NV	60	59,94	60	59,94	40	39,96
CHM	93,87	86,84	93,87	86,76	93,67	86,56
HÔTEL INTERNATIONAL DE LYON	97	97	97	97	96,50	96,50

TRANSMISSION UNIVERSELLE DE PATRIMOINE

During the period, the Group carried out three dissolutions without liquidation, commonly known in France as "transmissions universelles de patrimoine" (TUP). These operations involved :

- Hôtel de Charbonnières;
- Somarg;
- SCI Bandol.

LIQUIDATION

During the period, the Group carried out the liquidation of the following companies :

- Compagnie des Casinos Holding ;
- Vistaleasing;
- Casino de Saxon.

NOTE 4. INTANGIBLE ASSETS

€000 AT 31 OCTOBER	CONCESSIONS, PATENTS, BRANDS	INTERNALLY-GENERATED GOODWILL	OTHER INTANGIBLE ASSETS	TOTAL
Sub-total Gross value at 31 October 2007	1 788	13 070	5 363	20 221
Accumulated amortization and impairment losses at 31 October 2007	(896)	(5 942)	(3 782)	(10 622)
Net value at 31 October 2007	**892**	**7 127**	**1 581**	**9 599**
Acquisitions	1 102	-	2 007	3 109
Disposals	-	(54)	(125)	(179)
Additions to the consolidation scope	451	-	54	506
Removals from the consolidation scope	-	-	-	-
Translation difference	(75)	-	(7)	(82)
Assets transferred and scrapped	382		(143)	238
Change in depreciations	(859)	(157)	(491)	(1 507)
Sub-total Gross value at 31 October 2008	3 649	13 016	7 149	23 814
Accumulated amortization and impairment losses at 31 October 2008	(1 756)	(6 100)	(4 273)	(12 130)
Net value at 31 October 2008	**1 893**	**6 916**	**2 875**	**11 684**
Acquisitions	762	-	881	1 643
Disposals	(101)	(27)	(106)	(235)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	-	-	-
Translation difference	(207)	-	(110)	(317)
Change of the method of integration ❖	88	-	7	96
Assets transferred and scrapped	571	-	(549)	23
Change in depreciations	(617)	(157)	(532)	(1 306)
Change in the method of integration ❖	(14)	-	(1)	(16)
Sub-total Gross value at 31 October 2009	4 762	12 989	7 272	25 023
Accumulated amortization and impairment losses at 31 October 2009	(2 387)	(6 258)	(4 807)	(13 451)
Net value at 31 October 2009	**2 375**	**6 731**	**2 466**	**11 572**

❖ *Related to the FC of Nice.*

NOTE 5. GOODWILL

BREAKDOWN OF CHANGES IN GOODWILL BY ACTIVITY

€000 AT 31 OCTOBER	2009	2008	2007
Casinos	356 373	355 366	359 265
Hotels	9 024	9 024	8 441
Other	46 726	49 724	40 041
TOTAL	**412 123**	**414 114**	**407 747**

BREAKDOWN OF CHANGES

€000 AT 31 OCTOBER	2009
CGU groups *	106 325
CGU	305 798
TOTAL Goodwill	**412 123**

* The main groups of CGU are particularly:

€000 AT 31 OCTOBER	2009
CGU Group : Partouche Interactive	21 615
CGU Group : Cannes	23 357
Group La Roche-Posay	17 182

DETAILED CHANGES

NET VALUE AT 31 OCTOBER 2007	407 747
Increases	9 883
Decreases	(742)
Impairment losses (*)	(3 905)
Translation differences	1 131
NET VALUE AT 31 OCTOBER 2008	414 114
Increases	**8 314**
Partouche Technologies	4 071
Partouche Images	1 460
Partouche Tournois	270
PI Gibraltar	2 151
WS Backgammon	145
Partouche Betting	170
Forges Casino	47
Decreases	**(1 466)**
Partouche Interactive business segment	(900)
Cie des Casinos Holding (Switzerland)	(377)
Casino de Meyrin (Switzerland)	(175)
Casino de Saxon	(10)
Miscellaneous	(4)
Impairment losses *	**(8 686)**
Casino Arcachon	(2 769)
Casino Andernos	(2 418)
Casino Le Lydia	(1 572)
SCI Le Lydia	(841)
Casino La Grande Motte	(595)
Casino San Roque	(372)
Casino Sluis	(79)
Casino Saint Honoré	(38)
Ludica	(2)
Translation differences	**(153)**
NET VALUE AT 31 OCTOBER 2009	412 123

(*) Impairment losses were recognized on the line "Impairment of assets" within the aggregate non-current operating profit.

IMPAIRMENT OF GOODWILL BY THE OWNING COMPANIES

The tests carried out on goodwill at 31 October 2009 led to the recognition of additional impairment losses for a total amount of €8.686m.

NOTE 6. PROPERTY AND EQUIPMENT

€000 AT 31 OCTOBER	LAND	BUILDINGS	TECHNICAL INSTALLATIONS	OTHER TANGIBLE FIXED ASSETS	TOTAL
Sub-total Gross value at 31 October 2007	32 069	479 677	167 883	100 712	780 341
Accumulated depreciation and amortization at 31 October 2007	(4 257)	(170 688)	(121 767)	(68 661)	(365 373)
Accumulated impairment losses at 31 october 2007	-	(9)	-	(157)	(167)
Net value at 31 October 2007	**27 812**	**308 980**	**46 116**	**31 893**	**414 801**
Acquisitions	6 354	11 582	21 584	8 016	47 536
Disposals	(126)	(6 021)	(7 512)	(3 261)	(16 920)
Additions to the consolidation scope	-	-	-	54	54
Removals from the consolidation scope	-	-	-	-	-
Translation difference	78	1 320	1 513	204	3 115
Assets transferred and scrapped	63	4 919	(616)	(4 161)	204
Change in depreciations	(527)	(19 582)	(11 110)	(4 579)	(35 798)
Impairment losses for the period (*)	-	9	-	157	167
Sub-total Gross value at 31 October 2008	38 438	491 478	182 852	101 564	814 332
Accumulated depreciation and amortization at 31 October 2008	(4 784)	(190 270)	(132 877)	(73 240)	(401 171)
Accumulated impairment losses at 31 October 2008	-	-	-	-	-
Net value at 31 October 2008	**33 654**	**301 208**	**49 975**	**28 323**	**413 161**
Acquisitions	360	3 359	7 868	5 806	17 394
Disposals	(227)	(2 576)	(3 654)	(2 172)	(8 629)
Additions to the consolidation scope	-	-	-	-	-
Removals from the consolidation scope	-	-	-	(133)	(133)
Translation difference	(122)	(939)	(570)	(346)	(1 977)
Assets transferred and scrapped	67	161	94	(364)	(42)
Change of the method of integration ❖	-	382	5 911	1 524	7 816
Change in depreciations (*)	(530)	(20 114)	(11 691)	(3 548)	(35 883)
Impairment losses for the period (*)	-	-	-	-	-
Change in the method of integration ❖	-	(144)	(4 194)	(1 007)	(5 345)
Sub-total Gross value at 31 October 2009	38 516	491 865	192 501	105 879	828 760
Accumulated depreciation and amortization at 31 October 2009	(5 314)	(210 527)	(148 762)	(77 796)	(442 399)
Accumulated impairment losses at 31 October 2009	-	-	-	-	-
Net value at 31 October 2009	**33 202**	**281 338**	**43 739**	**28 083**	**386 362**

❖ *Related to the FC of Nice.*

(*) Impairment losses were recognised under the heading "Impairment of fixed assets" within the aggregate "Non-current operating profit"

ASSETS UNDER CONSTRUCTION

The line item "Other tangible fixed assets" includes assets under construction in the net amount of €3.266m at the balance sheet date, which involved works carried out mainly at Partouche Immobilier for €2.188m and Casino Royat for €0.362m.

NOTE 7. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

The Group's investments in equity-accounted associates and the percentage ownership interest are presented in the note relating to the scope of consolidation. The financial information relating to the Group's equity accounted associates are summarised below:

Balances relating to investments in companies accounted for under the equity method

€000 AT 31 OCTOBER	2007	2008	SHARE IN PROFIT	TRANSLATION DIFFERENCE	CHANGE IN SCOPE	2009
Investments in equity-accounted associates	7 670	5 665	(1 922)	60	(3 800)	**3**
Provision for share of negative equity (*)	(7 201)	(9 805)	-	-	9 337	**(467)**
Total	**469**	**(4 140)**	**(1 922)**	**60**	**5 537**	**(464)**
Of which, goodwill relating to equity-accounted associates	**3 370**	**594**	**(368)**	**-**	**(226)**	**-**

(*) The change in this account is disclosed in Note 16.

Balance sheet of equity-accounted associates

€000 AT 31 OCTOBER	2009	2008	2007
Total Assets	**8 307**	164 020	157 668
Total Debt	**7 483**	182 691	169 161
TOTAL NET ASSETS	**824**	**(18 671)**	**(11 493)**

Income statement of equity-accounted associates

€000 AT 31 OCTOBER	2009	2008	2007
Total revenue	**34 812**	40 281	38 223
TOTAL NET PROFIT	**804**	**(11 817)**	**(12 169)**

Information related to equity-accounted associates

€000 AT 31 OCTOBER	% OWNED 2009	NET ASSETS 2009	NET INCOME 2009	NET ASSET 2008	NET INCOME 2008	NET ASSETS 2007	NET INCOME 2007
Casino International of Madrid	**17,63 %**	**(1 574)**	**(300)**	(1 474)	(222)	(1 097)	(441)
Palais de la Méditerranée (Nice) ❖	**25 %**	**2 385**	**(8 227)**	(17 746)	(6 815)	(10 896)	(5 319)
Fairplayers	**19,2 %**	**13**	**4**	10	2	7	(2)
Société Française d'Invest. Hôtel et Casino	**25 % removal**	**-**	**13 070**	21 746	(1 491)	18 223	(1 567)
Hôtel du Palais de la Méditerranée	**25 % removal**	**-**	**(3 741)**	(21 206)	(3 290)	(17 900)	(4 011)
Partouche Images (ex New-Screens)	**Passage in FC in 2008**	**-**	**-**	-	-	170	(831)
TOTAL		**824**	**(804)**	**(18 671)**	**(11 817)**	**(11 493)**	**(12 169)**

❖ *Casino du Palais de la Méditerranée was fully consolidated for the first time in the period under review, with effect from 30 October 2009. It was accounted for using the equity method until that date. Consequently, the share in the profit or loss of this entity for the period ending 30 October 2009 was accounted for using the equity method and its assets and liabilities were fully consolidated with effect from 30 October 2009.*

NOTE 8. OTHER NON-CURRENT FINANCIAL ASSETS

€000 AT 31 OCTOBER	2009	2008	2007
Non-consolidated investments	**506**	1 501	1 452
Other financial assets ❖	**2 505**	2 660	2 562
Held for sale assets	**-**	-	-
Other non-current financial assets	**3 011**	**4 161**	**4 014**

Non-consolidated investment securities

€000 AT 31 OCTOBER	GROSS VALUE 2009	IMPAIRMENT	NET VALUE 2009	NET VALUE 2008	NET VALUE 2007
Non-consolidated companies owned > 50%	254	(246)	8	31	92
Non-consolidated companies owned 20 to 50%	167	(142)	24	27	24
Non-consolidated companies owned less than 20%	1 523	(1 049)	474	1 443	1 336
TOTAL	1 944	(1 438)	506	**1 501**	**1 452**

Due dates of other non-current financial assets

€000 AT 31 OCTOBER 2009	AMOUNT	- 1 YR	1 TO 5 YRS	+ 5 YRS
Non-current investment securities	37	-	-	37
Employee loans	106	-	104	2
Loans, guarantees and other receivables	2 485	-	1 201	1 284
Receivables attached to investments	351	-	351	-
GROSS AMOUNT	**2 978**	**-**	**1 656**	**1 322**
Provision	(473)	-	(453)	(20)
NET AMOUNT	**2 505**	**-**	**1 203**	**1 302**

NOTE 9. OTHER NON-CURRENT ASSETS

€000 AT 31 OCTOBER	2009	2008	2007
Receivables from the French State (1)	**9 012**	4 620	4 606
Non-current prepaid expenses (2)	**5 871**	5 360	381
Other non-current financial assets	**14 883**	**9 980**	**4 987**

(1) The account Receivables from the French state includes €5.3m relating to a carry back observed by Groupe Partouche and €37m from the state for the Vichy cinema, corresponding to the state's financial support for the film industry. These receivables are payable and the total amount attributed breaks down according to the schedule below:

	- 1 YR	1 TO 5 YRS	+ 5 YRS
Breakdown carry back Groupe Partouche	**-**	**5 291**	**-**
Breakdown receivable Vichy cinema	**200**	**800**	**2 921**

(2) Other non-current receivables includes the assignment of the St-Julien receivable in the amount of €3m and the Tête dans les Nuages (TDN) receivable in the amount of €2.8m related to the divestment of SFC. At 31 October 2008, the Group reclassified under non-current receivables the portion maturing in more than one year of the receivable on the sale of the stake held in SFC to TDN.

	- 1 YR	1 TO 5 YRS	+ 5 YRS
Receivable for the disposal of St Julien	**-**	**2 966**	**-**
Receivables TDN	**-**	**2 268**	**565**

NOTE 10. INVENTORIES AND SEMI-FINISHED GOODS

€000 AT 31 OCTOBER	2009	2008	2007
Inventories – Solids	**727**	822	620
Inventories – Liquids	**1 925**	2 072	2 071
Inventories – Other consumed purchases	**226**	325	490
Inventories – Production in progress	**85**	54	316
Inventories – Merchandise inventories	**738**	995	4 400
GROSS AMOUNT	**3 701**	**4 269**	**7 898**
Provision	**(129)**	(217)	(58)
NET AMOUNT	**3 572**	**4 052**	**7 840**

NOTE 11. TRADE RECEIVABLES AND OTHER DEBTORS

€000 AT 31 OCTOBER	2009	2008	2007
Trade receivables ❖	**22 372**	18 019	21 169
Provisions for trade accounts receivables	**(8 043)**	(8 547)	(10 942)
Other debtors ❖	**28 061**	28 596	38 518
Provisions for other debtors	**(12 282)**	(12 636)	(12 112)
Total trade accounts receivable and other debtors	**30 108**	**25 432**	**36 633**

BREAKDOWN OF OTHER DEBTORS

€000 AT 31 OCTOBER	2009	2008	2007
Trade accounts payable, advances and down payments	**867**	490	1 225
Receivables from personnel – advances and down payments	**113**	134	385
Receivables from social security organisations	**547**	595	827
Tax receivables – excluding corporate income tax	**5 904**	5 103	9 160
Current accounts – assets	**7 069**	3 671	7 028
Receivables in respect of sales of securities	**0**	2 043	-
Other receivables	**1 067**	2 400	5 388
Other income receivable	**10 476**	11 748	11 043
Other income receivable	**2 018**	2 412	3 463
Total other debtors	**28 061**	**28 596**	**38 518**

At 31 October 2009, current receivables from disposals of participating interests correspond in their entirety to a single receivable in the amount of €1.067m representing the current balance receivable in connection with the divestment of the SFC unit (total receivable is €3.9m – see Note 9).

Receivables in respect of sales of property, plant and equipment correspond in their entirety to the balance receivable in connection with the sale of the Saxon casino premises.

Other receivables include in particular €6.8m from a third party that has yet to deliver a property title acquired under contract and against which proceedings have been filed. This receivable is provided for in full.

Provisions in respect of other debtors also include the provision recognised by Compagnie Européenne de Casinos in the amount of €2.7m for a foreign company.

NOTE 12. OTHER CURRENT ASSETS

€000 AT 31 OCTOBER	2007	2008	INCREASE	DECREASE	2009
Accrued interest/receivables and loans	25	25	11		36
Employee loans ❖	231	164	330	(299)	194
Loans, guarantees	739	727	163	(192)	699
Receivables from the French State ❖	5 723	4 040	1 868	(10)	5 899
Prepaid expenses ❖	8 522	8 627	54	(664)	8 016
TOTAL GROSS VALUE	**15 240**	**13 583**	**2 426**	**(1 165)**	**14 844**
Provision/ Impairment	(7)	(7)		7	0
NET VALUE	**15 234**	**13 576**	**2 426**	**(1 158)**	**14 844**

NOTE 13. CASH AND CASH EQUIVALENTS

€000 AT 31 OCTOBER	2009	2008	2007
Financial management and highly liquid cash assets	2 131	7 493	28 775
Cash ❖	76 735	61 479	100 049
Cash and cash equivalents-Asset	**78 866**	**68 972**	**128 824**

The Group's cash position reflects the fact that casinos are required, at the close of each monthly period, to have on deposit in a specific bank account an amount equivalent to the gaming levies (see Note 20 Current tax liabilities).

BREAKDOWN OF FINANCIAL MANAGEMENT AND CASH ASSETS

€000 AT 31 OCTOBER	2009	2008	2007
SICAV-type mutual fund units	2 061	1 234	28 551
FCP-type mutual fund units	79	6 265	210
Accrued interest / SICAV & FCP	2	7	23
Provision for impairment	(11)	(13)	(9)
Financial management and cash assets	**2 131**	**7 493**	**28 775**

BREAKDOWN OF POSITIVE CASH BALANCES

€000 AT 31 OCTOBER	2009	2008	2007
Bank ❖	65 353	51 857	91 113
Cash ❖	11 364	9 554	8 808
Interest receivable	18	68	128
Positive cash balances	**76 735**	**61 479**	**100 049**

NOTE 14. EQUITY

CAPITAL – SHARES IN CIRCULATION

SHARE CAPITAL AT 31 OCTOBER	2009	2008	2007
Value in capital	86 194 836 €	86 194 836 €	86 194 836 €
Shares issued, fully paid up	43 097 418	43 097 418	43 097 418
Nominal value	2 €	2 €	2 €

The share capital is fully paid up at 31 October 2009. Shares may be in registered or bearer form, based on the choice of the shareholder. In accordance with the Articles of Association, all of the shares have one voting right.

TREASURY SHARES

IN EURO AT 31 OCTOBER	2009	2008	2007
Treasury shares at historic cost	168 767	168 767	168 767
Provision	(109 352)	(90 186)	-
Total Treasury Shares	**59 415**	**78 581**	**168 767**
Number of treasury shares held	19 166	19 166	19 166

The Ordinary Shareholders' Meeting of 4 April 2000 authorised the Executive Board, pursuant to the provisions of Article 217-2 of the Law of 24 July 1966, to acquire more than 10% of the number of shares comprising the share capital. This authorisation led to the purchase of 19,166 shares, representing 0.04% of the total share capital of Groupe Partouche SA, for a total amount of €168,767.

At 31 October 2009, Groupe Partouche SA recognised a provision in respect of treasury shares in the amount of €109k, as the stock market value of shares held was lower than the purchase cost.

EQUITY

€000 AT 31 OCTOBER	2009	2008	2007
Revaluation reserve	(42 663)	(42 663)	(42 663)
Other reserves and accumulated earnings	236 067	214 005	197 034
Legal reserve	8 620	8 620	8 620
Group consolidation reserves ❖	911	15 364	17 599
Other group reserves	13 655	13 651	13 651
Consolidation reserves	**216 590**	**208 977**	**194 241**

The change in Group equity is attributable, in the amount of €14.8m, to the transaction concluded with Société du Louvre for the sale of 25% of SFIHC and 25% of Hôtel du Palais de la Méditerranée in exchange for the acquisition of an additional stake of 75% in Casino du Palais de la Méditerranée.

As a result of this transaction and in application of IFRS 3, the change in fair value of the 25% stake in Casino du Palais de la Méditerranée held previously by the Group was recognised in the revaluation reserve. Furthermore, an impact of €7.8m was recognised in respect of the acquisition of the additional 75% stake, after recapitalisation by minority interests.

MINORITY INTERESTS

€000 AT 31 OCTOBER	2009	2008	2007
Non-group reserves ❖	19 254	24 440	21 918
Non-group translation reserves	(199)	741	(989)
Non-group earnings ❖	9 863	4 019	9 531
Minority interests	**28 917**	**29 200**	**30 459**

NOTE 15. EMPLOYEE COMMITMENTS

These commitments were subject to an actuarial valuation based on the prospective method. The entire expense corresponding to rights acquired by the employees is determined based on the agreements in force at each company.

Provisions are calculated taking into account the probabilities of employees remaining at the Group until retirement (65 years), mortality based on gender, voluntary redundancy by the employee at retirement and on the following bases:

	2009	2008	2007
Discount rate	3,5 %	4,4 %	4,4 %
Salary inflation rate	1,5 %	1,5 %	2 %
Social charge provision rate	42 %	42 %	42 %

€000 AT 31 OCTOBER	2009	2008	2007
Provision at the beginning of the financial year	6 748	6 035	4 185
Net charge for the financial year	1 721	1 020	1 902
Use	(98)	(299)	(23)
Change in the scope of consolidation	-	(8)	(29)
Non-current provision	**8 285**	**6 670**	**6 035**
Current provision (*)	**86**	**78**	**-**
Total employee commitments	**8 371**	**6 748**	**6 035**

(*) The current portion of the provision is included in the line item "Other current provisions".

NOTE 16. OTHER CURRENT AND NON-CURRENT PROVISIONS

NON-CURRENT PROVISIONS

€000 AT 31 OCTOBER	2007	2008	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RE-CLASS.	REMOVALS FROM CONSO-LIDATION SCOPE	2009
Provisions for lawsuits	2 234	1 925	2 200	-	(512)	(27)	(304)	-	**3 282**
Provisions for tax risk (*)	6 409	1 542	-	(1 521)	(74)	-	54	-	**-**
Provisions for net equity of companies accoun-ted for under the equity method (**)	7 201	9 805	-	-	-	-	(4 036)	(5 301)	**467**
Other non-current provisions	3 292	1 786	904	-	(238)	(2)	(727)	-	**1 724**
TOTAL	**19 136**	**15 058**	**3 104**	**(1 521)**	**(824)**	**(29)**	**(5 014)**	**(5 301)**	**5 473**

(*) The change in the line item "Provision for tax risks" relates mainly to:
- the reversal, at the request of the French tax authorities, of provisions for tax liabilities recognised for Groupe Partouche SA in prior years;
- the reversal of a tax provision for SCI Leriche in respect of which the decision rendered on appeal by the administrative court was in the company's favour, a ruling accepted by the French tax authorities, who declined to pursue an appeal on points of law.

(**) Detailed information on companies accounted for using the equity method is provided in Note 7.

CURRENT PROVISIONS

€000 AT 31 OCTOBER	2007	2008	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RECLASS.	CHANGE IN THE CONSO-LIDATION SCOPE	2009
Jackpot provisions	587	698	1 248	-	(458)	-	21	-	**1 510**
Other current provi-sions (*)	1 357	1 851	1 853	(18)	(1 645)	(10)	1 073	-	**3 101**
TOTAL	**1 945**	**2 549**	**3 101**	**(18)**	**(2 103)**	**(10)**	**1094**	**-**	**4 611**

(*) The line item "Other current provisions" includes the portion maturing in less than one year of the provision for employee commitments in the amount of €78k.

NOTE 17. CURRENT AND NON-CURRENT BORROWINGS

Please refer to § 4.1 Financial risks.

BREAKDOWN OF BORROWINGS

€000 AT 31 OCTOBER	CURRENT PORTION 2009	NON-CURRENT PORTION 2009	TOTAL 2009	CURRENT PORTION 2008	NON-CURRENT PORTION 2008	TOTAL 2008	CURRENT PORTION 2007	NON-CURRENT PORTION 2007	TOTAL 2007
Bank loans	7 661	298 621	306 282	300 490	7 935	308 425	43 298	319 138	362 436
Accrued interest / loans	12		12	42		42	47	-	47
Restated capital lease	701		701	1 008	709	1 717	923	1 665	2 588
Bank overdrafts	24		24	184		184	65	-	65
Sub-total bank borrowings	**8 398**	**298 621**	**307 019**	**301 724**	**8 644**	**310 368**	**44 333**	**320 803**	**365 136**
Other borrowings		100 281	100 281		100 285	100 285	4	100 431	100 435
Employee profit-sharing	600	6 195	6 795	677	6 554	7 231	1 750	8 627	10 377
Deposits and guarantees		405	405	1	533	534	64	467	531
Liabilities in respect of shareholdings in associated entities		963	963		963	963	-	963	963
Valuation of rate hedging instruments	3 115	3342	6 457	2 407		2 407	1 856	-	1 856
Purchase commitments for minority interests							2 680	-	2 680
Total	**12 113**	**409 807**	**421 920**	**304 809**	**116 979**	**421 788**	**50 686**	**431 292**	**481 978**

A syndicated credit facility represents the bulk of the Group's bank loans. At 31 October 2008, in application of IAS 1 Presentation of Financial Statements, the possible repayment of the loan had resulted in the reclassification of the entire syndicated credit facility under current liabilities. This situation was resolved following an agreement reached with the pool of banks on the restructuring of this loan. Consequently, for the 2009 financial year, this liability is presented in accordance with the new repayment schedule.

The line item "Other borrowings" includes a €100m advance from Financière Partouche to Groupe Partouche SA in accordance with the shareholder advance agreement signed on 29 August 2003 and the modified agreements dated 30 September 2005 and 30 December 2009.

The valuation of the rate hedging instruments entered into by Groupe Partouche in May 2007 reflects the sharp decline in rates recorded over the period, which resulted in the recognition of a total impairment charge of €4.384m for the 2009 financial year.

MATURITY DATES OF FINANCIAL DEBT

€000 AT 31 OCTOBER 2009	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Bank loans	306 282	7 661	185 621	113 000
Accrued interest / borrowings	12	12	-	-
Restated capital leases	701	701	-	-
Bank overdrafts	24	24	-	-
Other borrowings	100 281	-	281	100 000
Employee profit sharing	6 795	600	5 743	452
Deposits and guarantees	405	-	285	120
Liabilities in respect of investments in associates	963	-	963	-
Valuation of rate hedging instruments	6 457	3 115	3 342	-
Total	**421 920**	**12 113**	**196 235**	**213 572**

The only foreign currency borrowing is in pounds sterling, for investments in associates in the amount of €963k.

CHANGE IN BANK LOANS

€000 AT 31 OCTOBER	2007	2008	CHANGE IN THE SCOPE OF CONSOLIDATION	INCREASE	DECREASE	2009
Bank loans	362 436	308 425	-	1 073	**3 216**	**306 282**

The company's bank borrowings take the form of a syndicated loan, which was restructured in financial year 2009, as disclosed in Section 4.1.1.Liquidity risk: its new characteristics are as follows:

- original loan amount: €431,000,000;
- principal amount outstanding at period-end: €298,083,000;
- new repayment terms: the amount of principal outstanding, namely €298.1m, is divided into three Tranches.

Tranche A debt, €100.1m: amortised as assets are divested. It expires on 31 October 2011.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin.

The margin for Tranche A debt is 5% per year, falling to 4% once €50m has been amortised, and to 3.5% once €75m has been amortised.

For the purpose of repaying the loan, the group has committed to generate net proceeds of €100.1m by 31 October 2011 by divesting assets in accordance with the clauses stated below.

To reach this amount, repayment can be deferred one year (i.e. until 31 October 2012) as long as the €50m threshold has been achieved by 31 October 2011. As part of this deferment, the applicable bank interest margin will increase to 5%. The total net proceeds from committed asset disposals may increase to €120m if EBITDA recorded on 30 April 2011 is lower than EBITDA specified in the memorandum of understanding.

Tranche B debt, €105m: initial repayment of €5m is due on October 2010, followed by 10half-yearly payments of €10m.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin. The margin for Tranche B debt is:

- 3.25% per year until 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011);
- 4.00% per year for the financial year beginning 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011). This rate ceases to apply as of 31 October 2013;
- 5.50% per year from 31 October 2013.

Tranche C debt, €93.0m : due on maturity, i.e. 31 October 2015. If Tranche A debt is fully reimbursed, any additional disposals will serve to reimburse Tranche C debt.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin.

The margin for Tranche C debt is:

- 3.50% per year until 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011);
- 4.25% per year for the financial year beginning 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011). This rate ceases to apply as of 31 October 2013;
- 5.75% per year from 31 October 2013.

Guarantees

1. Covenants

Groupe Partouche is required to respect coverage ratios for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale.

Ratio 1: Financial expense coverage

The ratio of restated consolidated EBITDA to consolidated net financial expenses must be greater than or equal to:

3.1x	at 31 October 2009;
2.8x	at 30 April 2010;
2x	at 31 October 2010.

Restated consolidated EBITDA less the EBITDA attributable to Forges Thermal, Casino Lac Meyrin and Casino Crans-Montana which is allocated to minority shareholders of these companies.

Consolidated net financial expenses are the net interest payments on all financial and bank debt.

Ratio 2: Fixed cost coverage

The ratio of consolidated available cash flow to consolidated debt servicing costs must be greater than or equal to:

- 1x at 31 October 2009;
- 1x at 30 April 2010;
- 1x at 31 October 2010.

Consolidated available cash flow represents the net cash flow (as disclosed in the consolidated cash flow statement in the Group's half-yearly and annual financial statements), adjusted for consolidated debt servicing costs.

Consolidated debt servicing cost is the sum of (a) debt-related consolidated net financial expenses and (b) net amortisation of debt.

Ratio 3: Gearing

The ratio of consolidated net gearing to restated consolidated EBITDA must be less than or equal to:

- 4.7x at 31 October 2009;
- 4.3x at 30 April 2010;
- 5.1x at 31 October 2010.

Consolidated net debt represents the Group's debt after offsetting its available net cash flow.

Debt is defined as the Group's borrowings plus any accrued interest, restated capital leases, bank overdrafts, i.e. bank debt as defined in Groupe Partouche's annual and half-yearly financial statements less the share of debt attributable to minority shareholders of Forges Thermal, Casino Lac Meyrin and Casino Crans-Montana as of this date.

Available net cash is defined as the Group's consolidated net cash, less the net cash of Casino Lac Meyrin and Casino Crans-Montana and the physical cash position (i.e. the amount in the float of casinos as disclosed in the Group's half-yearly and annual financial statements).

Net cash is defined as the cash and cash equivalents item which appears on the asset side of the Group's consolidated balance sheet, less the «gaming levies" classified under current tax liabilities of the Group's consolidated balance sheet.

Non-compliance with these financial covenants triggers mandatory early repayment of the loan.

2. Financial indicator commitments

As part of the bank reporting procedure, variances (12% for financial year 2010) with respect to the business plan figures in quarterly business activity indicators (gross gaming revenue in France) and profitability (EBITDA of casinos and hotels) are likely to be referred to a mediator resulting in a waiver request or mandatory early repayment.

3. Investment limits

The upper limit for annual investments from operating activities has been revised downward to €30m, versus €37m net of disposals under the initial contract and €20m gross following the waiver of 31 October 2008.

External financing is authorised for the purpose of carrying out certain property acquisitions subject to the following debt limits:

- €323m at 31 October 2009;
- €323m at 30 April 2010;
- €323m at 31 October 2010.

Non-compliance with these investment ceilings triggers mandatory early repayment of the loan.

Repayment of surplus cash flow

In order to reduce its debt more quickly, Group Partouche will allocate part of its surplus consolidated cash flow to reimbursing its debt.

Surplus consolidated cash flow will be broken down as follows:

A specific proportion, i.e. 30% in 2010 and 2011, then 20% over subsequent years will be retained by Groupe Partouche.

The balance will be allocated as follows:

- 80% will be allocated to reimbursing tranche C and then tranche B of the syndicated loan;
- 20% will be used to cover interest payments accruing on the shareholder advance from Financière Partouche.

Surplus consolidated cash flow is defined as any sum over a €15,000,000 threshold of available net cash flow, less bank overdrafts (as recorded in the Group's half-yearly and annual financial statements).

€15m to be maintained in short-term credit lines for a period of two years

At 31 October 2009, none of these credit lines had been drawn down.

ANALYSIS OF BANK LOANS BY INTEREST RATE AT THE PERIOD-END

€000 AT 31 OCTOBER	BEFORE INTEREST RATE HEDGING 2009	AFTER INTEREST RATE HEDGING 2009	BEFORE INTEREST RATE HEDGING 2008	AFTER INTEREST RATE HEDGING 2008	BEFORE INTEREST RATE HEDGING 2007	AFTER INTEREST RATE HEDGING 2007
Fixed-rate loans	391	100 391	215	100 215	1 194	297 694
Variable-rate loans	305 892	205 892	308 210	208 210	361 242	64 742
Bank loans at the period-end	**306 282**	**306 282**	**308 425**	**308 425**	**362 436**	**362 436**
Average interest rate –fixed	4,15 %	7,49 %	4,32 %	5,67 %	4,62 %	4,48 %
Average interest rate– variable	4,56 %	4,85 %	6,73 %	6,71 %	5,42 %	5,45 %
Weighted average interest rate at the period-end	**4,56 %**	**5,68 %**	**6,72 %**	**6,38 %**	**5,41 %**	**4,66 %**

At the financial period-end, the amount outstanding on variable-rate loans represents more than 99% of total loans.

Given the significant exposure to rate variability, and in order to hedge against rate increases, Groupe Partouche entered into a cancellable swap in May 2007 matched against a repayment amount of €100m fixing the interest payments at 4.25% and with a potential maturity of July 2012. Although the swap worked in Groupe Partouche's favour until January 2009, since then it has been less beneficial due to the steep decline in market rates.

Outstanding principal on variable-rate loans fully reaped the benefit of the decline in interest rates and explains the drop in the weighted average interest rate at the period-end, despite the higher applicable margin for the syndicated loan.

NET FINANCIAL DEBT AT THE PERIOD-END

€000 AT 31 OCTOBER	2009	2008	2007
Bank loans and restated capital leases	**306 983**	**310 142**	**365 024**
Accrued interest	12	42	47
Other borrowings	108 444	109 013	112 306
Economic financial debt (1)	**415 439**	**419 197**	**477 377**
Financial instruments – assets	-	333	2 973
Financial instruments – liabilities	(6 457)	(2 407)	(1 856)
Hedges (2)	**(6 457)**	**(2 074)**	**1 117**
Cash and cash equivalents	78 866	68 972	128 824
Bank overdrafts	(24)	(184)	(65)
Net cash position (3)	**78 842**	**68 788**	**128 759**
Options held by minority interests (4)	-	-	2 680
Net financial debt (1-2-3+4)	**343 054**	**352 483**	**350 181**

NOTE 18. OTHER CURRENT AND NON-CURRENT LIABILITIES

€000 AT 31 OCTOBER	2009	2008	2007
Liabilities to suppliers of fixed assets	653	589	953
Tax liabilities	1 363	1 571	5
Other liabilities	570	744	651
Deferred income – non-current portion	8 474	9 344	8 128
Total other non-current liabilities	**11 060**	**12 247**	**9 737**
Deferred income – current portion ❖	1 971	1 544	2 990
Total other current liabilities	**1 971**	**1 544**	**2 990**

NOTE 19. TRADE ACCOUNTS PAYABLE AND OTHER CREDITORS

€000 AT 31 OCTOBER	2009	2008	2007
Customers, advances and down payments received	6 697	3 594	3 224
Trade accounts payable	27 938	32 615	22 054
Liabilities in respect of fixed asset acquisitions	3 785	7 781	6 959
Personnel	5 916	5 717	6 196
Employee profit sharing	4 256	5 081	6 991
Social security organisations	7 819	9 327	8 480
Paid vacation	18 077	18 436	18 696
Gaming levies	3 431	2 861	2 739
Current account liabilities and partners	5 966	5 429	2 550
State – VAT	3 694	2 711	2 996
State – expenses payable	11 989	11 607	10 873
Other	12 964	13 511	7 503
TOTAL	**112 532**	**118 671**	**99 261**

NOTE 20. CURRENT TAX LIABILITIES

€000 AT 31 OCTOBER	2009	2008	2007
State-gaming levies	36 104	38 809	55 114
State – Corporate income tax	515	2 116	8 347
TOTAL	**36 619**	**40 925**	**63 461**

NOTE 21. INFORMATION BY SEGMENT

Casino revenue in 2009 takes into account the favourable impact of the change in the progressive scale of levies applicable for the period, valued at €9.8m (Decree 2009-1035 of 26 August 2009).

INFORMATION PER 1ST LEVEL SEGMENT : BY BUSINES SEGMENT

TURNOVER AT 31 OCTOBER €000	2009	%	2008	%	2007	%
Casinos	406 071	89,6 %	430 915	89,5 %	455 283	89,1 %
Hotels	32 594	7,2 %	39 840	8,3 %	40 261	7,9 %
Interactive Division	7 498	1,7 %	2 982	0,6 %	3 494	0,7 %
Other	6 831	1,5 %	7 941	1,6 %	11 860	2,3 %
TOTAL	**452 993**	**100,0 %**	**481 678**	**100,0 %**	**510 898**	**100,0 %**

INFORMATION PER 2ND LEVEL SEGMENT: BY GEOGRAPHIC SEGMENT

TURNOVER AT 31 OCTOBER €000	2009	%	2008	%	2007	%
France	382 290	84,4 %	422 343	87,7 %	454 022	88,9 %
Europe (excluding France)	68 530	15,1 %	57 259	11,9 %	54 792	10,7 %
Other locations	2 172	0,5 %	2 076	0,4 %	2 084	0,4 %
TOTAL	**452 993**	**100,0 %**	**481 678**	**100,0 %**	**510 898**	**100,0 %**

CURRENT OPERATING PROFIT PER 1ST LEVEL SEGMENT

€000 AT 31 OCTOBER	CASINOS		HOTELS		PARTOUCHE INTERACTIVE		OTHER		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	406 071	430 915	32 594	39 840	7 498	2 981	6 830	7 941	452 993	481 678
Purchases and external expenses	(102 783)	(114 017)	(11 522)	(13 929)	(9 201)	(12 115)	(17 224)	(14 263)	(140 731)	(154 324)
Tax	(22 417)	(25 411)	(1 971)	(2 128)	(217)	(457)	(1 408)	(1 375)	(26 014)	(29 371)
Personnel costs	(172 254)	(180 221)	(14 026)	(16 425)	(6 582)	(5 861)	(7 511)	(8 736)	(200 373)	(211 243)
depreciation, amortisation and impairment on fixed assets	(35 439)	(37 394)	(4 183)	(4 452)	(1 404)	(534)	(4 539)	(4 628)	(45 565)	(47 009)
Other current operating income and expenses	(13 684)	(10 825)	(449)	(732)	1 741	1 423	1 117	568	(11 274)	(9 566)
Current operating profit (loss)	**59 494**	**63 047**	**443**	**2 174**	**(8 165)**	**(14 563)**	**(22 735)**	**(20 493)**	**29 036**	**30 165**

NB: The presentation of operating profit by segment included in the 2008 management report did not strip out exchanges of services rendered between segments.

NOTE 22. PURCHASES AND EXTERNAL CHARGES

€000 AT 31 OCTOBER	2009	2008	2007
Raw materials	43 406	51 352	49 099
Lease payments on current assets	193	242	239
Fixed assets leases	12 193	10 334	9 812
Current assets leases	6 913	6 940	5 197
Maintenance	9 978	10 709	10 916
Insurance premiums	1 894	1 872	2 207
External staff	1 983	3 012	2 865
Professional fees	19 145	15 614	15 769
Advertising	23 131	28 744	28 010
Entertainment	2 409	3 869	2 957
Post and telecoms	3 765	3 489	2 666
Banking fees	3 623	3 644	3 618
Subcontracting expenses	10 847	11 988	11 046
Other	1 251	2 516	1 691
TOTAL	**140 731**	**154 324**	**146 091**

NOTE 23. PERSONNEL COSTS AND WORKFORCE

PERSONNEL COSTS

€000 AT 31 OCTOBER	2009	2008	2007
Wages and salaries	142 021	151 314	146 186
Social security costs	54 629	55 365	54 296
Employee profit sharing	3 724	4 564	6 439
TOTAL	**200 373**	**211 243**	**206 921**

AVERAGE WORKFORCE

AT 31 OCTOBER	2009	2008	2007
France	5 125	5 458	5 537
Abroad	645	628	547
TOTAL	**5 770**	**6 086**	**6 084**

2,666 people work in the gaming sector.

BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY

€000 AT 31 OCTOBER	2009	2008	2007
Executive staff	991	963	875
Junior executive staff	312	294	321
Other non-manual labourers	4 225	4 628	4 696
Manual labourers	242	200	192
TOTAL	**5 770**	**6 086**	**6 084**

NOTE 24. OTHER CURRENT OPERATING INCOME AND EXPENSES

OTHER CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2009	2008	2007
Net gain (loss) on asset disposals	(76)	(434)	(632)
Changes in provisions for current assets	(412)	(1109)	(1 009)
Changes in provisions for liabilities	(2 770)	(261)	(4 597)
Sundry current operating income and expenses	(8 016)	(7 762)	(4 165)
Other current operating income and expenses	**(11 274)**	**(9 566)**	**(10 403)**

In respect of 2009, the line item “Sundry current operating income and expenses” includes in particular:

Charges related to specifications	(11 486)
Tax relief for “manifestations artistiques de qualité » (high-quality artistic productions)	835
Investments subsidies taken to income for the period	1 744
Other income and expenses	891
TOTAL	**(8 016)**

OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2009	2008	2007
Net gain (loss) on asset disposals	3 371	6 852	650
Changes in provisions for liabilities	-1 854	1 464	(2 343)
Other non-current operating income and expenses	**1 517**	**8 317**	**(1 692)**

NOTE 25. NET FINANCIAL INCOME (EXPENSE)

€000 AT 31 OCTOBER	2009	2008	2007
Cost of debt	(19 209)	(28 579)	(29 003)
Cost of interest rate hedges	(1 587)	2 956	575
Investment income	1 150	3 320	3 740
Net Financial Income (Expenses)	**(19 646)**	**(22 303)**	**(24 688)**
Expenses related to hedges evaluation	(4 383)	(3 192)	573
Cost of financial debt (a)	**(24 029)**	**(25 495)**	**(24 115)**
Foreign exchange gains	2 094	3 024	3 181
Foreign exchange losses	(2 072)	(960)	(1 674)
Other	(1)	510	1 189
Financial provision charges and reversals	(948)	(153)	161
Other financial income and expenses (b)	**(927)**	**2 421**	**2 857**
NET FINANCIAL INCOME (a + b)	**(24 956)**	**(23 074)**	**(21 258)**

The cost of debt decreased significantly over the 2009 financial year due to the decline in market intereset rates. For the same reason, rate hedging instruments had an unfavourable impact during the period, resulting in an adverse valuation entry at 31 October 2009 in the amount of €4.4m. Investment income decreased by €2.2m, due to the change in the Group's cash position and lower yields.

Foreign exchange gains and losses for the period reflect the liquidation of the Swiss companies CCH and Vistaleasing and the change in the value of the euro against the pound sterling, which affected the subsidiaries of Partouche Interactive.

NOTE 26. COMMENTS ON THE CASH FLOW STATEMENT

NET CASH FLOW FROM OPERATING ACTIVITIES

Net cash flow from operating activities declined from €43.2m in 2008 to €35.0m in 2009. The main factors responsible for this decrease were:

- the drop in the profitability of the Group's current activities;
- the adverse change in working capital requirements, from net resources of €10.8m in 2008 to a net requirement of €12.6m in 2009, as a result of a decrease in trade payables (-€7.1m), an increase in trade receivables (+€2.3m) and an increase in other creditors (+€4.1m);
- a reduction in interest paid (-€9.4m) related to the decline in reference rates and the suspension at mid-period of interest payments on the shareholder advance;
- a reduction in taxes paid (-€11.9m), the natural result of the deterioration in profitability.

CASH FLOW FROM INVESTING ACTIVITIES

Amid a difficult environment, cash flow from investing activities decreased significantly and represented a net cash outflow of €13.5m, as against €38.3m in 2008. This net cash outflow results from the following three main flows:

- acquisition of property and equipment in the amount of €20.2m, including maintenance investments at the Group's various subsidiaries;
- a flow related to asset disposals of €7.0m, including the proceeds on the sale of the premises of the Bagnoles-de-l'Orne casino (€2.8m) and on the sale of the premises of Thermes de Contrexéville (€1.6m), as well as the collection of a receivable related to the sale of the premises of the Saxon casino (€2.0m);
- the collection, in the amount of €0.5m, of a portion of the receivable due from La tête dans les nuages.

CASH FLOW RELATING TO FINANCING ACTIVITIES

Due to the suspension of repayment on the syndicated loan, cash flow relating to financing activities shrank markedly, reduced to the flow from other bank loans reported by subsidiaries and the payment of dividends to minority interests in subsidiaries (-€7.3m), representing a total use of only €11.1m, as against €67.8m in 2008.

For the period, the net cash flow relating to financing activities was an increase in cash in the amount of €10.1m.

NOTE 27. CORPORATE INCOME TAX

ANALYSIS OF THE TAX EXPENSE

€000 AT 31 OCTOBER	2009	2008	2007
Profit before tax	(3 726)	11 085	45 710
Current tax expense	(3 774)	10 931	18 580
Change in deferred tax	2 606	2 901	(565)
Total tax expense	**(1 169)**	**13 832**	**18 015**
Effective tax rate	31,37 %	124,78 %	39,41 %

TAX PROOF

€000 AT 31 OCTOBER	2009	2008	2007
Net profit before tax	59 590	70 541	151 315
Total consolidation adjustments	(63 316)	(59 456)	(105 605)
Profit taxable at the current corporate income tax rate	**(3 726)**	**11 085**	**45 710**
French corporate income tax rate	33,33 %	33,33 %	33,33 %
Tax charge based on current corporate income tax rate (theoretical)	**(1 242)**	**(3 695)**	**(15 237)**
Temporary timing differences	(741)	(770)	44
Permanent differences	19 219	24 860	30 487
Net effect of consolidation operations	(18 311)	(22 519)	(39 434)
Tax losses generated by Group companies during the year	(24 112)	(23 373)	(18 755)
Impact of tax consolidation	19 189	14 858	15 285
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	1 814	(4 121)	2 891
Use of unrecognised tax loss carried forwards	430	648	1 732
Tax credit and other	102	280	(437)
Other eliminations	-	-	5 409
Group tax charge	**(1 169)**	**(13 832)**	**(18 015)**
Consolidated net income before tax	**(3 726)**	**11 085**	**45 710**
Reconstituted Group tax rate	**31,37 %**	**124,78 %**	**39,41 %**

In France, Groupe Partouche has set up two tax consolidation groups with the following sub consolidation group heads

▸ GROUPE PARTOUCHE SA (GROUPE PARTOUCHE, Baratem, C.D.T.H, Cannes Balnéaires, Casino Evaux-les-Bains, Casino Contrexéville, Casino Gréoux-les-Bains, Casino La Grande-Motte, Casino Palavas, Casino St-Cast-le-Guildo, Casino Salies-de-Béarn, Casino St Amand, Casino St Nectaire, Casino Touquet – Les Quatre Saisons, Casino Le Lion Blanc, Casino Municipal Aix Thermal, Casino Municipal Royat, Compagnie Européenne de Casinos, Développement Baie de Kernic, Eden Beach Casino, Grand Casino Bandol, Grand Casino Beaulieu, Grands hôtels du Parc, Hôtel Cosmos, Jean Metz, Ludica, Numa, Plombinoise de Casino, SACBM, SATHEL, SEK, Société du casino d'Arcachon, Sté de brasserie et casino Les Flots Bleus, Thermes de Contrexéville, Villa du Havre, Holding Garden Pinède, Aquabella, Lydia Investissement, Sci des Thermes, Thermpark, Centre de balnéothérapie d'Aix en Provence, Casino Pornichet, Casino Pornic, Casino Andernos, Sci Leriche Rostagne, Casino Val André, Sinoca, Grand Casino du Havre, Grand Casino de la Trinité, Casino de Saint Honoré, S.T.T.H.DIVONNE, Société du Grand Casino D'Annemasse, Sci de l'Arve, S.C.H.L., Hôtel International de Lyon and Grand Casino de Lyon, Café Carmen, Partouche Spectacles & Productions, Casino de Cabourg, SCI Vittel & Contrexéville, Partouche Immobilier;

▸ Casino de Vichy and cinema of the Casino de Vichy.

DEFERRED TAX ASSETS AND LIABILITIES

€000 AT 31 OCTOBER	2009	2008	2007
Deferred tax – Assets ❖	2 397	855	1 988
Deferred tax – Liabilities	(33 180)	(34 491)	(32 673)
Net deferred tax	**(30 783)**	**(33 636)**	**(30 685)**

TAX LOSSES CARRIED FORWARD

Deferred tax assets related to tax losses carried forward were recognised for the French tax consolidation groups. To the extent that the recoverable nature of the tax losses carried forward could be determined, these losses were recognised by the tax consolidation groups in France and abroad, on the basis of taxable profit forecasts for these entities. Total deferred tax assets not capitalised at 31 October 2009 amounted to €32.122m.

NOTE 28. COMMERCIAL AND FINANCIAL COMMITMENTS

COMMITMENTS GIVEN

Contractual obligations and commercial commitments as of 31 October 2009:

€000 AT 31 OCTOBER	2009	PAYMENTS DUE PER PERIOD			2008	2007
		LESS THAN 1 YEAR	ONE TO FIVE YEARS	MORE THAN FIVE YEARS		
Long term liabilities (bank debts with guarantees)	305 525	7 461	185 064	113 000	308 040	360 314
Finance lease obligations (other than hire purchase)	599	350	249	-	1 015	1 296
Operating lease contracts (leases, non-real estate lease contracts)	69 581	7 820	23 205	38 556	65 807	60 796
Other commitments (collateral or mortgages)	1 406	-	1 406	-	1 406	1 406
Other obligations (guarantees)	6 890	-	6 890	-	7 086	5 803
Notes issued	577	577	-	-	235	45
Liability guarantee	-	-	-	-	-	5 481
Other financial commitments	-	-	-	-	-	-
Other commercial commitments	36 685	5 723	14 521	16 441	34 753	34 785
TOTAL	**421 263**	**21 931**	**231 335**	**167 997**	**418 342**	**469 926**

COMMITMENTS RECEIVED

€000 AT 31 OCTOBER	2009	2008	2007
Guarantees	275	529	544
Liability guarantee	-	17 731	17 731
Other commitments	3 400	-	2 680
TOTAL	**3 675**	**18 260**	**20 955**

The commitments received for €3.4m are related to the balance of SFC debt, spread over six years.

NOTE 29. RELATED PARTIES

DIRECTORS' COMPENSATION

For the financial year ended 31 October 2009, the amount of gross compensation allocated to the management and supervisory bodies of Groupe Partouche SA amounts to €1,159,933, and no directors' fees were received by the members of the Supervisory Board for the period under review.

These components of compensation are comprised uniquely of short-term benefits.

RELATED PARTY TRANSACTIONS

Transactions with Financière Partouche SA

Groupe Partouche SA rents from Financière Partouche SA the premises of its registered office. The total rent, including charges and tax, was €273,946 for financial year 2008-2009.

Groupe Partouche SA benefited from a shareholder advance of €100m from Financière Partouche SA. This advance is remunerated at the rate of Euribor 6 months plus 2%, which represents for financial year 2008-2009, a financial charge of €4,328,793 net of hedges.

Groupe Partouche has a shareholder current account with Financière Partouche SA of €2,272,947 and interest of €45,814 at 31 October 2009

Services with Shal & Co

Shal & Co, controlled and chaired by Mr. Hubert Benhamou, provides assistance with the management activities of certain Groupe Partouche casinos. The corresponding remuneration received for financial year 2008-2009 was €567,433.

Services with Ispar Holding SA

Ispar Holding SA , controlled and chaired by Mr. Isidore Partouche, provides assistance and advice to the Swiss casinos. The provisioned remuneration for financial year 2008-2009 was €337,813.

Other

The other transactions in financial year 2008-2009 with related parties as part of ordinary activities are not considered significant for the Group and were carried out at market conditions.

NOTE 30. ACTIVITIES IN THE PROCESS OF BEING DIVESTED

At the end of financial year 2007, Groupe PARTOUCHE signed a memorandum of understanding relating to the disposal of the buildings and business of the Vittel thermal spa. This memorandum of understanding led the Group to consider these assets as held for sale in the consolidated balance sheet at 31 October 2007. No assets are held for sale for financial year 2009.

BALANCE SHEET ASSETS €000 AT 31 OCTOBER	2009	2008	2007
Non-current assets	NA	NA	572
Current assets	NA	NA	-
Total held for sale assets	**NA**	**NA**	**572**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2009	2008	2007
Equity	NA	NA	-
Non-current liabilities	NA	NA	-
Current liabilities	NA	NA	-
Total held for sale liabilities and equity	**NA**	**NA**	**-**

BREAKDOWN OF NON-CURRENT ASSETS

€000 AT 31 OCTOBER	2009	2008	2007
Intangible assets	NA	NA	(1) 39
Property and equipment	NA	NA	(2) 533
Other non-current assets	NA	NA	-
Non-current assets	**NA**	**NA**	**572**

(1) Relates to the disposal of the business goodwill of Thermes de Vittel
(2) Relates to the disposal of the buildings of SCI Foncière Vittel and Contrexéville

NOTE 31. EVENTS OCCURRING AFTER THE PREPARATION DATE OF THE ACCOUNTS AND TRANSACTIONS IN PROGRESS

No significant events occurred in the period after the consolidated financial statements were prepared which could have a significant effect on the accounts.

NOTE 32. CONSOLIDATION SCOPE

The following companies were consolidated by SA GROUPE PARTOUCHE:

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2009	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	CONSOLIDATION METHOD
SA GROUPE PARTOUCHE	France				Parent company
FULLY CONSOLIDATED COMPANIES					
CASINOS					
SA CASINO DE SAINT-AMAND	France	100,00	100,00	100,00	FC
SA GRAND CASINO DE CABOURG	France	100,00	100,00	100,00	FC
SA CASINO DU GRAND CAFÉ	France	61,90	61,90	61,90	FC
SA GRAND CASINO DE BEAULIEU	France	100,00	100,00	100,00	FC
SA FORGES THERMAL	France	59,25	58,75	58,76	FC
SA CASINO & BAINS DE MER DE DIEPPE	France	100,00	100,00	100,00	FC
SA JEAN METZ	France	100,00	100,00	100,00	FC
SA LE TOUQUET'S	France	90,05	90,05	90,05	FC
SA CASINOS DU TOUQUET	France	99,53	99,53	99,53	FC
SA CASINOS DE VICHY	France	91,78	91,68	91,68	FC
CASINO DE CONTREXÉVILLE	France	100,00	100,00	100,00	FC
SA NUMA	France	100,00	100,00	100,00	FC
SA GRAND CASINO DE LYON	France	97,00	97,00	96,50	FC
SA LCL FRANCE & CIE (CASINO CARLTON)	France	99,99	99,99	99,99	FC
SA ECK	Belgium	99,90	99,90	99,90	FC
SA LE GRAND CASINO DE DJERBA	Tunisia	84,91	84,91	84,91	FC
CASINO NUEVO DE SAN ROQUE	Spain	98,90	98,90	98,90	FC
SA SATHEL	France	99,86	99,86	99,86	FC
SA CASINO MUNICIPAL DE ROYAT	France	99,86	99,86	99,86	FC
SA CASINO LE LION BLANC	France	99,86	99,86	99,86	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2009	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	CONSOLIDATION METHOD
SA EDEN BEACH CASINO	France	99,65	99,65	99,65	FC
SA CASINO MUNICIPAL D'AIX THERMAL	France	99,41	99,41	99,41	FC
SA CASINO DES FLOTS BLEUS	France	99,38	99,39	99,39	FC
SA CASINO DE PALAVAS	France	99,87	99,87	99,87	FC
CASINO DE PORNICHET	France	100,00	100,00	100,00	FC
CASINO DE PORNIC	France	100,00	100,00	100,00	FC
CASINO D'ANDERNOS	France	99,78	99,78	99,78	FC
CASINO D'ARCACHON	France	98,65	98,65	98,65	FC
CASINO DE SALIES DE BÉARN	France	100,00	100,00	100,00	FC
CASINO DE LA GRANDE MOTTE	France	99,98	99,98	99,98	FC
CASINO DE GRÉOUX	France	100,00	100,00	100,00	FC
CASINO DE SAINT-NECTAIRE	France	100,00	100,00	100,00	FC
CASINO D'EVAUX-LES-BAINS	France	100,00	100,00	100,00	FC
CASINO DE SAINT-HONORÉ	France	97,22	97,22	97,22	FC
CASINO DE PLOMBIÈRES	France	100,00	100,00	100,00	FC
CASINO D'OOSTENDE	Belgium	99,98	99,98	99,98	FC
CASINO DE CHAUDFONTAINE	Belgium	99,99	99,99	99,99	FC
CASINO DE LA ROCHE-POSAY	France	89,70	89,70	89,70	FC
CASINO DE AGON COUTAINVILLE	France	89,41	89,41	89,36	FC
CASINO DE HYÈRES	France	99,90	99,90	99,90	FC
CASINO DE VAL ANDRÉ	France	100,00	100,00	100,00	FC
CASINO DE PLOUESCAT	France	97,00	97,00	97,00	FC
CASINO DE BANDOL	France	100,00	100,00	100,00	FC
CASINO LAC MEYRIN	Switzerland	40,00	39,98	39,98	FC
SA LYDIA	France	97,60	97,60	97,60	FC
CASINO DU HAVRE	France	99,99	100,00	100,00	FC
CASINO DE LA TRINITÉ	France	100,00	100,00	100,00	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2009	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	CONSOLIDATION METHOD
CASINO DU PALAIS DE LA MÉDITERRANÉE	France	100,00	25,00	25,00	FC 2009 - EM before
CASINO DE DIVONNE	France	98,70	98,69	98,69	FC
CASINO D'ANNEMASSE	France	99,88	99,88	99,88	FC
CASINO DE HAUTEVILLE-LOMPNES	France	100,00	100,00	100,00	FC
CASINO DE CRANS-MONTANA	Switzerland	57,00	57,00	57,00	FC
CASINO DE LA TREMBLADE	France	69,76	69,76	69,76	FC
CASINO DE DINANT	Belgium	100,00	100,00	-	FC
CASINO TABARKA	Tunisia	84,90	84,90	-	FC
HOTELS					
SA ELYSÉE PALACE HÔTEL	France	91,65	91,55	91,55	FC
SA HÔTEL INTERNATIONAL DE LYON	France	97,00	97,00	96,50	FC
SNC GARDEN BEACH HÔTEL	France	99,65	99,65	99,65	FC
SARL AQUABELLA	France	99,79	99,79	99,79	FC
HÔTEL 3.14	France	99,99	99,99	99,99	FC
GRANDS HÔTELS DU PARC	France	100,00	100,00	100,00	FC
HÔTEL COSMOS	France	100,00	100,00	100,00	FC
HÔTEL EHC CHARBONNIÈRE (T)	France	-	99,86	99,86	FC
SARL SINOCA	France	100,00	100,00	100,00	FC
INTERACTIVE DIVISION					
PARTOUCHE INTERACTIVE	France	95,99	78,00	80,00	FC
QUARISMA	France	76,93	62,50	64,11	FC
PARTOUCHE PRODUCTION	France	72,42	58,84	60,35	FC
PARTOUCHE TECHNOLOGIES	France	96,00	78,00	80,00	FC
PARTOUCHE IMAGE	France	72,44	58,86	36,94	FC 2008 – EM 2007
PARTOUCHE TOURNOIS (ex Partouche Gammon)	France	96,00	66,30	68,00	FC
WORLD SERIES OF BACKGAMON	Great Britain	96,00	66,30	68,00	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2009	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	CONSOLIDATION METHOD
SPRL CASKNO	Belgium	67,20	54,60	56,00	FC
PARTOUCHE INTERACTIVE HOLDING	Gibraltar	96,00	78,00	80,00	FC
PARTOUCHE INTERACTIVE GIBRALTAR	Gibraltar	96,00	78,00	80,00	FC
PARTOUCHE BETTING	Malta	96,00	78,00	-	FC
PARTOUCHE INTERACTIVE MALTA (*)	Malta	96,00			FC
OTHER					
SA CANNES BALNÉAIRE PALM BEACH	France	99,99	99,99	99,99	FC
SA CHM	France	86,84	86,76	86,56	FC
SA BARATEM	France	99,25	99,25	99,25	FC
SA HOLDING GARDEN PINÈDE	France	100,00	100,00	100,00	FC
SCI HÔTEL GARDEN PINÈDE	France	100,00	100,00	100,00	FC
SCI RUE ROYALE	France	99,99	99,99	99,99	FC
ELYSÉE PALACE EXPANSION	France	91,61	91,55	91,55	FC
ELYSÉE PALACE SA	France	91,59	91,53	91,53	FC
SCI LYDIA INVESTISSEMENT	France	97,00	97,00	97,00	FC
SCI LES THERMES	France	99,99	99,99	99,99	FC
SARL THERM'PARK	France	99,99	99,99	99,99	FC
SA GROUPE PARTOUCHE INTERNATIONAL	Belgium	99,90	99,90	99,90	FC
SA SIKB	Belgium	99,90	99,90	99,90	FC
SARL SEK	France	99,86	99,86	99,86	FC
SCI EDEN BEACH CASINO	France	99,86	99,86	99,86	FC
SCI PALAVAS INVESTISSEMENT	France	99,88	99,88	99,88	FC
CAFÉ CARMEN	France	99,95	99,95	99,95	FC
CBAP CENTRE BALNÉOTHÉRAPIE	France	99,99	99,99	99,99	FC
VILLA DU HAVRE	France	99,99	100,00	100,00	FC
ÉTABLISSEMENT THERMAL VITTEL (T)	France	-	-	100,00	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2009	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	CONSOLIDATION METHOD
ÉTABLISSEMENT THERMAL CONTREX	France	100,00	100,00	100,00	FC
SCI FONCIÈRE DE VITTEL ET CONTREX	France	100,00	100,00	100,00	FC
EUROPÉENNE DE CASINO HOLDING	France	100,00	100,00	100,00	FC
BELCASINOS	Belgium	100,00	100,00	100,00	FC
SA CHAUDFONTAINE LOISIRS	Belgium	99,98	99,98	99,98	FC
SCI GAFA	France	89,81	89,80	89,80	FC
SCI AZUR BANDOL (T)	France	-	100,00	100,00	FC
CASINO VIRGINIAN DE RENO	United States	100,00	100,00	100,00	FC
SCI MIAMI	France	99,78	99,78	99,78	FC
SCI LES MOUETTES	France	100,00	100,00	100,00	FC
SCI LES JARRES	France	100,00	100,00	100,00	FC
HOLDING SONECAR (T)	France	-	-	100,00	FC
HOLDING LUDICA	France	100,00	100,00	100,00	FC
GIE EUROP GESTION COMPANY	France	100,00	100,00	100,00	FC
SCI LERICHE ROSTAGNE	France	100,00	100,00	100,00	FC
HOLDING EUROPÉENNE GAMING CIE (T)	France	-	-	100,00	FC
SCI JMB	France	100,00	100,00	100,00	FC
CASINO DE LA SEYNE-SUR-MER	France	97,65	97,65	97,64	FC
VZW	Belgium	100,00	100,00	100,00	FC
CIE CASINO HOLDING (L)	Switzerland	-	99,96	99,96	FC
VISTALEASING (L)	Switzerland	-	99,96	99,96	FC
SCI PARC DE POSAY	France	89,71	89,71	89,71	FC
SARL PARC DU CHÂTEAU	France	71,76	71,76	71,76	FC
CINÉMA ELYSÉE VICHY	France	88,11	88,01	88,01	FC
CASINO DE SAXON (L)	Switzerland	-	99,96	99,96	FC
CASINO SLUIS NV	Netherlands	59,94	59,94	39,96	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2009	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	CONSOLIDATION METHOD
GROUPE DE DIVONNE (T)	France	-	-	100,00	FC
SCI DE L'ARVE	France	99,88	99,88	99,88	FC
SOMARG (T)	France	-	99,90	99,90	FC
SCI LA TREMBLADE	France	70,06	70,06	70,06	FC
PARTOUCHE IMMOBILIER	France	100,00	100,00	100,00	FC
PARTOUCHE SPECTACLES	France	100,00	100,00	100,00	FC
KIOUSK	France	99,99	99,99	99,99	FC
GROUPEMENT DE MOYEN DES CASINOS	France	100,00	100,00	-	FC
GIE IMCJC (*)	France	100,00	-	-	FC
COMPANIES CONSOLIDATED USING THE EQUITY METHOD					
CASINOS					
INTERNATIONAL CASINO OF MADRID	Egypt	17,63	17,63	17,63	EM
OTHER					
STE FRANCAISE INVEST HOTEL	France	-	25,00	25,00	EM
SAS HÔTEL PALAIS DE LA MÉDITERRANÉE	France	-	25,00	25,00	EM
FAIR PLAYERS	France	19,20	15,60	16,00	EM
PROPORTIONALLY CONSOLIDATED COMPANIES					
CASINOS					
SA CASINO DE GRASSE	France	49,73	49,73	49,73	IP
OTHER					
SCI DU CASINO DE GRASSE	France	49,77	49,77	49,77	IP

Companies added to the scope of consolidation
(T) Transmission universelle de patrimoine 2008 & 2009 (dissolution without liquidation)
(L) Dissolution 2009

20.2.2 FINANCIAL STATEMENTS OF THE PARENT COMPANY AT 31 OCTOBER 2009

BALANCE SHEET ASSETS (NET VALUES) €000 AT 31 OCTOBER	NOTES	2009	2008	2007
FIXED ASSETS				
Intangible assets	**2.1 / 2.2**			
Concession and similar rights		390	545	236
Internally generated goodwill		73 081	73 157	1 514
Deposits and down payments on fixed assets		18	18	225
Tangible fixed assets	**2.1 / 2.2**			
Land		67	145	145
Buildings		3 438	4 091	4 447
Technical equipment		131	158	55
Other tangible fixed assets		1 106	324	316
Assets under construction		15	736	-
Deposits and down payments		0	0	20
Financial investments				
Other investments in associates	2.3 / 2.4	565 904	555 708	613 889
Other investments	2.3	-	-	-
Loans	2.5	63	68	39
Other financial investments	2.4 / 2.5	160	155	141
Total fixed assets		**644 373**	**635 106**	**621 027**
CURRENT ASSETS				
Merchandise		43	74	
Advances and down payments to suppliers		6	6	23
Trade receivables	2.5	9	55	1
Other receivables	2.4 / 2.5	287 480	286 039	270 203
Marketable securities		848	857	27 044
Cash and cash equivalents		1 036	115	498
Prepaid expenses	2.5 / 2.10	1 475	1 580	1 233
Total current assets		**290 899**	**288 726**	**299 002**
REGULARISATION ACCOUNTS				
Capitalised expenses		2 186	2 935	3 684
Translation adjustment – asset		299	127	267
TOTAL ASSETS		**937 756**	**926 895**	**923 980**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	NOTES	2009	2008	2007
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		8 619	8 619	8 619
Statutory reserve (3)		-	-	-
Other reserves		14 423	14 423	14 423
Retained earnings		232 184	210 099	186 141
NET INCOME FOR THE YEAR (PROFIT OR LOSS)		(866)	22 085	23 958
Equity	**2.12**	**394 840**	**395 706**	**373 621**
Provisions for contingencies	2.4	378	203	267
Provisions for losses	2.4		407	5 341
Provisions for contingencies and losses		**378**	**611**	**5 608**
Bank loans (5)	2.6	305 470	308 104	353 807
Other borrowings	2.6	100 982	101 038	101 034
Advances and deposits on outstanding orders		-	-	-
Trade creditors	2.6	7 666	3 918	585
Tax and social security liabilities	2.6	2 809	1 815	2 375
Liabilities in respect of fixed assets	2.6	**80**	**223**	**41**
Other liabilities	2.6	125 511	115 457	86 889
Deferred income	2.6 / 2.11	20	21	20
Total (4)		**542 538**	**530 575**	**544 751**
Translation adjustment - liability		-	3	-
TOTAL EQUITY AND LIABILITIES		**937 756**	**926 895**	**923 980**
(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				
(4) Liabilities and deferred income falling due or to be released in less than one year		149 455	430 575	136 043
(5) Includes current account bank balances and bank overdrafts		7 387	10 021	5 447

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2009	2008	2007
Sales of goods held for resale		132	31	0
Sales of services		13 538	14 780	14 842
Net turnover	2.14	**13 670**	**14 812**	**14 842**
Fixed services		876	0	0
Operation Subsidies		25	0	0
Reversals of depreciation, amortisation, provisions and expense transfers (7)		703	588	663
Other revenue		1	9	4
Total operating revenue (2)		**15 274**	**15 409**	**15 508**
OPERATING EXPENSES				
Purchases of goods (and custom duties)		101	105	0
Change in goods		31	(74)	0
Other purchases and external expenses (6bis)		14 338	11 325	10 547
Tax		418	478	544
Personnel costs		3 261	3 990	4 583
Social security expenses		1 332	1 552	1 744
Depreciation and amortisation charges and provision on fixed assets		1 688	1 520	1 428
Impairment of current assets		0	92	0
Other expenses		2	68	69
Total operating expenses		**21 171**	**19 056**	**18 915**
OPERATING INCOME		**(5 896)**	**(3 647)**	**(3 406)**
Income allocated or loss transferred		31	29	18
Loss borne or income transferred		1	1	1
Income from associates (5)	2.16	26 419	50 334	41 599
Income from other marketable securities and receivables (5)		1	1	0
Other interest income (5)		11 167	19 610	11 201
Provision reversals and expense transfers		7 416	3 106	114
Positive foreign exchange differences		0	4	0
Net gains on the disposal of marketable securities		10	692	1 358
Total financial income		**45 013**	**73 747**	**54 272**

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2009	2008	2007
FINANCE COSTS				
Depreciation, amortisation and provision charges		32 707	28 324	4 678
Interest expense (6)		24 767	35 697	37 159
Negative foreign exchange differences		24	0	0
Total finance costs		**57 499**	**64 021**	**41 837**
FINANCIAL ITEMS		**(12 485)**	**9 726**	**12 435**
CURRENT INCOME BEFORE TAX		**(18 352)**	**6 107**	**9 046**
Exceptional income on management transactions		25	401	3 460
Exceptional income on capital transactions		2 926	1 010	11 464
Provision reversals and expense transfers		407	4 934	0
Total exceptional income		**3 358**	**6 345**	**14 924**
Exceptional expense on management transactions		1 103	4 943	52
Exceptional expense on capital transactions		3 958	282	11 172
Exceptional depreciation, amortisation and provision charges		0	0	4 156
Total exceptional expense		**5 061**	**5 225**	**15 380**
EXCEPTIONAL ITEMS	2.17	**(1 703)**	**1 120**	**(456)**
Employee profit sharing				
Corporate income tax	2.18	(19 189)	(14 858)	(15 368)
Total income		**63 676**	**95 530**	**84 723**
Total expense		**64 542**	**73 445**	**60 765**
NET PROFIT OR LOSS		**(866)**	**22 085**	**23 958**
(2) Includes property rental income		628	735	721
(2) Includes operating revenue relating to prior financial years		24	263	10
(4) Includes operating expenses relating to prior financial years		979	1	1
(5) Includes income from associated entities		37 156	61 234	51 258
(6) Includes interest from associated entities		9 357	10 878	15 874
(6bis) Includes contributions made to organisations deemed to be in the public interest		1	29	62
(7) Includes expense transfers		568	588	567

Notes to the parent company financial statements

Notes to the balance sheet before appropriation for the financial year ending 31 October 2009 which totals €937.756m and the income statement for the financial year, presented in list format, showing total revenues of €63.676m and a net loss of €866k.

The financial year under review is the 12-month period from 1 November 2008 to 31 October 2009.

The key highlights of this financial year were as follows:

On 21 October 2009, Groupe Partouche concluded a memorandum of understanding on the restructuring of its debt with its pool of banks.

This restructuring involves a change in the repayment terms and conditions: the outstanding principal, in the amount of €298.1m, will now be repaid over a period extended until 31 October 2015, from its previous maturity of 31 October 2012; the amount of the principal repayable by the Group on maturity is €93.0m. Debt repayment will begin again on 31 October 2010 in the amount of €5m.

Subscription to the capital increases of Partouche Immobilier and Partouche Interactive, through the capitalisation of receivables, operations completed on 20 July 2009 and 27 July 2009, respectively.

Sale of the entirety of the Group's shares in Villa du Havre and in Thermes de Contrexéville.

On 6 April 2009, Somarg was dissolved via a transfer of all assets and liabilities (transmission universelle de patrimoine or TUP), in accordance with the preferential tax treatment granted under Article 210A of the French General Tax Code.

On 30 October 2009, a memorandum of understanding was signed with Société Francaise des Casinos, setting new repayment terms and conditions. The payment of the outstanding receivable of €3.9m, less €500k collected on 4 December 2009, will be made in six equal instalments at fixed intervals until 30 October 2015.

The notes and tables below are an integral part of the annual financial statements.

There were no changes of accounting policy or presentation in the parent 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:

- CRC Regulation 2002.10,
- The new 1999 chart of accounts adopted by the CRC on 29 April 1999 (Regulation 9903),
- Law 83-353 of 30 April 1983,
- Decree 83-1020 of 29 November 1983.

As a reminder, for the year ending 31 October 2005, the company had carried out an analysis of its buildings based on three components contributing to the net carrying value of these assets as of 31 October 2005 which breaks down as follows:

- Structures: 51%
- Fluids: 24%
- Fixtures and fittings: 25%

The main accounting policies applied are as follows:

1.1 Intangible assets

Intangible assets related to software licences are written off over a period of 1 to 4 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 cost (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 concluded in 1994 with retroactive effect as of 1 November 1993.

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

BUILDINGS:	STRAIGHT-LINE	20 TO 50 YEARS
EQUIPMENT:	STRAIGHT-LINE	3 TO 8 YEARS
FIXTURES AND FITTINGS:	STRAIGHT-LINE	5 TO 10 YEARS
EQUIPMENT USED FOR EVENTS:	STRAIGHT-LINE	3 YEARS
VEHICLES:	STRAIGHT-LINE	5 YEARS
OFFICE AND COMPUTER EQUIPMENT:	STRAIGHT-LINE	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 contributed by SIHB SA are valued at their contribution value at the time of the merger.

The securities contributed under the terms of the Transmission Universelle du Patrimoine in Groupe de Divonne SA , were acquired at their carrying amount.

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 denominated in foreign currencies

During the financial year, receivables in foreign currencies are translated on the basis of the exchange rate on the transaction date. At the end of the financial 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 contingencies”.

1.6 Cash and cash equivalents

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

Where the acquisition cost is greater than their net realisable value at the end of the financial year, a provision for impairment is established for the amount of the difference.

1.7 Deferred charges

Deferred charges consist of renegotiation expenses for the debt contracted in September 2005.

These charges are spread over a period of 7 years, the maturity of the loan.

The accounting item initially applied at the date of the flotation of the loan remained unchanged when the rescheduling of the debt was carried out at the end of the financial year, the later being in respect of reimbursements and not the issuing of a new debt.

1.8 Dividends

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

1.9 Contingency and loss provisions

Claims by the public authorities in respect of tax and social security re-assessments are provided for, in the amount of the estimated risk on the basis of data available at the end of the financial year.

1.10 Distinction between current profit 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.

2 - ADDITIONAL INFORMATION IN RESPECT OF THE BALANCE SHEET AND INCOME STATEMENT (IN €000)

2.1 INTANGIBLE AND TANGIBLE FIXED ASSETS

€000 AT 31 OCTOBER 2009	GROSS VALUE OF FIXED ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR	INCREASES	
		REVALUATION DURING THE YEAR	ACQUISITION, CREATION, INTER-ACCOUNT
Setup costs, research			
Other intangible assets	**75 368**		**131**
Land	145		67
Buildings on own land	3 182		
Buildings on other land	2 239		
Fixtures and fittings – buildings	2 364		
Machinery and equipment	223		69
Other equipment, fixtures and fittings	313		904
Vehicles	298		
Office and computer equipment, furniture	218		59
Fixed assets under construction	736		154
Advances and down payments	0		-
Total fixed assets	**9 718**		**1 254**

€000 AT 31 OCTOBER 2009	DECREASES		GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	LEGAL REVALUATION OF ORIGINAL VALUE AT END OF FINANCIAL YEAR
	INTER-ACCOUNT TRANSFER	BY SALE OR WITHDRAWAL		
Setup costs, research	-	-	-	-
Other intangible assets		**-**	**75 499**	**-**
Land	-	145	67	-
Buildings on own land	59	978	2 145	-
Buildings on other land	-	-	2 239	-
Fixtures and fittings – buildings	8	326	2 031	-
Machinery and equipment	-	46	246	-
Other equipment, fixtures and fittings	-	-	1 217	-
Vehicles	-	19	279	-
Office and computer equipment, furniture	-	-	277	-
Fixed assets under construction	876	-	15	-
Advances and down payments	0	-	0	-
Total fixed assets	**943**	**1 513**	**8 515**	**-**

The company carried out an analysis of its buildings into three distinct components as indicated above, with a view to the application of CRC Regulation 2002-10. On 24 April 2009, the Group sold a building located in Bagnoles-de-l'Orne (61).

2.2 DEPRECIATION AND AMORTISATION

€000 AT 31 OCTOBER 2009	POSITIONS AND MOVEMENTS DURING THE FINANCIAL YEAR			
	BEGINNING OF THE FINANCIAL YEAR	APPROPRIATION DURING THE FINANCIAL YEAR	DECREASE DURING FINANCIAL YEAR	END OF FINANCIAL YEAR
Setup costs, research				-
Other intangible assets	**1 648**	**363**		**2 010**
Land				
Buildings on own land	1 346	95	780	661
Buildings on other land	1 044	112		1 156
Fixtures and fittings – buildings	1 303	112	256	1 159
Machinery and equipment	65	78	28	115
Other equipment, fixtures and fittings	154	110		264
Vehicles	184	45	18	211
Office and computer equipment, furniture	167	25		192
Recoverable packaging and other	-	-		-
Fixed assets under construction	-	-		-
Advances and down payments	-	-		-
TOTAL	**4 263**	**576**	**1 081**	**3 758**
GRAND TOTAL	**5 910**	**939**	**1 081**	**5 768**

The depreciation and amortisation charge in respect of intangible and tangible fixed assets amounts to €939k.

The amount relating to deferred charges amounts to €749k.

The sum of these two charges is equal to €1,688k (compare "Depreciation, amortisation and provisions for fixed assets" in the income statement).

2.3 INVESTMENTS IN ASSOCIATES

€000 AT 31 OCTOBER 2009	GROSS VALUE AT BEGINNING OF THE FINANCIAL YEAR	ACQUISITION, INTER-ACCOUNT TRANSFER
Equity-accounted investments	-	-
Other investments in associates	573 953	21 397
Other long-term investment securities	-	-
Loans and other long-term investments	223	14
Total	**574 175**	**21 412**

€000 AT 31 OCTOBER 2009	DECREASE BY INTER-ACCOUNT TRANSFER	DECREASE BY SALE OR WITHDRAWAL	GROSS VALUE AT FINANCIAL YEAR-END	REVALUATION OF ORIGINAL VALUE AT FINANCIAL YEAR-END
Equity-accounted investments	-	-	-	-
Other investments in associates	50	494	594 805	-
Other long-term investment securities	-	-	0	-
Loans and other long-term investments	-	14	223	-
Total	**51**	**508**	**595 028**	**-**

The main movements of the period are as follows:

- A €21.397m increase in "Other investments in associates", explained by the two capital increases of Partouche Immobilier and Partouche Interactive in the total amount of €21.147m;
- An additional stake in the capital of SA Forges Thermal in the amount of €250k.

With respect to the decreases:

- The TUP (transmission universelle de patrimoine, a transfer of all assets and liabilities) relating to SA Somarg, covered by the beneficial tax treatment for mergers, resulted in the complete elimination of its shares, which explains the €50k decrease in this line item;
- Sale of the entirety of the Group's shares in Villa du Havre and in Thermes de Contrexéville.

2.4 PROVISIONS

€000 AT 31 OCTOBER 2009	BEGINNING OF THE FINANCIAL YEAR	INCREASE ALLOCATION	DECREASE RECOVERY	END OF THE FINANCIAL YEAR
Provisions				
For litigation	79	-	-	79
For foreign exchange losses	125	299	125	299
For tax	407	-	407	-
Other provisions for contingencies and losses	-	-	-	-
TOTAL	**611**	**299**	**532**	**378**
For property, plant and equipment	-	-	-	-
Provisions for investments in associates	18 244	12 792	2 134	28 902
Provisions for financial investments	-	-	-	-
For trade accounts receivables	88	-	-	88
Other provisions for impairment	48 391	19 616	5 265	62 743
TOTAL	**66 724**	**32 408**	**7 399**	**91 732**
GRAND TOTAL	**67 334**	**32 707**	**7 931**	**92 110**
Including:				
Operating allocations and recoveries		-	108	
Financial allocations and recoveries		32 707	7 416	
Exceptional allocations and reversals		-	407	
Movements by balance sheet accounts following the TUP		-	-	
Impairment of shares in equity accounted affiliates		-	-	

The provision for disputes in the amount of €79k was recognised in respect of the TUP of SARL Thermes de Vittel carried out in the 2007/2008 financial year. This relates to a dispute between the latter and the CPAM (French national health service office) for the Vosges region.

The provision for taxes in the amount of €407k was reversed, following the analysis of this line item as part of an accounting verification.

Provisions for investments in associates were recognised in respect of subsidiaries whose net financial position deteriorated over the period. They increased by €10.769m at 31 October 2009.

A provision for investments in associates in the amount of €2.032m and a reversal of provisions for the same category and in an equivalent amount were recognised. These relate to SCI Lydia and involve an adjustment of a prior tax treatment.

The remaining reversals of provisions for investments in associates in the amount of €111k relate, on the one hand, to the sale of shares in Thermes de Contrexéville and in Villa du Havre and, on the other hand, to the elimination of the SA Somarg shares as a result of the TUP.

"Other provisions for impairment" relates to:

- Certain current account receivables, which were provisioned in respect of the Group's subsidiaries in light of their net financial positions. At 31 October 2009, these provisions amounted to €55.070m:
- The balance of other provisions, at the period-end, represented by receivables from third parties, notably for €6.860m from a third party that has not delivered assets acquired under contract, against whom a legal procedure is in progress, in addition to a Jatek receivable which is fully provisioned for €676k. These provisions were recognised in prior periods;
- Treasury shares held through subsidiaries, which were provisioned in the amount of €19k for the period.

2.5 MATURITIES OF RECEIVABLES

€000 AT 31 OCTOBER 2009	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR
Loans	63	49	14
Other long-term investments	160	160	-
Other trade receivables	97	97	-
Employee accounts payable	7	7	-
Social security and other social benefits	20	20	-
Corporate income tax	8 174	2 883	5 291
VAT	2 092	2 092	-
Other taxes	-	-	-
Other receivables	-	-	-
Subsidiaries and associates	310 733	310 733	-
Sundry receivables	29 087	23 288	5 799
Prepaid expenses	1 475	1 475	-
GRAND TOTAL	**351 909**	**340 804**	**11 105**
Loans granted during the financial year	-	-	-
Repayment of loans during the financial year	5	-	-

2.6 MATURITIES OF DEBTS

€000 AT 31 OCTOBER 2009	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR	+5 YEAR
Bank loans and overdrafts	305 470	12 387	180 083	113 000
Sundry loans and debts	100 982	982	-	100 000
Trade accounts payable	7 666	7 666	-	-
Liabilities to personnel	249	249	-	-
Social security and other social benefits	277	277	-	-
State and other public authorities:				
- Corporate income tax	-	-	-	-
- VAT	2 149	2 149	-	-
- Other taxes	134	134	-	-
- Miscellaneous	-	-	-	-
Liabilities to fixed asset suppliers	80	80	-	-
Subsidiaries and associates	124 573	124 573	-	-
Other liabilities	938	938	-	-
Deferred income	20	20	-	-
GRAND TOTAL	**542 538**	**149 455**	**180 083**	**213 000**
Bank loans contracted during the financial year	-	-	-	-
Bank loan repayments during the financial year	-	-	-	-

At 31 October 2009, the bank loan is broken down in accordance with the new repayment schedule agreed with the pool of banks. At 31 October 2008, the entire outstanding principal was classified under current liabilities given the debt restructuring in progress at that date.

2.7 ELEMENTS RELATED TO MORE THAN ONE BALANCE SHEET ITEM

GROSS AMOUNT IN RESPECT OF AFFILIATED UNDERTAKINGS (PARTICIPATING INTERESTS) €000 AT 31 OCTOBER 2009	AMOUNT
Fixed assets	
Participating interests	**565 710**
Current assets	
Trade receivables	**1**
Other receivables	**269 973**
Debts	
Loans, sundry financial debts	**100 022**
Trade accounts payable	**742**
Other liabilities	**121 842**

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 €000 AT 31 OCTOBER 2009	AMOUNT
Accrued interest	-
Other long-term investments	**0**
Trade receivables	**0**
State, income receivable	**0**
Trade accounts payable – credit notes receivable	0
Accrued income – social security bodies	17
Accrued income – management fees	14 451
Accrued income – other	157
Other receivables	**14 625**
Total	**14 625**

2.9 ACCRUED EXPENSES INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS

€000 AT 31 OCTOBER 2009	AMOUNT
Bank loans and overdrafts	0
Trade notes and accounts payable	682
Personnel – paid vacation and social charges	321
Tax and social charges	145
Other liabilities	926
Accrued interest on overdrafts	6
Total	**2 081**

2.10 PREPAID EXPENSES

€000 AT 31 OCTOBER 2009	AMOUNT
Prepaid operating expenses	1 475
Prepaid financial expenses	0
Total prepaid expenses	**1 475**

2.11 DEFERRED INCOME

€000 AT 31 OCTOBER 2009	AMOUNT
Deferred income	20
Total deferred income	**20**

2.12 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EQUITY ACCOUNTS	BALANCE 31/10/2008	APPROPRIATION OF 2008 PROFIT	POSITION AFTER APPROPRIATION	FINANCIAL YEAR MOVEMENTS	BALANCE 31/10/2009
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	8 619		8 619		8 619
Statutory reserve	0		0		0
Other reserves	14 423		14 423		14 423
Retained earnings	210 099	22 085	232 184		232 184
Net Income for the year	22 085	-22 085	0	**-866**	- 866
Net shareholders' equity carried forward	**395 706**	**0**	**395 706**	**-866**	**394 840**

2.13 BREAKDOWN OF SHARE CAPITAL

CATEGORIES OF SECURITIES	YEAR-END	NUMBER OF SHARES ISSUED DURING THE FINANCIAL YEAR	NOMINAL VALUE	TOTAL
Ordinary shares	43 097 418		2 €	86 194 836 €

19,166 shares are self-held by the Company since the Extraordinary Shareholders' Meeting of 10 November 2003. These treasury shares are presented under marketable securities. The share price of Groupe Partouche at 31 October 2009 was €3.10.

2.14 BREAKDOWN OF NET TURNOVER

€000 AT 31 OCTOBER 2009	FRANCE	REST OF WORLD	TOTAL AMOUNT
Merchandise sales	132		132
Group management fees	10 646	1 748	12 394
Rent	628		628
Other	516		516
Total	**11 922**	**1 748**	**13 670**

2.15 EXPENSE TRANSFERS

€000 AT 31 OCTOBER 2009	AMOUNT
Miscellaneous operating expense transfers	568
Total operating expense transfers	**568**

2.16 FINANCIAL INCOME FROM ASSOCIATES

€000 AT 31 OCTOBER 2009	AMOUNT
Dividends distributed by subsidiaries	26 419
Total	**26 419**

2.17 BREAKDOWN OF EXCEPTIONAL ITEMS

€000 AT 31 OCTOBER 2009	EXCEPTIONAL EXPENSE	EXCEPTIONAL INCOME
Late payment penalties, fines	0	0
Disposal of equity investments	494	90
Damages and other judgments	148	11
Disposal of property and equipment	458	2 820
Commission Waiver on debt negotiation	2 981	-
Various exceptional income and expenses for the period	0	6
Various exceptional income and expenses in respect of prior periods	979	24
Exceptional contingencies and losses charge and reversal	-	407
TOTAL	**5 061**	**3 358**

2.18 BREAKDOWN OF CORPORATE INCOME TAX

€000 AT 31 OCTOBER 2009	INCOME BEFORE TAX	TAX DUE	NET INCOME AFTER TAX
Current Income	-18 352	-18 603	250
Exceptional items	-1 703	-586	-1 116
Accounting Income	**-20 055**	**-19 189**	**-866**

N.B. Groupe Partouche SA is head of a tax consolidation group comprising 61 subsidiaries.

2.19 FINANCIAL COMMITMENTS

€000 AT 31 OCTOBER 2009	
COMMITMENTS GIVEN	AMOUNT
Collateral (*)	11 828
Guaranteed bank debt	298 795
Retirement indemnities	68
Operating lease contract	2 007
Liability guarantee	0
Other commitments given	459
TOTAL	**313 156**
(*) Of which, related to subsidiaries	*8 631*
COMMITMENTS RECEIVED	AMOUNT
Financial recovery commitments (*)	30 380
Operating lease contract	2 900
Liability guarantee	0
Other commitments received	3 400
TOTAL	**36 679**
(*) Of which, related to subsidiaries	*27 796*

2.20 OTHER INFORMATION

The company's bank borrowings take the form of a syndicated loan, which was restructured in financial year 2009, as disclosed in Section 4.1.1.Liquidity risk: its new characteristics are as follows:

- **original loan amount:** €431,000,000;
- **principal amount outstanding at period-end:** €298 ,083 ,000;
- **new repayment terms:** the amount of principal outstanding, namely €298.1m, is divided into three Tranches.

Tranche A debt, €100.1m: amortised as assets are divested. It expires on 31 October 2011.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin.

The margin for Tranche A debt is 5% per year, falling to 4% once €50m has been amortised, and to 3.5% once €75m has been amortised.

For the purpose of repaying the loan, the group has committed to generate net proceeds of €100.1m by 31 October 2011 by divesting assets in accordance with the clauses stated below.

To reach this amount, repayment can be deferred one year (i.e. until 31 October 2012) as long as the €50m threshold has been achieved by 31 October 2011. As part of this deferment, the applicable bank interest margin will increase to 5%. The total net proceeds from committed asset disposals may increase to €120m if EBITDA recorded on 30 April 2011 is lower than EBITDA specified in the memorandum of understanding.

Tranche B debt, €105.0m: initial repayment of €5m is due on 31 October 2010, followed by 10 half-yearly payments of €10m.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin. The margin for Tranche B debt is:

- 3.25% per year until 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011);
- 4.00% per year for the financial year beginning 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011). This rate ceases to apply as of 31 October 2013;
- 5.50% per year from 31 October 2013.

Tranche C debt, €93.0m: due on maturity, i.e. 31 October 2015. If Tranche A debt is fully reimbursed, any additional disposals will serve to reimburse Tranche C debt.

The applicable annual interest rate is equal to Euribor for the period plus the bank interest margin.

The margin for Tranche C debt is:

- 3.50% per year until 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011);
- 4.25% per year for the financial year beginning 31 October 2011 (or 31 October 2012 if Tranche A debt is fully reimbursed before 31 October 2011). This rate ceases to apply as of 31 October 2013;
- 5.75% per year from 31 October 2013.

Garantees

1. Covenants

Groupe Partouche is required to respect coverage ratios for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale.

R1 Financial expense coverage

The ratio of restated consolidated EBITDA to consolidated net financial expenses must be greater than or equal to:

- 3.1x at 31 October 2009;
- 2.8x at 30 April 2010;
- 2x at 31 October 2010.

Restated consolidated EBITDA less the EBITDA attributable to Forges Thermal, Casino Lac Meyrin and Casino Crans-Montana which is allocated to minority shareholders of these companies.

Consolidated net financial expenses are the net interest payments on all financial and bank debt.

R2 Fixed cost coverage

The ratio of consolidated available cash flow to consolidated debt servicing costs must be greater than or equal to:

- 1x at 31 October 2009;
- 1x at 30 April 2010;
- 1x at 31 October 2010.

Consolidated available cash flow represents the net cash flow (as disclosed in the consolidated cash flow statement in the Group's half-yearly and annual financial statements), adjusted for consolidated debt servicing costs.

Consolidated debt servicing cost is the sum of (a) debt-related consolidated net financial expenses and (b) net amortisation of debt.

R3 Gearing

The ratio of consolidated net gearing to restated consolidated EBITDA must be less than or equal to:

- 4.7x at 31 October 2009;
- 4.3x at 30 April 2010;
- 5.1x at 31 October 2010.

Consolidated net debt represents the Group's debt after offsetting its available net cash flow.

Debt is defined as the Group's borrowings plus any accrued interest, restated capital leases, bank overdrafts, i.e. bank debt as defined in Groupe Partouche's annual and half-yearly financial statements less the share of debt attributable to minority shareholders of Forges Thermal, Casino Lac Meyrin and Casino Crans-Montana as of this date.

Available net cash is defined as the Group's consolidated net cash, less the net cash of Casino Lac Meyrin and Casino Crans-Montana and the physical cash position (i.e. the amount in the float of casinos as disclosed in the Group's half-yearly and annual financial statements).

Net cash is defined as the cash and cash equivalents item which appears on the asset side of the Group's consolidated balance sheet, less the «gaming levies" classified under current tax liabilities of the Group's consolidated balance sheet.

Non-compliance with these financial covenants triggers mandatory early repayment of the loan.

2. Financial indicator commitments

As part of the bank reporting procedure, variances (12% for financial year 2010) with respect to the business plan figures in quarterly business activity indicators (gross gaming revenue in France) and profitability (EBITDA of casinos and hotels) are likely to be referred to a mediator resulting in a waiver request or mandatory early repayment.

3. Investment limits

The upper limit for annual investments from operating activities has been revised downward to €30m, versus €37m net of disposals under the initial contract and €20m gross following the waiver of 31 October 2008.

External financing is authorised for the purpose of carrying out certain property acquisitions subject to the following debt limits:

- €323m at 31 October 2009;
- €323m at 30 April 2010;
- €323m at 31 October 2010.

Non-compliance with these investment ceilings triggers mandatory early repayment of the loan.

Repayment of surplus cash flow

In order to reduce its debt more quickly, Group Partouche will allocate part of its surplus consolidated cash flow to reimbursing its debt.

Surplus consolidated cash flow will be broken down as follows:

A specific proportion, i.e. 30% in 2010 and 2011, then 20% over subsequent years will be retained by Groupe Partouche.

The balance will be allocated as follows:

- 80% will be allocated to reimbursing tranche C and then tranche B of the syndicated loan;
- 20% will be used to cover interest payments accruing on the shareholder advance from Financière Partouche.

Surplus consolidated cash flow is defined as any sum over a €15,000,000 threshold of available net cash flow, less bank overdrafts (as recorded in the Group's half-yearly and annual financial statements).

€15m to be maintained in short-term credit lines for a period of two years

At 31 October 2009, none of these credit lines had been drawn down.

At 31 October 2008, the potential mandatory repayment of the loan triggered the reclassification of the entire syndicated loan under current liabilities. This ceased to apply following the loan restructuring agreement with the banking pool.

"Other borrowings" includes a €100m advance from Financière Partouche SA to Groupe Partouche SA, pursuant to a shareholders' agreement signed on 29 August 2003, amended on 30 September 2005 and 31 December 2009.

2.21 AVERAGE WORKFORCE

AT 31 OCTOBER 2009	STAFF
Executives	25
Non-executives	20
Total	45

2.22 MANAGEMENT REMUNERATION

Management remuneration amounted to €1,159,933 and consisted of:

- remuneration allocated to the members of the Supervisory Board: €216,000
- remuneration allocated to the members of the Executive Board: €943,933

Directors' fees were allocated to the members of the Supervisory Board : None

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

Since the syndicated loan currently in force has a variable rate of interest, a hedge against the interest rate risk is in place since financial year 2007, for an amount of €100m.

The hedge is a revocable swap with an interest rate of 4.25% to be applied until 31 July 2012.

2.25 DEFERRED TAX

€000 AT 31 OCTOBER 2009	AMOUNT
Tax to be paid on:	
Pre-deducted expenses	-828
Prepaid tax on:	
Temporarily non-deductible expenses (to be deducted on the following financial year)	108
Taxed profit to be deducted at a later date	0
Net deferred tax	**-720**


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3 – SUBSIDIARIES AND ASSOCIATED ENTITIES AT 31/10/2009

Information in €000

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY (*)
SUBSIDIARIES (more than 50% of share capital)			
Cie EUROPÉENNE DE CASINOS	PARIS	24 813	252 542
HOLDING GARDEN PINÈDE	JUAN-LES-PINS	15 418	14 154
HÔTEL COSMOS	CONTREXÉVILLE	50	(2 831)
SOC EXPLOIT° CASINO ET HÔTELS CONTREXÉVILLE	CONTREXÉVILLE	75	(404)
SOCIÉTÉ DU CASINO DE ST-AMAND-LES-EAUX	ST-AMAND-LES-EAUX	17 786	24 653
SOCIÉTÉ DU GRAND CASINO DE CABOURG	CABOURG	300	(1 613)
GRAND CASINO DE LA TRINITÉ-SUR-MER	TRINITÉ-SUR-MER	75	(2 067)
GRAND CASINO DE BEAULIEU	BEAULIEU	150	(6 604)
JEAN METZ	BERCK-SUR-MER	80	731
NUMA	BOULOGNE-SUR-MER	80	615
SA DU CASINO ET DES BAINS DE MER	DIEPPE	396	(125)
SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	CONTREXÉVILLE	50	888
GRAND CASINO DU HAVRE	LE HAVRE	150	(9 053)
SCI LES THERMES	AIX-EN-PROVENCE	150	(2 299)
SCI DE LA RUE ROYALE	PARIS	134	160
SOCIÉTÉ CANNES BALNÉAIRE	CANNES	2 551	(35 624)
GROUPE PARTOUCHE INTERNATIONAL	BRUXELLES	144	(27 076)
SATHEL	LA TOUR SALVAGNY	323	35 152
CASINO DES 4 SAISONS	LE TOUQUET	392	1 576
SA LYDIA INVEST	LE BARCARÈS	40	(9 875)
SCI LYDIA INVESTISSEMENT	LE BARCARÈS	2	(449)
HÔTEL INTERNATIONAL DE LYON	LYON	300	3 565
LE TOUQUET'S	CALAIS	92	1 167
CASINOS DE VICHY	VICHY	240	(2 499)

% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET INCOME
100,00 %	0	316 504	316 504	0	-	0	31 387
100,00 %	0	336	336	3 653	-	0	220
100,00 %	0	50	0	5 863	-	1 203	(681)
100,00 %	0	6 833	6 833	682	-	2 564	(497)
100,00 %	4 650	18 371	18 371	11 097	-	24 592	3 701
100,00 %	0	564	564	4 269	-	4 807	(532)
100,00 %	0	76	76	6 256	-	1 529	(940)
100,00 %	0	152	0	6 905	-	2 137	(2 847)
100,00 %	600	3 025	3 025	0	-	3 840	545
100,00 %	300	3 458	3 458	1 123	-	4 458	158
100,00 %	0	4 611	4 611	243	-	5 576	(289)
100,00 %	2 000	50	50	609	-	337	756
100,00 %	0	150	150	34 195	-	11 720	(2 206)
99,99 %	0	0	0	6 851	-	1 232	514
99,99 %	0	534	534	0	-	67	29
99,99 %	0	48 424	27 002	58 533	-	947	(8 811)
99,90 %	0	153	0	49 085	-	0	(2 756)
99,86 %	10 066	93 525	93 525	0	-	28 569	8 868
99,53 %	732	5 593	5 593	0	-	3 762	470
97,60 %	0	444	0	10 511	-	652	(2 001)
97,00 %	0	2 023	0	1 130	-	130	(49)
97,00 %	3 938	4 007	4 007	11 733	-	13 621	3 220
90,05 %	0	4 668	4 668	0	-	4 357	426
79,93 %	0	371	0	14 100	-	4 120	(538)

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY (*)
ELYSÉE PALACE EXPANSION	VICHY	40	(638)
ELYSÉE PALACE HÔTEL	VICHY	40	(713)
SOC. CHEMINS FER ET HÔTELS MONTAGNE PYRÉNÉES	VICHY	701	1 106
CASINO DE TREMBLADE	LA TREMBLADE	38	(546)
FORGES THERMAL	FORGES-LES-EAUX	15 600	41 182
T.T.H DIVONNE	DIVONNE-LES-BAINS	2 442	3 604
CASINO D'ANNEMASSE – SGCA	ANNEMASSE	200	1 272
CASINO DE CRANS-MONTANA	CRANS-MONTANA (SUISSE)	3 306	7 719
CASINO D'HAUTEVILLE-LOMPNES – SCHL	HAUTEVILLE-LOMPNES	60	(6 831)
CAFÉ CARMEN	PARIS	30	(1 798)
PARTOUCHE INTERACTIVE	PARIS	370	(3 860)
PARTOUCHE IMMOBILIER	PARIS	12 000	11 723
PARTOUCHE SPECTACLES ET ÉVÉNEMENTS	PARIS	37	(508)
CENTRE FORMATION PROFESSIONNEL CASINOS	FORGES-LES-EAUX	8	(79)
ASSOCIATED ENTITIES (10 to 50% of share capital)			
SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL	AIX-EN-PROVENCE	2 160	20 787
SOCIETAT DE L'OCI DELS PYRENEUS	ESCALDES ENGORDANY	38	NC
BASTIDE II RICH TAVERN	MONTPELLIER	46	NC
PALAVAS INVESTISSEMENT	PALAVAS-LES-FLOTS	8	(652)
OTHER INTERESTS			
CASINO DE PALAVAS	PALAVAS-LES-FLOTS	330	1 182
CASINO MUNICIPAL DE ROYAT	ROYAT	240	1 856
EDEN BEACH CASINO	JUAN-LES-PINS	1 056	14 353
SCI TREMBLADE	LA TREMBLADE	1	16
SEMTEE	ESCALDES ENGORDANY	25 242	36 159
CASINO D'AGON COUTAINVILLE	AGON COUTAINVILLE	51	7 125

% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET INCOME
79,76 %	0	1 308	1 308	4 126	-	0	(67)
79,80 %	0	1 240	0	577	-	0	(85)
76,63 %	0	602	602	0	-	55	37
69,76 %	0	53	53	966	-	1 564	(62)
59,25 %	0	11 455	11 455	0	-	23 640	525
98,70 %	0	25 076	25 076	2 046	-	21 025	(858)
99,88 %	1 298	10 386	10 386	0	-	11 149	948
57,00 %	2 253	1 857	1 857	2	-	11 003	3 535
100,00 %	0	3 000	0	9 681	-	2 022	(1 629)
99,95 %	0	0	0	1 234	-	220	(156)
96,00 %	0	9 706	9 706	31 365	-	67	(4 233)
100,00 %	0	12 600	12 600	3 152	-	537	(293)
100,00 %	0	37	37	594	-	21	(299)
100,00 %	0	8	8	94	-	59	(59)
38,63 %	522	2 780	2 780	0	-	28 230	1 018
33,00 %	-	13	13	48	-	NC	NC
25,00 %	-	46	0	-	-	NC	NC
10,00 %	0	122	122	529	-	197	107
9,09 %	30	183	183	0	-	7 035	367
1,91 %	29	73	73	0	-	6 797	1 286
1,44 %	0	155	155	0	-	8 910	266
1,00 %	0	0	0	2 860	-	305	2
0,71 %	0	181	181	0	-	13 990	2 532
0,05 %	0	2	2	0	-	2 646	574

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY (*)
CASINO D'ARCACHON	ARCACHON	60	1 245
SOCIÉTÉ THERMALE DE PLOMBIÈRES-LES-BAINS	PLOMBIÈRES-LES-BAINS	38	NC
CASINO LE LION BLANC	ST-GALMIER	240	1 698
CASINO LES FLOTS BLEUS	LA CIOTAT	200	516
CASINO LE MIAMI	ANDERNOS	758	1 711
CASINO DU PALAIS DE LA MÉDITERRANÉE	NICE	28 122	2 207
SCI DE L'ARVE	ANNEMASSE	381	1 410

(*) Equity includes share capital, reserves and retained earnings, income of the financial year as well as the investments subsidies and the statutory provisions

% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET INCOME
0,03 %	0	1	1	0	-	3 708	(194)
0,00 %	-	2	0	0	-	NC	NC
0,16 %	2	0	0	0	-	6 517	1 198
0,02 %	0	0	0	0	-	3 271	184
0,00 %	0	0	0	0	-	3 322	379
0,03 %	0	0	0	0	-	9 060	(8 227)
0,04 %	0	0	0	3	-	900	319

4 - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: SIHB Company absorbed by Cie Fermière des Eaux (now Groupe PARTOUCHE)

Beneficiary company: Groupe Partouche
141 bis rue de Saussure - 75017 PARIS

Nature of the operation: Merger

Date of the operation: Extraordinary Shareholders' Meeting of 29 July 1994 which authorised the merger with retroactive effect as of 1/11/1993

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

LAND

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Cliff	1	0	-1

INVESTMENTS IN ASSOCIATES

NAME	NUMBER OF SHARES	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
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 Edouard 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 CARRIED FORWARD FOR TAX PURPOSES
JATEK	778	778	0

CAPITAL GAINS ON DEPRECIABLE ASSETS (*)

BUILDING

DESIGNATION	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
GRANVILLE Cellar	0	1	1
SAINT-PLACIDE apartment	19	76	57
Subtotal	19	77	58
TOTAL	**16 929**	**59 649**	**42 720**

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

4A - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: SA Groupe de Divonne
141 bis rue de Saussure – 75017 PARIS

Beneficiary company: Groupe Partouche
141 bis rue de Saussure – 75017 PARIS

Nature of the operation: Transmission universelle de patrimoine

Date of the operation: 2/11/2007

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

NON-DEPRECIABLE ASSETS	TAX VALUE	BOOK VALUE	BALANCING AMOUNT RECEIVED	BALANCING AMOUNT TAXED	EXCHANGE OR CONTRIBUTION VALUE
Internally-generated goodwill		71 719			71 719
Other intangible assets					
Land					
Investments in associates	40 368	40 347			40 347
Other financial investments - Loan of securities	15	15			15

CAPITAL GAINS ON DEPRECIABLE ASSETS

DEPRECIABLE ASSETS	REINTEGRATION PERIOD	CAPITAL GAINS REALISED	AMOUNT PREVIOUSLY REINTEGRATED	AMOUNT AS A PROPORTION OF NET PROFIT FOR THE YEAR	AMOUNT REMAINING TO BE REINTEG RATED
Patents					
Other intangible rights					
Land used for business operations			NONE		
Buildings					
Machinery and equipment					
Other tangible fixed assets					

5 – RESULTS OF THE LAST FIVE YEARS (EXPRESSED IN EUROS)

INDICATION	YEAR ENDED 31/10/2005 (12 MONTHS)	YEAR ENDED 31/10/2006 (12 MONTHS)	YEAR ENDED 31/10/2007 (12 MONTHS)	YEAR ENDED 31/10/2008 (12 MONTHS)	YEAR ENDED 31/10/2009 (12 MONTHS) BEFORE AGM APPROVAL
I- SHARE CAPITAL AT THE END OF THE FINANCIAL YEAR					
Share capital	86 194 836	86 194 836	86 194 836	86 194 836	86 194 836
Number of existing ordinary shares	43 097 418	43 097 418	43 097 418	43 097 418	43 097 418
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 FINANCIAL YEAR					
Turnover excluding tax	10 681 419	11 442 639	14 841 731	14 811 850	13 670 179
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	34 036 752	19 034 378	18 642 656	29 122 471	6 409 212
Corporate income tax	-14 314 350	-15 457 725	-15 367 897	-14 858 226	-19 188 997
Employee profit-sharing for the financial year	0	0	0	0	0
Depreciation, amortisation and provision charges	15 575 299	-7 048 558	10 052 695	21 895 836	26 464 308
Net profit	32 775 803	41 540 660	23 957 858	22 084 860	-866 100
Distributed profit	0	0	0	0	0

INDICATION	YEAR ENDED 31/10/2005 (12 MONTHS)	YEAR ENDED 31/10/2006 (12 MONTHS)	YEAR ENDED 31/10/2007 (12 MONTHS)	YEAR ENDED 31/10/2008 (12 MONTHS)	YEAR ENDED 31/10/2009 (12 MONTHS) BEFORE AGM APPROVAL
III- EARNINGS PER SHARE					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	1.12	0.80	0.79	1.02	0.59
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	0.76	0.96	0.56	0.51	-0.02
Dividend per share	0.00	0.00	0.00	0.00	0.00
IV- PERSONNEL COSTS					
Average workforce during the financial year	47	48	45	45	45
Payroll for the financial year	3 473 872	3 732 642	4 582 816	3 989 574	3 261 394
Social benefits paid for the financial year	1 413 263	1 580 688	1 744 407	1 551 827	1 331 574

20.3 VERIFICATION OF HISTORIC ANNUAL FINANCIAL INFORMATION

20.3.1 DECLARATIONS OF THE STATUTORY AUDITORS

Report of the statutory auditors on the consolidated financial statements for the financial year ending 31 October 2009

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by the Shareholders' Meeting, we submit to you our report on the financial year ended 31 October 2009 on:

- the audit of the consolidated financial statements of Groupe Partouche SA, as attached to this report;
- the evidence substantiating our assessments;
- the special verification required by law.

The consolidated financial statements were approved for publication by the Executive Board. We are responsible, based on our audit, for expressing an opinion on these financial statements.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves the verification, either on a test basis or using other sampling methods, of the evidence substantiating the amounts and disclosures appearing in the consolidated financial statements. An audit also includes assessing the accounting principles adopted and the significant estimates made in drawing up the financial statements, as well as assessing their overall presentation. In our view, the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position and its assets and liabilities, and of the results of the operations of the group of persons and entities included in the scope of consolidation for the year then ended, in accordance with IFRS as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 17 to the consolidated financial statements "Current and non-current financial liabilities" which sets out the reclassifications of bank borrowings between current and non-current liabilities at 31 October 2008 and 2009, applying standard IAS 1 and in accordance with the debt restructuring agreement signed with the pool of banks during the financial year ended 31 October 2009.

II - JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Note 2 to the consolidated financial statements "Description of the accounting principles and evaluation methods applied by the Group" describes the accounting treatment of goodwill and the impairment tests to which they are subjected. As part of our assessment of the accounting policies applied by your company, we have verified the appropriateness of the above accounting policies and the information provided in the notes, and we obtained assurance as to their correct application.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III - SPECIFIC AUDIT PROCEDURE

In accordance with professional standards applicable in France, we also verified the specific disclosures required by law to be included in the group's management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Marseille and Sceaux, 22 February 2010

MCR **José David**

Jean-Louis Mathieu

Statutory auditors' report on the parent company financial statements for the financial year ended 31 October 2009

Ladies and Gentlemen,

In accordance with our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby report to you for the financial year ended October 31, 2009 on:

- the audit of the accompanying financial statements of Groupe Partouche SA;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, or using other sampling methods, the evidence substantiating the amounts shown and disclosures made in the annual financial statements. An audit also includes assessing the accounting principles adopted and the significant estimates made in drawing up the financial statements, as well as assessing their overall presentation. We believe that the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of October 31, 2009 and of the results of its operations for the year then ended, in accordance with French accounting regulations.

Without qualifying the opinion expressed above, we draw your attention to Note 2.6 to the parent company financial statements, which describes the change in the maturity breakdown of the bank borrowings between the portion maturing within one year and the portion maturing after one year, pursuant to the agreement concluded in October 2009 with the banking pool concerning the syndicated loan.

II - JUSTIFICATION OF ASSESSMENTS

In accordance with Article L. 823-9 of the French Commercial Code (Code de commerce) governing the justification of our assessments, we hereby report on:

Note 1.3 to the parent company accounts, which sets out the accounting principles and methods applicable to non-current financial assets, notably the assessment criterion for the book value compared to value in use of investment securities or their fair market value. As part of our assessment of the accounting methods and principles adopted by your group, we verified the appropriateness of the abovementioned accounting policies and that of the disclosures in the notes to the financial statements and have ascertained that they were properly applied.

The assessments on these matters were performed in the context of our audit approach for the financial statements taken as a whole and therefore contributed to the expression of our opinion in the first part of this report.

III - SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the Executive Board's management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

We checked the disclosures made pursuant to Article L.225-102-1 of the Code of Commerce concerning the remuneration and benefits paid to the corporate officers and the commitments entered-into in their favour, for consistency with the financial statements or with the data used to draw up those financial statements and, where applicable, with the information provided to your company by the companies controlled by it or that it controls. On the basis of our audit, we hereby certify the truthfulness and accuracy of, and fair view provided by this information.

Pursuant to the law, we have verified that the Executive Board's report contains the appropriate disclosures as to the identity of and percentage interests and votes held by shareholders.

Marseille and Sceaux, 22 February 2010

MCR **José David**

Jean-Louis Mathieu

20.3.2 OTHER INFORMATION VERIFIED BY THE STATUTORY AUDITORS

No other information has been verified by the statutory auditors other than that cited in their reports presented above (Chapter 20.3.1).

20.3.3 FINANCIAL INFORMATION NOT CONTAINED IN THE FINANCIAL STATEMENTS

Groupe Partouche published on 25 February 2010 its revenue for the first quarter of the financial year in progress, which has been reproduced in chapter 12. This internally sourced financial information has not been verified by the statutory auditors.

20.4 DIVIDEND DISTRIBUTION POLICY

The net dividends distributed for the previous five financial years, tax paid (tax credit) and the total corresponding income are as follows:

FINANCIAL YEAR FOR WHICH THE DIVIDEND WAS PAID ENDING 31 OCTOBER	NET DIVIDEND PER SHARE	TAX ALREADY PAID (TAX CREDIT)	TOTAL INCOME
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-

During the financial year ending 31 October 2008, no interim dividend was paid.

Any dividend that remains unclaimed within five years of falling due is payable under applicable legal provisions to the French state (Service des domaines - French government estates commission).

No dividend has been proposed in respect of the financial year ending 31 October 2009.

Groupe Partouche has not distributed any dividends for a number of years, since its priority is to reimburse the bank debt contracted in connection with external growth transactions (Compagnie Européenne de Casinos in 2002 and Groupe de Divonne in 2005).

The October 2009 agreement with the syndicated-loan banking pool entails a covenant in an amendment to the subordination agreement restraining the Group from voting dividend payments or other distributions of earnings until the loan is fully repaid, i.e. until 31 October 2015.

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20.5 LEGAL AND ARBITRATION PROCEEDINGS

See Note 2 to the consolidated financial statements, "Description of the accounting policies and valuation methods applied by the Group".
See also Note 16 to the consolidated financial statements, "Other current and non-current provisions".

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.

CLAIMS

▸ A claim dating back to April 2000 results from the failure by Mr Jean Rouch to execute an agreement for the sale of the assets of Riviera SA in Cannes in August 1999. Mr Jean Rouch has declared himself debtor and Groupe Partouche is seeking to ensure that this undertaking is honoured. The receivable in the amount of €6.860m has been provided for in full.

▸ Active tax-related claims have been estimated on the basis of information available at the balance sheet date. Evaluations of any tax-related claims are conducted within each subsidiary, on a case-by-case basis and in detail with respect to each of the grounds presented for reassessment. Provisions are recognised for any claims for which a favourable outcome does not seem likely.

CLAIMS INVOLVING THE COMPANY INDIRECTLY

To the best of the company's knowledge, there are no governmental, legal or arbitration proceedings, including any proceedings that might be suspended or threatened, which may have or which have had a material impact on the company's or the Group's financial position or profitability during the past twelve months.

20.6 SIGNIFICANT CHANGES IN THE FINANCIAL OR TRADING POSITION

No significant change in the financial or trading position of the Group has occurred since the end of the financial year for which verified financial statements or interim financial statements have been published.

21 ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

21.1.1 SHARE CAPITAL AT 31 OCTOBER 2009

At 31 October 2009, the share capital amounts to €86,194,836 (eighty six million one hundred and ninety four thousand eight hundred and thirty six euros).

It comprises 43,097,418 shares (forty three million ninety seven thousand four hundred and eighteen shares) of 2 (two) euro each, with their nominal value fully paid up.

21.1.2 SECURITIES THAT DO NOT REPRESENT THE SHARE CAPITAL

There are no securities that do not represent the share capital, since all of the shares issued are the same type.

21.1.3 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

Purchase transaction relating to the shares of the company by the company in respect of financial year 2008-2009

Since the Shareholders' Meeting of 24 April 1998, Groupe Partouche SA has an authorisation relating to the purchase each year of treasury shares in compliance with the provisions of Article L.225-209 of the Code of Commerce.

The implementation of the purchase by the company of its own shares is being carried out in accordance with the provisions of European Regulation 2273/2003 dated 22 December 2003, stipulated by the general regulation of AMF dated 2005.

Number of treasury shares helde

Groupe Partouche holds 19,166 of its own shares at 31 October 2009. Since 2000, no repurchase programme was implemented. These shares are presented in the balance sheet of Groupe Partouche for a nominal value of 38,332 euro and a carrying amount of 59,415 euro (cf. Note 14 of the notes to the consolidated financial statements).

Existing authorisation

The Extraordinary Shareholders' Meeting of 6 April 2009 renewed its authorisation to the Executive Board to repurchase its own shares on the stock market under the provisions of Article L.225-209 of the Code of Commerce, primarily in order to remit shares in exchange for payment, particularly with respect to external growth transactions, either with a view to awarding share purchase options in favour of the Group's personnel and senior management.

The maximum purchase price has been set at 15 euro per share and the minimum sale price is 1 euro. This authorisation, which is valid for a maximum period of 18 months, will expire on 24 October 2010, has not been used.

21.1.4 OTHER SECURITIES GIVING ACCESS TO THE CAPITAL

None

21.1.5 SHARE CAPITAL SUBSCRIBED, BUT NOT PAID UP – CAPITAL INCREASE

The Executive Board benefits from the following authorizations granted by the Extraordinary Shareholders' Meeting of 6 April 2009, which may lead to the issue of securities conferring access to the share capital. These authorisations are summarised in the table below:

NATURE OF TRANSACTION AUTHORIZED	DURATION AND EXPIRATION OF AUTHORISATION	MAXIMUM AMOUNT	TERMS
Capital increase ▪ In cash (EGM of 6 April 2009)	26 months 6 June 2011	500,000,000 €	With and without preferential right of subscription
Capital increase ▪ By capitalisation of reserves, Premiums of net profit (EGM of 6 April 2009)	26 months 6 June 2011	Amount of premiums, reserves and earnings available	
Capital increase ▪ By private investments (EGM of 6 April 2009)	26 months 6 June 2011	Maximum amount: 20% of the share capital per year	With and without preferential right of subscription

None of these authorisations were implemented.

21.1.6 SHARE CAPITAL UNDER OPTION

None

21.1.7 HISTORY OF SHARE CAPITAL

Changes in share capital over the five preceding financial years:

YEAR (FROM 1 NOVEMBER 2005 TO 31 OCTOBER 2009	TYPE OF OPERATION	AMOUNT OF CHANGE IN SHARE CAPITAL	SUCCESSIVE AMOUNTS OF SHARE CAPITAL	CUMULATIVE NUMBER OF SHARES
2005			86 194 836 €	43 097 418
2006			86 194 836 €	43 097 418
2007			86 194 836 €	43 097 418
2008			86 194 836 €	43 097 418
2009			86 194 836 €	43 097 418

21.1.8 MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Groupe Partouche SA shares were admitted to the "Premier Marché" of the Euronext Paris stock exchange – Euronext (ISIN code: FR0000053548) on 2 November 1998 and are included in the SBF 250 and Next 150 indices.

Share transfers and payments of dividends are handled by CM-CIC Securities 6 rue de Provence 75009 PARIS.

The table below shows the change in the share price and transaction volume of Groupe Partouche S.A. shares:

PERIOD	PERIOD HIGH AND LOW (IN €)		NUMBER OF SHARES EXCHANGED	CAPITAL (IN €M)
	HIGH	LOW		
2008				
January	12,87	7,78	1 174 594	11,46
February	10,19	8,56	272 281	2,59
March	9,39	8,34	433 690	3,80
April	10,38	8,67	513 364	5,02
May	11,75	9,63	522 769	5,69
June	10,45	7,19	845 097	7,01
July	7,59	6,57	529 188	3,69
August	7,60	6,94	213 923	1,56
September	7,18	5,81	261 263	1,62
October	6,68	4,10	338 369	1,72
November	4,30	2,95	336 511	1,13
December	3,21	1,91	1 232 743	2,75
2009				
January	3,55	2,39	874 926	2,58
February	2,72	2,11	266 709	0,66
March	2,49	1,67	727 302	1,40
April	3,19	2,30	271 869	0,76
May	3,56	2,59	1 197 745	3,57
June	3,19	2,72	133 684	0,40
July	3,00	2,64	158058	0,45
August	3,57	2,80	638 858	2,08
September	3,74	2,81	1 346 190	4,38
October	4,19	2,93	3 111 851	11,22
November	3,30	2,61	558 541	1,73
December	3,05	2,57	1 209 321	3,36

21.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

21.2.1 PURPOSE

Pursuant to 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 abovementioned purpose or any other connected purpose.

21.2.2 DISPOSITIONS IN THE ARTICLES OF ASSOCIATION OR ELSEWHERE RELATING TO EXECUTIVE AND MANAGEMENT BODIES

OPERATION OF THE SUPERVISORY BOARD

(cf. § 14.3 internal regulations)

Members of the Supervisory Board must own one share.

Moreover, the organisation methods and operation of Supervisory board are detailed in paragraph 14.3 relating to the internal regulation that it adopted on 27 October 2005, as modified on 24 December 2008 and in Articles 21 and 22 of the Articles of Association of Groupe Partouche SA, reproduced below:

ARTICLE 21 - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

- The Supervisory Board elects from among its members a Chairman and a Vice-Chairman, natural persons, who are responsible for calling Board meetings and directing its debates. They are appointed for the period of their mandate on the Supervisory Board. The Board determines their remuneration, if any. The Board may appoint a secretary who may be selected from non-shareholders.

- The Board meets as often as the interests of the Company dictate. However, the Chairman must convene a meeting of the Board no more than 15 days after the request date, when at least one member of the Executive Board, or at least one third of the members of the Supervisory Board present him with a substantiated request to do so. Meetings take place at the registered office or at any other place indicated in the notice of meeting. Any member of the Board may, via letter or telegram, mandate another advisor to represent him at a Board meeting. The effective presence of at least half of the members of the Board is required for its operations to be valid. The Executive Board's deliberations shall be valid if at least one-half of its members are present or deemed present; each member present or represented has one vote and each member present only has one vote. The vote of the meeting's chairman is casting in the event of a tie vote.

- A register is kept and signed by the members of the Board who attend the meeting. The Supervisory Board's deliberations are officially established by minutes kept in a special record filed at the Company's registered office. Copies or extracts of minutes presenting the Board's deliberations are provided and certified in accordance with the law.

ARTICLE 22 - POWERS OF THE SUPERVISORY BOARD

The Supervisory Board performs a permanent control of the way in which the Company is managed by the Executive Board.

It appoints the members of the Executive Board and designates its Chairman, and, where applicable, the General Managers; it proposes their revocation to the Shareholders' Meeting and sets the level of their remuneration.

It convenes the Shareholders' Meeting of Shareholders, if convocation is not issued by the Executive Board.

It gives the Executive Board the authorisations required prior to the operations falling within the provisions of Article 17 above.

It authorises agreements governed by Article 24 of the Articles of Association.

At any time, it may perform verifications and controls as it sees fit, and may receive any document it deems useful to accomplish its mission. It presents its observations on the Executive Board report and the accounts for the financial year to the Ordinary Annual Shareholders' Meeting.

The Supervisory Board may decide to transfer the registered office within the same département or an adjoining département, subject to such a decision's ratification by the next Ordinary Shareholders' Meeting.

The Supervisory Board may grant one or more of its members any special mandates for one or more pre-determined purposes and set their remuneration for this end.

EXECUTIVE BOARD ORGANISATION AND PROCEDURES

Members of the Executive Board must hold at least one share in the Company.

The organisation and procedures of the Executive Board are stipulated in Article 18 of the Articles of Association of Groupe Partouche SA, which is reproduced below:

ARTICLE 18 - ORGANISATION AND PROCEDURES OF THE EXECUTIVE BOARD

I - The Supervisory Board appoints one of the members of the Executive Board as Chairman.

The Executive Board meets as often as the interests of the Company dictate, as convened by its Chairman or at least one-half of its members, at the registered office or at any other place indicated in the notice of meeting.

The Chairman of the Executive Board presides over its meetings and appoints a secretary, who need not be a member of the Executive Board.

The Executive Board's deliberations are only valid if at least one-half of its members are in attendance.

The Executive Board's decisions are taken based on the majority of the votes of its members. Voting by proxy is prohibited.

In the event of a tie, the Chairman casts the deciding vote.

II – The deliberations of the Executive Board may be officially established by minutes kept in a special record, signed by the members of the Executive Board having attended the meeting.

The minutes mention the names of the members in attendance and those of the absent members.

Copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members and, in the event of liquidation, by the authorised liquidator.

III – The members of the Executive Board may divide among themselves all management tasks, subject to the authorisation of the Supervisory Board. However, this allocation of tasks may not under any circumstances absolve the Executive Board from its obligation to meet regularly and deliberate upon the most important issues faced in managing the Company, nor may it prevent its members from acting collectively to ensure the management of the Company.

21.2.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHING TO SHARES

These are stipulated in Article 15 of the Articles of Association, which is reproduced below:

ARTICLE 15 – RIGHTS AND OBLIGATIONS ATTACHING TO SHARES

I - Each share entitles its holder to a share in the Company's profits and assets proportional to the number of shares issued, as stipulated in Articles 40 and 43 hereafter.

II - Ownership of a share automatically implies acceptance of the Company's Articles of Association and of the resolutions passed by the Shareholders' Meeting.

The rights and obligations attached to a share pass to the acquirer thereof, whoever he or she may be.

The heirs or creditors of a shareholder may not, on any pretext whatsoever, demand that seals be affixed to the property of the Company or request the division or public sale by auction of same, or interfere in any way in the Company's administration. In order to exercise their rights, they must refer to the Company's schedules of assets and liabilities and to the resolutions of the Shareholders' Meeting.

III – Shareholders are only liable for the debts of the Company up to the par value of the shares they hold.

21.2.4 CHANGE IN THE RIGHTS OF HOLDERS OF THE SHARES

By reference to article 21.2.4 of Annex I of European Regulation 809-2004, no actions exist to modify shareholders' rights that are more strict than those provided by law.

21.2.5 SHAREHOLDERS' MEETINGS

GENERAL REGULATIONS

Notice of meeting procedures – Announcements to shareholders *(Article 27 of the Articles of Association)*

- Shareholders' 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 of 23 March 1967 (now article R225.162 of the Code of Commerce), 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-tenth of the share capital, or by the official liquidator.
- Shareholders' Meetings are held either in the head office or in any other place that should be specified in the notice.
- 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 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 (now article R225.81 of the Code of Commerce),

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 profit for the last five years. Moreover, the following should be enclosed:
  - in advance of an Annual Shareholders' Meetings, the income statement, the balance sheet and the special report of the Statutory Auditors;
  - in advance of an Extraordinary Shareholders' 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.

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 Shareholders' Meeting. Forms which do not indicate a clear vote or which express an abstention are considered as nay votes.

Admission to shareholders' meetings *(article 28 of the articles of association)*

All shareholders may attend and vote at Shareholders' 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 Shareholders' 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 three 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

Quorum *(articles 34 and 36 of the articles of association)*

By virtue of a decision of the Extraordinary Shareholders' Meeting of 27 April 2006, it was decided to modify articles 34 and 36 of the Articles of Association relating to quorum and majority at Ordinary and Extraordinary Shareholders' Meetings, pursuant to the provisions of article 6 of the law of 26 July 2005.

21.2.6 CLAUSES DELAYING, DEFERRING OR PREVENTING A CHANGE OF CONTROL

There are no clauses that restrict a change of control. Article 13 of the Articles of Association stipulates:

ARTICLE 13 - TRANSMISSION OF SHARES

Shares may be freely exchanged subject to legal provisions. Transmission is effected by account transfer under the terms and conditions specified by the texts in force.

21.2.7 CROSSING OF OWNERSHIP THRESHOLDS

Crossing of statutory thresholds and penalties in the event of non-compliance with disclosure requirements *(article 12 of the articles of association)*

Pursuant to Article L. 233-7 §5 of the Code of Commerce, and article 12 of the articles of association, 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 Shareholders' 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.

21.2.8 CHANGES IN THE SHARE CAPITAL

Article 8 of the Articles of Association stipulates as follows:

ARTICLE 8 - CHANGES IN THE SHARE CAPITAL

I - Capital increases

The share capital may be increased either by issuing new shares or by increasing the par value of the existing shares.

The new shares shall be paid for either in cash or through compensation with debts in liquid funds due and payable by the Company, through capitalisation of reserves, income or share issue premiums, with assets in kind or through bond conversion.

The new shares are issued either at their par value or at this value increased by an issue premium: they may be ordinary shares or preferred shares enjoying certain advantages over other shares and entitling their holders to preferential rights to income or assets or any other indirect advantage.

Capital increases are decided upon or authorised by the Extraordinary Shareholders' Meeting of shareholders, which may delegate to the Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the performance of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting having decided upon or authorised the increase, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided pursuant to the provisions of Article L. 225-229-III of the Code of Commerce.

When a capital increase takes place through the capitalisation of reserves, income or share issue premiums, the Shareholders' Meeting deciding upon the increase must meet the quorum and majority requirements for Ordinary Shareholders' Meetings.

In the event of an issue of new shares to be paid for in

cash, the share capital of the Company prior to the proposed increase must first be fully paid-up and the shareholders shall be entitled to exercise their pre-emptive right to subscribe to shares as provided by law. The entitlement of usufructuaries and bare owners to the pre-emptive subscription right is governed by the aforementioned Article.

If the new shares are paid for through compensation with debts due and payable by the Company, the latter shall be disclosed in financial statements prepared by the Executive Board, certified as valid by the Statutory Auditors and attached to the statement of subscription and payment.

The minimum subscription period is ten trading days, with the option for early termination of this period once the capital increase is subscribed by shareholders in proportion to their existing holdings.

The Shareholders' Meeting that decides upon the capital increase may elect to exclude the pre-emptive subscription right upon examining the reports of the Executive Board and the Statutory Auditors.

Capital increases shall be carried out notwithstanding the existence of fractional rights. Those shareholders not possessing the number of subscription or share rights exactly required to obtain a whole number of new shares, shall have to personally arrange for the purchase or sale of fractional rights to bring their holdings to a whole number.

In conjunction with any decision to increase the Company's share capital, the Extraordinary Shareholders' Meeting shall also need to consider a draft resolution intended to authorise a capital increase reserved for employees. Moreover, a draft resolution of this kind must be presented, once every five years, (with the specification that such consultation is now carried out every 3 years) for the approval of an Extraordinary Shareholders' Meeting convened for this purpose, as long as the shares held by the employees of the Company and of any affiliated company as defined under Article L. 225-180 of the Code of Commerce represent less than 3% of the total share capital.

II - Redemption of share capital

The share capital may, upon the decision of the Extraordinary Shareholders' Meeting, be redeemed by way of an equivalent reimbursement for each share, through transfer of income or reserves, with the exception of the legal reserve.

Dividend shares thus created may be reconverted into capital shares, either through an obligatory transfer of the portion of company profits attributable to these shares, or through an optional payment by each of the owners of dividend shares.

III - Capital decreases

The share capital may be reduced in one or more stages for any reason, either by reducing the par value of shares or the number of shares. If a capital decrease is not entailed by losses, bondholders and creditors may oppose the decrease.

A decision to reduce the share capital, regardless of its motivation, to a level below the minimum required by law may only be taken if a capital increase can be effected to increase the share capital to a level above said minimum, unless the company is to be transformed into a company of another form not requiring a capital amount greater than its share capital following the decrease.

Should this condition not be met, any interested party may apply for a court order requiring the dissolution of the Company. The dissolution of the Company shall not take effect if, on the date when the court's decision is rendered, the share capital has been brought back up to the legal minimum.

The Company is not authorised to buy back its own shares. However, the Shareholders' Meeting having decided upon a capital decrease not entailed by losses may authorise the Executive Board to buy back a specified number of shares as to cancel them. This buyback shall be proportional to the number of shares held by each shareholder and limited to shares available in the market.

Capital decreases are decided or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry them out.

In all cases, the proposal for a reduction in the share capital is communicated to the Statutory Auditors no less than 45 days prior to the Shareholders' Meeting of shareholders convened to decide upon this proposal.

The meeting examines the report of the Statutory Auditors, who present their assessment of the justification and conditions for the capital decrease.

If the capital decrease is carried out by reducing the number of shares, shareholders are required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares can be exchanged for new shares.

IV - Stock splits and reverse stock splits

In the event of a stock split or reverse stock split, shareholders are also required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares can be exchanged for new shares.

21.2.9 HOLDING COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(article 39 and 40 of the articles of association)

ARTICLE 39 – HOLDING COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

I - Presentation of the accounts

At the end of each financial year, the Executive Board es-

tablishes the schedule of the assets and liabilities existing at that date.

It also draws up the income statement and the balance sheet.

The Executive Board prepares a written report on the results for the financial year, the situation of the company and its business activity during the period under review.

These documents are made available to the Statutory Auditors at the company's registered office at least 45 days prior to the Shareholders' Meeting convened to approve the holding company financial statements, with the exception of the report on the results for the financial year and the situation of the company, which may be made available to the Statutory Auditors no less than 20 days prior to the meeting. Copies of these documents must be forwarded to the Statutory Auditors should they request them.

II - Presentation and measurement methods

The income statement and the balance sheet are established each year in accordance with the same presentation guidelines and measurement methods used in previous years. However, in the event of any proposed changes, the Shareholders' Meeting, upon examining the financial statements established in accordance with both the proposed and existing presentation guidelines and methods, as well as the reports of the Executive Board and the Statutory Auditors, shall render its decision upon the proposed changes.

If methods other than those required by applicable legal and regulatory provisions were used for the measurement of the company's assets in the schedule and in the balance sheet, mention is made of this fact in the report presented by the Executive Board.

III - Depreciation, amortisation and provisions

All necessary depreciation, amortisation and provisions are recognised even if there has not been any profit or it has been insufficient, to ensure that the balance sheet provides a fair view of the Company's financial position.

Depreciation is recognised for any impairment in the carrying amount of assets, whether due to wear Provisions are recognised for all capital losses on other assets as well as probable future losses and expenses.

The company's incorporation costs are amortised prior to any distribution of profit.

Capital increase expenses are amortised no later than the end of the fifth financial year following the one in which these expenses were incurred. These expenses may be charged to the amount of the issue premium relating to the capital increase.

IV - Deposits, sureties and guarantees

The amounts of deposits, sureties or guarantees given are mentioned at the foot of the balance sheet.

ARTICLE 40 - APPROPRIATION AND ALLOCATION OF EARNINGS

- Net earnings consist of the net profit for the financial year, less overheads and other company expenditure, as well as the depreciation or amortisation of company assets and all provisions for commercial and industrial contingencies.
- Net earnings are appropriated and allocated as follows:
  - A deduction of 5% is taken from net profit 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 consist of the net profit for the financial year, less prior-year losses and legally required reserves, plus retained earnings carried forward.
  - The Shareholders' 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-up outstanding shareholdings. However, except in the event of a capital decrease, 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 law or by the Articles of Association.

The Shareholders' Meeting may decide 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.

After the approval of the financial statements by the Shareholders' Meeting, any losses are recorded in a special account for offset against profit of future years until the expiry of their availability for carry forward.

- The Shareholders' Meeting convened to approve the financial statements for a given year may grant to each shareholder, in respect of all or a 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 law. The offer of payment in shares must be made simultaneously to all shareholders. Requests by shareholders in this regard must be made during a period determined by the Shareholders' Meeting, which may not last longer than three months from the date of this meeting.

21.3 STATUTORY AUDITORS' FEES

	MCR				JOSÉ DAVID			
	AMOUNT (€K)		%		AMOUNT (€K)		%	
AT 31 OCTOBER	2009	2008	2009	2008	2009	2008	2009	2008
Audit								
Statutory audit, certification, audit of the individual company and consolidated financial statements								
Issuer	107	103	28 %	29 %	107	103	16 %	19 %
Fully consolidated subsidiaries	259	254	69 %	71 %	567	450	84 %	81 %
Other work and services performed directly related to the mission of statutory auditor								
Issuer								
Fully consolidated subsidiaries	12		3 %					
SUBTOTAL	**378**	**357**	**100 %**	**100 %**	**674**	**553**	**100 %**	**100 %**
Other services rendered by the networks to fully consolidated subsidiaries								
Legal, tax, employee-related								
Other (specify if > 10% of audit fees)								
Subtotal	**0**	**0**	**0 %**	**0 %**	**0**	**0**	**0 %**	**0 %**
TOTAL	**378**	**357**	**100 %**	**100 %**	**674**	**553**	**100 %**	**100 %**

22 MATERIAL CONTRACTS

On 27 September 2005, at the same time as the acquisition of Groupe de Divonne, Groupe Partouche contracted a new syndicated credit, which constitutes the bulk of the Group's bank debt. This credit is for an initial term of seven years for an amount of €431m. The guarantees related to this credit are the collateralization of the securities of the Group's main subsidiaries, and the monitoring of financial ratios related to the profitability, financial structure and investments of the Group. (cf. Note 17 of the notes to the consolidated financial statements (item 20.2.1) and § 4.1.1 liquidity risk).

On 26 August 2003, Groupe Partouche concluded a shareholder advance agreement granted by Financière Partouche SA , for an amount of €100,000,000 for a duration of 7 years and 3 months as of 29 August 2003. This advance is remunerated at the annual rate of Euribor plus 2%.

The rider to this agreement signed on 30 September 2005 specifies that the shareholder advance will be extended until 30 November 2012.

A second rider signed on 30 Decembner 2009 extended it to 31 Decembre 2015.

Moreover, on 26 April 2006, Groupe Partouche sold to the company La Tête Dans Les Nuages the investment that it held in the capital of Société Française de Casinos, i.e. 55.55% of the share capital for a total amount of €17.5m, including current accounts.

The €4.5m balance falling due in respect of current accounts was paid in a normal manner in financial year 2007 and the balance of €10m in respect of the SFC share price, which was fixed at 15 April 2007 was paid in the amount of €5m in July 2007, thus reducing the balance at the balance sheet date to €5m. The accrued interest was recognised and is presented in the balance sheet for the financial year ended 31 October 2007 in assets above the €5m, since the €1m penalty amount had not been recognised.

At financial year end 2007, this receivable has not been provisioned and the promise of sale had not been recognised.

A memorandum of understanding was signed after the closing date for the financial year 2007 accounts, which set as a fixed sum of €6.4m the principal remaining due in respect of the price of the shares, accrued interest and contractual penalty.

This amount had to be settled based on the following schedule, following the validation of the memorandum of understanding:

- € 2.0 M at 17 April 2008 (paid);
- € 2.4 M at 30 April 2009;
- € 2.0 M at 30 April 2010.

Following the non-compliance with the 30 April settlement, news terms of payment were set up:

- € 0.5 M at 13 October 2009 (paid)
- € 0.5 M at 4 December 2009 (paid)
- The balance of €3.4m to be paid in six annual settlements on 30 October.

23 THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

A summary estimate of the Group's tangible fixed assets was performed by Mr. Gérard Naulet, Previous Government Commissioner at the Chambre des Expropriations du Tribunal de Grande Instance de Paris, of 17 allées des Eiders, Paris (19th Precinct). *(Chapter 8.1)*

24 DOCUMENTS ON DISPLAY

24.1 DOCUMENTS ON DISPLAY

During the period of validity of this Reference Document, the following documents (or copy of these documents) may, where applicable, be consulted:

a) the memorandum and Articles of Association of the issuer;

b) all reports, correspondence and other documents, historic financial information, valuations and declarations established by an expert at the request of the issuer, certain of which are included or referred to in the registration document;

c) the historic financial information of the issuer or, in the case of a group, the historic financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the registration document.

The documents above may be consulted at the registered office of the Company - Groupe Partouche SA, 141bis rue de Saussure 75017 Paris, France.

24.2 PERSON RESPONSIBLE FOR THE INFORMATION

M. Alain Cens, Chief Financial Officer
Telephone : +33(0)1.47.64.33.45

24.3 FINANCIAL COMMUNICATION CALENDAR

▪ 1st Quarter revenue at 31 January 2010	Week 8
▪ 2nd Quarter revenue at 30 April 2010	Week 23
▪ 1st Half-yearly results at 30 April 2010	Week 26
▪ 3rd Quarter revenue at 31 July 2010	Week 37
▪ 4th Quarter revenue at 31 October 2010	Week 50
▪ Results for the financial year ending 31 October 2010	Week 5 of 2011

25 INFORMATION ON INVESTMENTS

Please refer to the table of subsidiaries and affiliates in the Company presented in point 3 of the individual company financial statements in Chapter 20.2.2 above, in addition to Note 32 of the consolidated financial statements of the Group for the financial year ended 31 October 2009, presented in Chapter 20.2.1 of this document.

26 TABLE OF RECONCILIATION

In order to facilitate the reader's access to information in the annual report, for which the original French version has been registered as a Document de référence, the following table of reconciliation presents the headings relating to the minimum disclosure requirements in this reference document.

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Le présent document, document de référence, a été déposé auprès de l'Autorité des marchés financiers le 26 février 2010, conformément à l'article 212-13 du réglement général de l'AMF.

Il pourra être utilisé à l'appui d'une opération financière s'il est complété par une note d'opération visée par l'Autorité des marchés financiers.

« Ce document a été établi par l'émetteur et engage la responsabilité de ses signataires. »

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