ANNUAL REPORT 2008



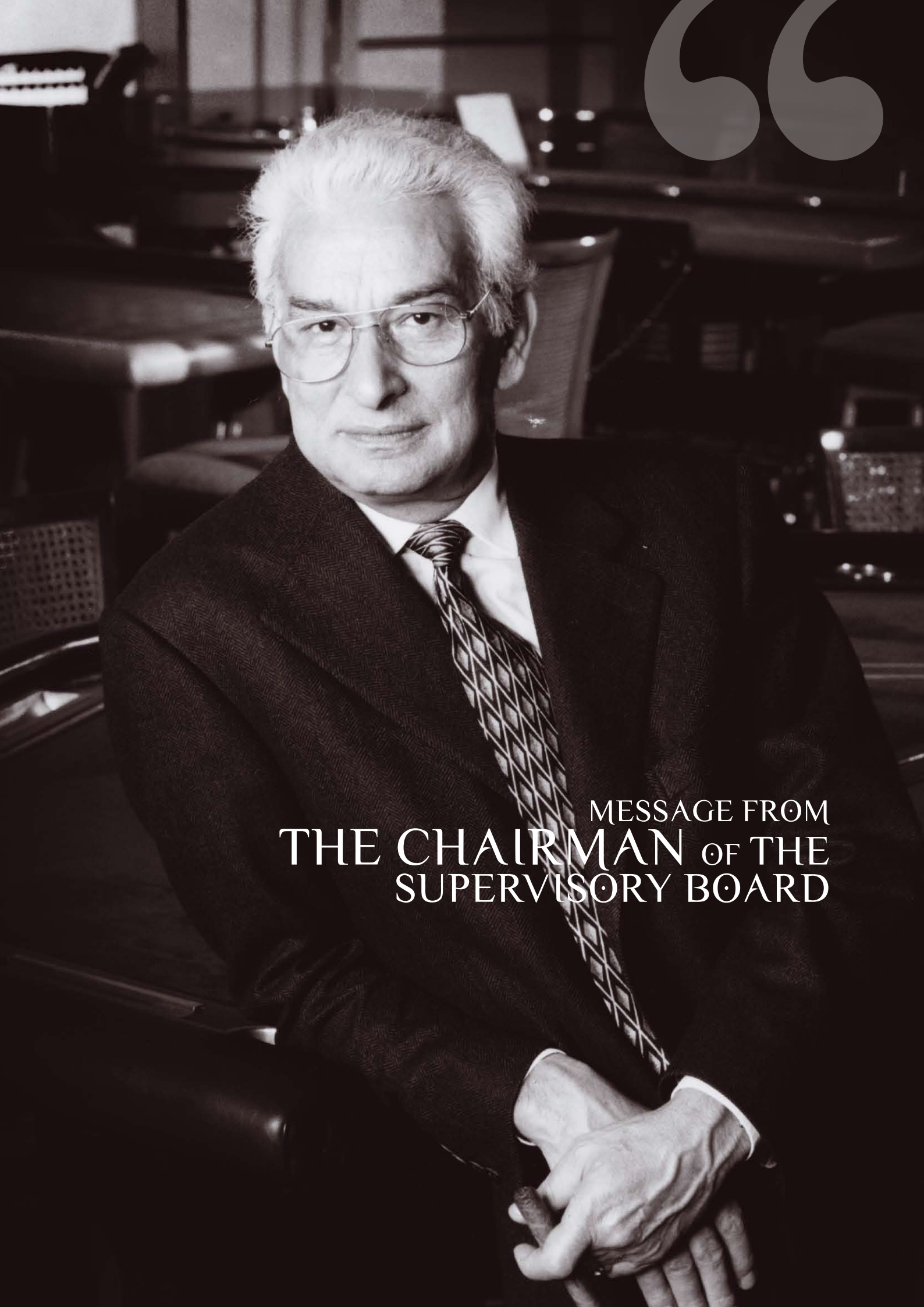
GROUPE PARTOUCHE



MESSAGE OF THE CHAIRMAN OF THE SUPERVISORY BOARD

MESSAGE OF THE CHAIRMAN OF THE EXECUTIVE BOARD

FINANCIAL REPORT 2008



MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

The favourable position enjoyed by casinos over the last twenty years came to an abrupt end in the year under review.

Of course, this came as no surprise.

External events having an impact on our sector, including comprehensive customer identification checks at casino entrances, the smoking ban and fierce competition from online gaming, although not requiring the Group to abandon its fundamentals, necessitated cost controls quickly put in place by the Executive Board.

We will overcome this crisis, just as we have weathered every other one faced by our sector over the years. Groupe Partouche was born in a period surprisingly similar to the one we are witnessing today. We survived, prospered and above all gleaned valuable lessons.

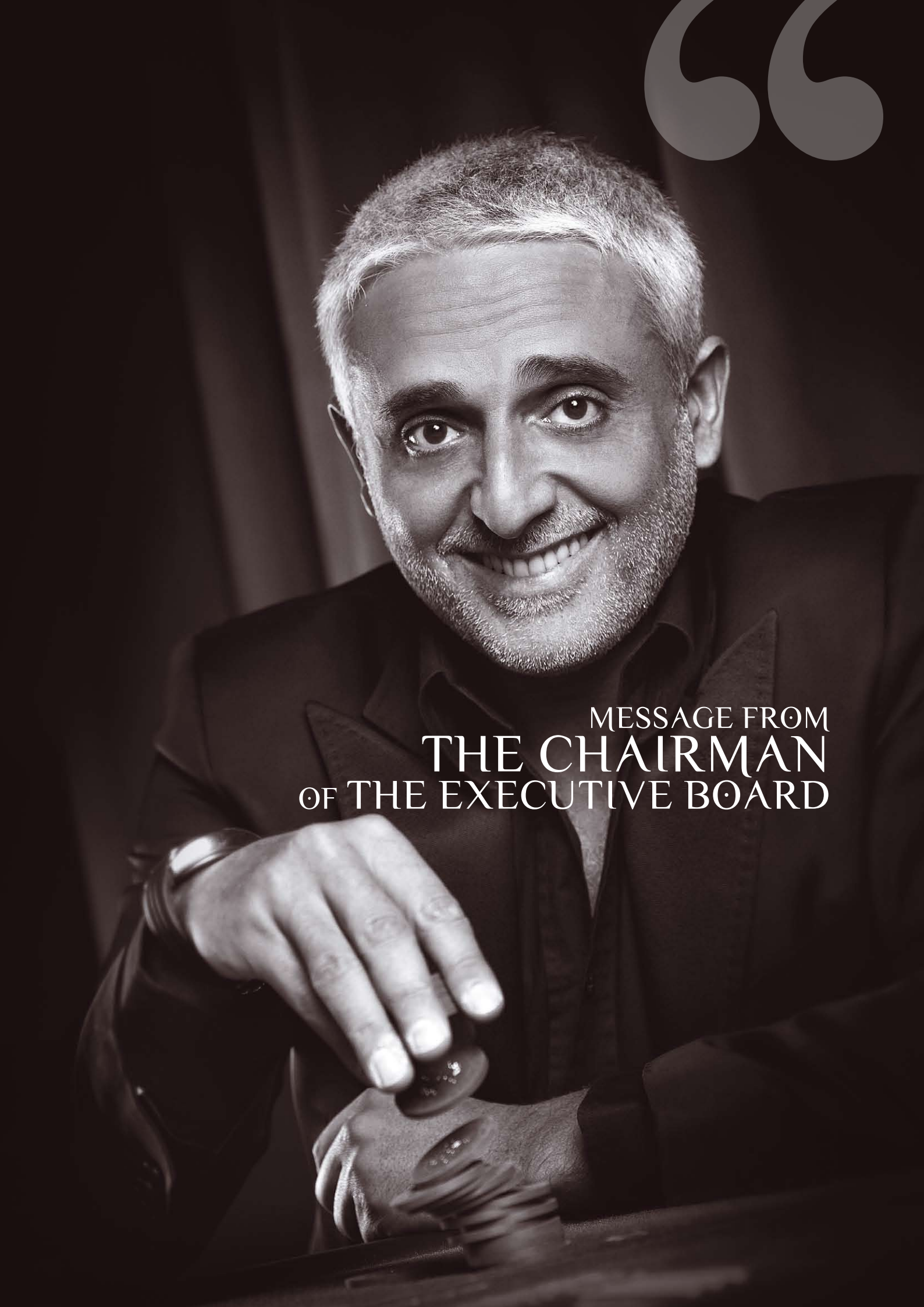
Businesses, like any other living organism, must adapt to changes in their environment.

Without disputing the reality of the current economic climate, Groupe Partouche remains confident in its ability to move forward, thanks to the enthusiasm and vitality of its management and operational teams, a business model in harmony with its new playing field, the requisite imagination to shape its destiny and a corporate philosophy more relevant today than ever before:

offering our customers a moment of pleasure and camaraderie, ensuring a prosperous and long-lasting future for our establishments and our partners.

More than ever, I wish to thank you for your support and want you to know that we will strive to merit your continued confidence and trust.

Isidore Partouche



MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

Yes, 2008 was a difficult year...

For the first time in the Group's history, I must report a net loss. Beyond the reality of the Group's financial information, not to mention the wider economic reality of which we are all aware, there is another reality made up of visions, values, and men and women fully dedicated to the objective we have set ourselves, which is more pertinent now than ever before: making Groupe Partouche a gaming brand recognised worldwide.

And it is this last vital, living reality that inspires us more than ever, each and every day, to focus on steering this great and beautiful ship through these waters!

Throughout the year, Groupe Partouche demonstrated once again its creativity, dynamic spirit, energy and above all its anticipatory vision of how casinos will need to evolve. The latest innovations have already proven their viability, including Texas Hold'em Poker, for which we enjoy an indisputable leadership position in Europe, our Players Plus loyalty programme, which has signed up nearly half a million members and finally, the Partouche Megapot, which allows us to offer our customers the first and largest multi-site jackpot in France.

Impacted by the current business environment, the financial year also saw cut-throat competition from online gaming, prompting us to remain vigilant and reiterate our conviction to the public authorities that this absurd lose-lose situation, which has ruled the roost for the last ten years, must finally come to an end. We are nearing a definitive solution to this issue.

Partouche Interactive, a foreign subsidiary of our Group, the holder of licences in Malta and Gibraltar, is fully operational today, most of the necessary investments have already been made and we are now present in all possible media, ranging from mobile telephones and the Web to television and of course in all games, including poker, backgammon, sports betting, casino games, marketing games and scratch cards, among others.

Groupe Partouche has understood. It has adapted to the lay of the land.

Yes... as in any game of poker, there are not only "bad beats"... every cloud has a silver lining.

Patrick Partouche



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01 PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Mr. Patrick Partouche, Chairman of the Executive Board.

1.2 ATTESTATION OF THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

«I attest that, having taken all reasonable care to ensure that such is the case, the information contained in this Reference Document is, to the best of my knowledge, in accordance with the facts and does not contain any omissions that may affect its interpretation.

I have obtained from the statutory auditors an end of mission letter, certifying that they have verified the information relating to the financial position and the data presented in this reference document and that they have read the document as a whole.

Groupe Partouche's consolidated financial statements for the year ended October 31, 2008 were examined by the statutory auditors, who issued the report included on page 166 of the reference document, which contains an observation :

> *'Without qualifying the opinion expressed above, we draw your attention to Note 17 to the consolidated financial statements, which describe the reclassification under current liabilities of the entire syndicated loan outstanding at 31 October 2008.'*

The Holding company financial statements for the year ended October 31, 2008 were examined by the statutory auditors, who issued the report included on page 167 of the reference document, which contains an observation:

> *'Without qualifying the opinion expressed above, we draw your attention to Note 2.20 to the parent company financial statements, which describe the reclassification under current liabilities of the entire syndicated loan outstanding at 31 October 2008.'*

Groupe Partouche's consolidated financial statements for the year ended October 31, 2007 were examined by the statutory auditors, who issued the report included on page 134 of the reference document, filed with the AMF on March 14, 2008 under n° D08-0107.»

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				
Fiduciaire MCR (*) 232 Av. du Prado 13000 Marseille	Independant 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
RESIGNING				
BDO Gendrot 25 quai Carnot 92000 Saint-Cloud			AGM 23 April 2004	Resigned at the end of AGM 24 April 2007

(*) Following the resignation of BDO Gendrot, the Group's principal auditor, at the conclusion of the general meeting of 24 April 2007 convened to approve the financial statements for the year ended October 31, 2006, the firm of Fiduciaire MCR, who had served as secondary auditors, were appointed as principal auditors.

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 2006, 2007 and 2008 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)	2008	2007	2006
Turnover	481 678	510 898	511 675
Current operating profit	30 135	75 825	78 280
Operating profit	34 159	65 063	81 189
Total net profit	**(4 466)**	**23 789**	**36 071**
Of which, Group share	(8 485)	14 259	28 670
Net earnings per share attributable to the Group	(0,197)	0,33086	0,66528
Dividend distributed per share	-	-	-

ASSETS €000 AT 31 OCTOBER	2008	2007	2006
Non-current assets	859 620	850 806	877 172
Current assets	120 881	199 604	173 261
Available for sale assets	-	572	12 799
TOTAL ASSETS	**980 501**	**1 050 982**	**1 063 232**

LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2008	2007	2006
Equity attributable to the Group	297 358	303 310	271 216
Minority interests	29 200	30 459	32 336
Total Equity	326 558	333 768	303 552
Total non-current liabilities	185 445	498 872	563 880
Total current liabilities	468 497	218 341	193 963
Held for sale liabilities	-	-	1 837
TOTAL LIABILITIES AND EQUITY	**980 501**	**1 050 982**	**1 063 232**

CASH FLOW STATEMENT €000 AT 31 OCTOBER	2008	2007	2006
Cash flow from operating activities	43 202	101 942	80 629
Cash flow from investing activities	(38 260)	(2 948)	(41 649)
Cash flow from financing activities	(67 784)	(75 112)	(50 770)
CLOSING CASH POSITION	**68 759**	**128 712**	**104 801**

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2008	2007	2006
Casinos	430 915	455 283	458 472
Hotels	39 840	40 261	39 061
Other	10 923	15 354	14 142
TOTAL TURNOVER	**481 678**	**510 898**	**511 675**

CASINOS €000 AT 31 OCTOBER	2008	2007	2006
GGR of table games	76 795	69 163	61 075
GGR slot machine revenue	711 119	785 636	802 533
TOTAL GGR	**787 914**	**854 799**	**863 608**
Levies	433 250	475 230	480 771
In % of GGR	55,0 %	55,6 %	55,7 %
NET GAMING REVENUE	**354 664**	**379 569**	**382 837**
Number of slot machine in France	5 967	5 716	5 576

HOTELS AT 31 OCTOBER	2008	2007	2006
Number of hotels	19	18	17
Number of rooms	1251	1228	1177
Occupancy rate	53,59 %	51,73 %	54,60 %

04 RISK FACTORS

4.1 MAIN RISKS

The company carried out a review of its risks and considers that there are no risks other than those disclosed.

4.1.1 LIQUIDITY RISK

The liquidity risk, as determined by the Company, covers the financial debt represented by the syndicated loan, the Financière Partouche current account, the reimbursement of which is subordinated to that of the syndicated loan, and the cash balance net of tax deductions.

The syndicated loan is subject to commitments and constraints relating to compliance with covenants; non-compliance with such covenants triggers the mandatory early repayment of the loan.

These involve:

- on the one hand, compliance with the following covenants that were established under previous accounting standards:
  - The ratio of Consolidated operating profit plus consolidated depreciation, amortisation and operating provisions, less consolidated depreciation, amortisation and operating provision reversals / Finance costs had to be greater or equal to 5 at 31/10/2008 and must to greater or equal to 5 at 31/10/2009,
  - The ratio of Available cash flow after tax and exceptional items before debt servicing costs / Debt servicing costs had to be greater or equal to 1 at 31/10/2008 and must be greater or equal to 1 at 31/10/2009,
  - The ratio or Financial debt net of cash / Consolidated operating profit plus consolidated depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals had to be less than 2.5 at 31/10/2008 and must be lower than 2.5 at 31/10/2009;
- and on the other hand, annual investments net of disposals are limited to €37m until the maturity date of the loan in 2012.

The group's lower profitability in financial year 2008 would have led to non-compliance with these ratios. That is the reason why, in agreement with the banking pool, a rider to the loan contract modified the covenants applicable to the financial year ended 31 October 2008 to replace them as follows:

- The ratio of Consolidated operating profit plus consolidated depreciation, amortisation and operating provisions, less consolidated depreciation, amortisation and operating provision reversals / Finance costs must be greater or equal to 2.75,
- The ratio of Available cash flow after tax and exceptional items before debt servicing costs / Debt servicing costs is not applied,
- The ratio or Financial debt net of cash / Consolidated operating profit plus consolidated depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than 4.6.

Therefore, these covenants as modified, and valid exclusively for the financial year ended 31/10/2008 are respected.

The amount of annual investments net of disposals for financial year 2008 was €39.7m, above the authorised limit of €37m.

Moreover, the rider to the loan contract also introduced a new ceiling for gross investments for financial year 2009 which is limited to €20 million insofar as the proceeds of disposals of a minimum amount of €80 million have not been recorded.

This rider also authorised additional debt in the form of an additional €10 million overdraft facility, which would therefore increase to €15 million compared with €5 million previously.

The lower profitability of the Group in 2008 together with that expected in 2009, do not allow compliance with the covenants initially attached to the syndicated loan contract either and remain applicable until November 2012, the maturity date of the loan.

The Group will need to adopt the debt restructuring plan, which is currently under review. This restructuring is complicated due to the current financial crisis.

In light of these factors, and pursuant to the recommendation of the Autorité des Marchés Financiers(AMF) of 29/10/2008, total bank debt was reclassified under current liabilities as of 31 /10/2008, as specified in Note 17 to the consolidated financial statements.

Moreover, there are no unused confirmed credit lines.

DEBT:

LIABILITIES €000 AT 31 OCTOBER 2008	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		298 083				
Other bank borrowings	10 342	125	2 282	90	7 160		685
Overdrafts	184	184					
Financière Partouche C.A.	100 000			80 000	20 000		
TOTAL	**408 609**	**309**	**300 365**	**80 090**	**27 160**		**685**

ASSETS €000 AT 31 OCTOBER 2007	TOTAL	- 1 YEAR		1 TO 5 YEARS		+ 5 YEARS	
		FIXED RATE	VARIABLE RATE	FIXED RATE	VARIABLE RATE	FIXED RATE	VARIABLE RATE
CASH (after tax)	22 670		22 670				
INVESTMENTS	7 493		7 493				
TOTAL	**30 163**		**30 163**				
NET POSITION BEFORE HEDGING	378 446	309	270 202	80 090	27 160		685
INTEREST RATE HEDGING		100 000	-100 000				
NET POSITION AFTER HEDGING	378 446	100 309	170 202	80 090	27 160		685

4.1.2 INTEREST RATE RISK

The total amount of short and medium term bank borrowings comes to €408.6m. The portion on which interest is charged at a variable rate is €328.2m.

After hedging, the amount of borrowings exposed to fluctuations in variable interest rates was €198m, or 48.47% of total bank debt.

This position is consistent with the assigned objectives. On the date of the accounting close, the interest rate hedges were active.

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 €198m, would have an effect on consolidated financial items of €1,980,000.

All of the interest rate hedging instruments set in place to hedge interest rate risks correspond to risks identified by the Group and are not made for any speculative purpose.

Exposure to interest rate risk is periodically assessed by the Group's management, with the assistance of the Treasurer, among others. The finance department implements the favored solutions.

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 25 companies outside France, twelve of which are located in 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 8% of total consolidated turnover.

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

IN €M	ON TURNOVER	% OF GROUP'S TOTAL	ON OPERATING INCOME	% OF GROUP'S TOTAL
GBP	0,00	0,00 %	-0,03	-0,07 %
CHF	0,36	0,08 %	0,16	0,47 %
USD	0,00	0,00 %	0,00	-0,01 %
TND	0,02	0,00 %	0,01	0,02 %
EGP (Equity method)	NA	NA	NA	NA

The foreign exchange risk related to transactions carried out by subsidiaries is limited since income and expenses are committed in local currency.
Given the Group's low exposure to foreign exchange risk, no specific procedures are applied to monitor such risks.
The table below presents the local currency positions of receivables and payables denominated in foreign currency at 31 October 2008:

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP GIBRALTAR	K USD USA	K TND TUNISIA	K EGP EGYPT
ASSETS	4 125,5	23,2	63,9	635,0	Equity method
LIABILITIES	17 877,6	262,4	53,7	1 488,6	Equity method
Net position before hedging	-13 752,0	-239,2	10,2	-853,6	Equity method
Hedging position	-		-	-	Equity method
Net position after hedging	-13 752,0	-239,2	10,2	-853,6	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 equity. Given the long-term nature of these investments, Groupe Partouche does not hedge this exposure.

4.1.5 EQUITY RISK

The Group's treasury department does not invest in quoted shares and only conducts transactions in highly liquid money market products.
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 31.10.08)	POTENTIAL CAPITAL GAIN (PRICE AT 31.10.08)
19 166	168 767 Euros	78 580,60 Euros	90186,40 Euros

A 10% drop in the share price of Groupe Partouche would have a limited impact on the consolidated financial statements (7,858.06 €).

Given that the investment policy for cash excludes any support for self-held shares, no specific measures are used to monitor this risk.

4.1.6 PLEDGES

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 Natexis Banques Populaires comprises the following banks: BRED Banque Populaire, Commerzbank AG – Paris branch, IKB, Lloyds TSB Bank plc, CIC Lyonnaise de Banque, Natexis Banques Populaires, Scotiabank Europe plc, WestLB AG, Bank of Scotland, HSBC, Crédit Agricole Nord de France, Crédit Agricole Normandie Seine, Bank of Ireland, Crédit du Nord, BCME, Banque Populaire des Alpes and Banque Populaire Loire et Lyonnais.
- Condition for the removal of the pledge: repayment of the loan.
- Commencement date of the pledge: 30 September 2005 and termination date of the pledge: 30 September 2012.

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 %	GROUPE DE DIVONNE SA (*)	2 659 969	99.99 %

(*) Transmission of assets during the fiscal year.

- Commencement date of pledge: 1 March 2006 and termination date of pledge: 30 September 2012.

SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED	SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED
GROUPE PARTOUCHE INTERNATIONAL SA	5 990	99,83 %	CASINOS DE VICHY SAS	11 978	79,85 %
SARL HÔTEL COSMOS	49 950	99,90 %	CASINOS DU TOUQUET SAS	24 384	99,52 %
SARL THERMES DE CONTREXÉVILLE	49 950	99,90 %	ELYSÉE PALACE EXPANSION SA	1 895	75,80 %
SARL THERMES DE VITTEL (*)	49 950	99,90 %	LA VILLA DU HAVRE SAS	4 000	100,00 %
SOCIÉTÉ CIVILE IMMOBILIÈRE DE LA RUE ROYALE	8 917	99,98 %	NUMA SAS	5 000	100,00 %
SOCIÉTÉ CIVILE IMMOBILIÈRE LES THERMES	9 950	99,90 %	SOCIÉTÉ DES CHEMINS DE FER ET HÔTELS DE MONTAGNE AUX PYRÉNÉES SA	178 000	76,17 %
SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	49 950	99,90 %	SOCIÉTÉ D'EXPLOITATION DU CASINO ET HÔTELS DE CONTREXÉVILLE SAS	4 950	99,00 %
SOCIÉTÉ DU CASINO ET BAINS DE MER SAS	6 600	100,00 %	JEAN METZ SAS	1 000	100,00 %
LE TOUQUET'S SAS	1 801	90,05 %	CANNES BALNÉAIRE PALM BEACH SA	5 099 366	99,97 %
GRAND CASINO DU HAVRE	149 993	99,99 %	LYDIA INVEST	973	97,30 %
SCI LYDIA INVESTISSEMENT	97	97,00 %			

(*) Transmission of assets during the fiscal year.

In addition, Financière Partouche pledged to the benefit of this banking pool 62.3% of the capital of Groupe Partouche, which following the merger with Sogesic no longer represents all of the shares that is holds in the share capital of Groupe Partouche, since it owns 28,840,000 or 66.918% of the share capital.

NAME OF REGISTERED SHAREHOLDER	BENEFICIARY	COMMENCEMENT DATE OF THE PLEDGE	TERMINATION DATE OF THE PLEDGE	CONDITION FOR REMOVAL OF THE PLEDGE	NUMBER OF THE ISSUER'S SHARES PLEDGED	% OF ISSUER'S CAPITAL PLEDGED
FINANCIÈRE PARTOUCHE SA	Banking pool led by Natexis (1)	30 sept. 2005	30 sept. 2012	Repayment of the loan	26 848 500	62,30 %

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

4.1.7 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 2008.

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.

4.2 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 2007 to 31 October 2008

CASINOS	COVERAGE	GUARANTEES	PREMIUMS (INCLUDING CLAIMS MANAGEMENT EXPENSES)
Casino multi-risk	Damages to assets and operating losses	Limit of liability €65m	1 044 121 €
Civil liability			103 583 €
Civil liability - operations:			
	Physical, material and non-material damages	€15m per year o/w €8m per claim	
	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	14 186 €
All risks' exposure			1 999 €
Art			14 979 €
Vehicles		All risks	
	Vehicle fleet		44 156 €
	Staff missions		3 258 €

HOTELS	COVERAGE	GUARANTEES	PREMIUMS (INCLUDING CLAIMS MANAGEMENT EXPENSES)
Hotel multi-risk	Damage to assets and operating losses	Limit of liability from €6m to €39m	131 605 €
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 re-open 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 Lyon's 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, Le Mont-Dore and Alvignac were 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 April, the Group sold its stake in the Société Fermière du Casino Municipal de Cannes
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 Belgium.
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.

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 FERMIERE 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 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, all Partouche casinos have declared themselves as non-smoking 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 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 Maltese online gaming licence; switched its online website from a *"Play for Fun"* to a *"Play for Real"*.
Lastly, since the end of December 2008, Groupe Partouche is the only operator offering a Mega Jackpot, resulting from the combination of the group's slot machines in different casinos. In February 2009, 44 establishments were concerned, and more casinos including those owned by some other operators will join it.

5.2 INVESTMENTS

5.2.1 INVESTMENT POLICY

The Group's investment policy over the past several financial years has been aimed at reconciling, on the one hand, an ongoing offering of competitive products, and on the other hand, seeking opportunities for external growth. To meet this first objective, the Group maintains its volume of investments aimed at maintaining and renewing its assets at a level of some €45m.
This control of the gross volume of investments, combined with one-off disposals of non-strategic assets, means that the Group can regularly pay down its debt, allowing it to take on major external growth activities, such as the acquisitions of Compagnie européenne de casinos (2002) and Groupe de Divonne (2005), and to acquire stakes in companies with a development potential deemed to be strategic.

5.2.2 INVESTMENTS

Cash flows from investing activities in 2006 represented a net use of cash amounting to €41.6 million mainly due to the acquisition of property, plant and equipment (€41.1M). Note the construction of the Casino at Le Havre with a total of €24.5M for the period.

Cash flows from investing activities in 2007 represented a very limited net use of cash amounting to €2.9 million, compared to €41.6 million in 2006.
Cash flows €41.0 million related to acquisitions of property, plant and equipment were distributed to the following casinos : Forges (€4.5 million), Cabourg (€4.5 million) and Salies de Béarn (€3.3 million). Cash flows related to the acquisition of interests in companies amounted to €8.4 million, compared to €8.6 million in 2006, and concerned in particular the buyout of minority interests of the companies Belcasinos (€3.3 million) and HIL (€3.1 million). Disposals of companies represented a cash flow of €9.6 million, compared to €1.8 million 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 €36.0 million. 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 represents a net cash outflow of €38.3m. 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, €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.

5.2.3 ASSETS IN PROGRESS

Assets in progress which had a net value of €3.740m at the end of the financial year mainly relate to work apportioned over the following entities:

- Partouche Immobilier, €2.011m: construction of a Pasino with a hotel in La Ciotat and construction of a Pasino at La Grande Motte;
- Groupe Partouche SA, €0.736m;
- Sathel, €0.216m: transformation work of Pavillon de la Rotonde in La Tour de Salvagny.

All of these investments are located in France and are self-financed.

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 in La Ciotat (€16m) and a new Pasino in La Grande Motte (€15m).
However, internal or external financing will have to be obtained in order to carry out these projects.

It should be noted that for financial year 2009, the syndicated loan agreement limits at €20 million the gross cash flow related to investments insofar as divestments with a minimum amount of €80 million have not been carried out.

06 BUSINESS OVERVIEW

6.1 PRINCIPAL ACTIVITIES

The casino business represents the Group's main business activity.
FRANCE AUTHORISES THE FOLLOWING GAMES:

TABLE GAMES:

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

AUTOMATIC GAMES:

Slot machines are legally defined as automatic machines incorporating games of chance and comprise "roll machines" and "video games".
The Group has a substantial number of slot machines, with 5,967 slots authorized at 31 October 2008

6.1.1 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.
Licenses to open casinos are granted by the Ministry of the Interior with due notice from the local council of the area in which the activity is to be carried out, following an investigation and on the basis of a list of specifications drawn up by the municipality. The latter then issues a business concession to the enterprise after verifying that the conditions of the tender procedure defined by Law 93-122 of 29 January 1993 (the Sapin Act) have been met.
A National Gaming Board made up of fifteen senior civil servants and five Members of Parliament is responsible for examining gaming license applications and renewals.
An Order issued by the Ministry of the Interior fixes the type of games (roulette, Blackjack etc.) the maximum number of table games; the minimum authorized bets as well as the casino opening and closing hours. The license also fixes the authorized number of slot machines along with their operating hours.
Only a new Ministerial Order can modify these criteria or in some particular issues, a simple amendment procedure is set up.
Licenses may be cancelled by the Ministry of the Interior in the event of the failure to comply with the Order's specifications or with the legal or statutory provisions concerning gaming activities in casinos.
Casinos that have obtained the necessary license must operate under a manager and an executive committee who are responsible for ensuring total compliance with applicable laws, regulations and the Order's specifications.
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.

6.1.2 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%	58 000 €		
From 15%	58 001 €	to	114 000 €
From 25%	114 001 €	to	338 000 €
From 35%	338 001 €	to	629 000 €
From 45%	629 001 €	to	1 048 000 €
From 55%	1 048 001 €	to	3 144 000 €
From 60%	3 144 001 €	to	5 240 000 €
From 65%	5 240 001 €	to	7 337 000 €
From 70%	7 337 001 €	to	9 443 000 €
Above 80%	9 443 000 €		

Local authorities levy a maximum rate of 15% on the same tax base as the State levy. However, the combined total of the state and local authority levies cannot exceed 80% of the tax base. Where the combined total would otherwise exceed the 80% threshold, the local authority's share is deducted from the State's share.
Moreover, a fixed-percentage levy is charged on the very first euro of revenue generated. This levy is charged at the rate of 0.5% on table games and 2% on slot machine income.
From 1996, a 3% CRDS (Contribution to the Repayment of Social Debt) tax has been levied on gross gaming revenue, followed in 1997 by a 3.40% CSG (General Social Contribution) levy on slot machine gross gaming 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 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 abandoned the notion of the theoretical revenue.
Casino games – Groupe Partouche SA's core business – are not subject to value added tax (VAT).

6.1.3 CASINO OPERATIONS

Groupe Partouche, via its directly or indirectly owned subsidiaries, operated 55 casinos at 31 October 2008; 47 of these establishments are located in France and eight in other countries.

The Group generated 73.6% 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
SPAIN	SAN ROQUE
SWITZERLAND	MEYRIN, CRANS MONTANA

6.1.4 CASINO OPERATING CONCESSIONS

A casino operating concession never exceeds 20 years in France. At 31 October 2008, Groupe Partouche had 47 casinos in France with a concession contract and a ministerial authorization for gaming operations. 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.

6.1.5 DUE DATES OF THE OPERATING CONCESSIONS

YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2009	3
2010	3
2011	2
2012	3
2013	1
2014	0
2015	6
2016	5
2017	6
2018	2

YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2019	0
2020	4
2021	3
2022	4
2023	3
2024	1
2025	0
2026	0
2027	0
2028	0

6.1.6 PRINCIPAL MARKETS

Description of the competitive environment

In financial year 2007/2008, the French casino sector generated total Gross Gaming Revenue (GGR) of €2,553.9m, down by - 8.4% year-on-year. Slot machines accounted for 92.9% of total GGR, down by - 8.96%. Table games GGR is stable.

Levies represent in total 57.57% of GGR for financial year 2007/2008.

The casino sector in France has shown a relatively recent move towards concentration. Of the 196 licensed casinos in France (two 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	2008 REAL GGR (€M)
GROUPE PARTOUCHE SA	47	713,9
GROUPE BARRIERE SAS	33	754,1
GROUPE JOA (EX MOLIFLOR)	20	223,5
GROUPE TRANCHANT	15	210,4
GROUPE COGIT	9	93,6
GROUPE ÉMERAUDE	8	65,1
SMCFC	2	52,7

Information provided : Service Central des Courses et Jeux (figures at 31/10/08) published on December 2008.

Description of main clients

In the early 1990s, casinos in France experienced a real revolution when permission was granted by the authorities to operate slot machines. Their potential clientele, which traditionally consisted of the happy few among the high income population, including tradesmen, self-employed individuals, and people with independent means ready to play high stakes, now includes the entire working population who previously would have bet on the horses or played the Lottery. Consequently, casino attendance figures have seen exponential growth and the vast majority of clients have an average monthly gaming budget of around 50 euros.

The clientele over 50 and retirees now constitutes the main segment.

Suppliers

The casino business is very heavily regulated.
All suppliers of gaming equipment and fittings are subject to an approval by the Minister of the Interior, ensuring that the draconian standards of compliance are met.

This applies, inter alia, to suppliers of slot machines (such as Bally France and Ludi), roulette cylinders, table game chips (GPI) and slot machine tokens (La Monnaie de Paris, etc.).

6.2 OTHER ACTIVITIES

In addition to its gaming activities, the Group produces the balance of its turnover from the hotel and restaurant trade, a complementary activity to its core business and an important way of offering its clientele the very best in accommodation and hospitality.
At 31 October 2008, the Group operates:

- **19 hotels from 3* to 4*L** with a total of 1200 rooms;
- **130 restaurants**: diners, gourmet restaurants, themes restaurants. All these establishments include various types of private reception rooms. These establishments can offer traditional meals, themes parties, galas, wedding parties, luncheons, etc. Groupe Partouche is also able to offer high quality shows, tailored for any event;
- **5 Health spas and 2 Golf courses** offering "relaxation and fitness" with a variety of beauty care, health care and spa cures.

6.3 NEW BUSINESSES

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.

6.3.1 REGULATORY CONTEXT

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 authorised PMU and La Française des Jeux to offer their products over the Web. At the same time, it felt warranted to prohibit foreign, and particularly European, operators from offering their services in France via this same channel. This prohibition has more of a theoretical import than genuine enforceability since the means to block any Web-based offering, especially if it originates abroad, are inadequate.
Moreover, this stance, aiming in practice to exclude European operators from markets such as betting on sporting events including horse races, in favour of semi-state monopolies, is considered by the European Commission as a violation of rules governing the free circulation of goods and services within the European Union, provided such an exclusion is not seen as necessary to preserve public order. Several decisions of the European Court of Justice (ECJ) have been rendered along these lines. A decision delivered on 10 July 2007 by the Cour de Cassation, the highest court in France, followed the ECJ's arguments.
With respect to casino games, the French government refers to the exceptional nature of gaming authorisations granted to casinos to claim that their distribution via the Internet is not authorised by French regulations and to conclude that Web sites offering such games ought to be considered as prohibited gaming establishments.
In the opinion of Groupe Partouche, the legal debate remains unresolved, since this matter requires an understanding of the specific nature of certain games of chance or skill played in casinos (poker, for example). This is necessary due to the fact that games of chance fall under the jurisdiction of the prohibition with exceptional permission to operate such games granted to casinos whereas games of skill are authorised. These objections were notified to the French authorities, who have undertaken to remedy this situation no later than mid-2009. In the meantime, the government has abandoned or suspended several proceedings brought against various Internet operators. Their final outcome will depend upon the content of the legal provisions that will ultimately be adopted.

6.3.2 BUSINESS ACTIVITIES OF SUBSIDIARIES

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

PARTOUCHE TECHNOLOGIES (formerly Que des Jeux) provides a wide range of games developed using different programming languages and conceives, builds and develops mobile Web gaming applications;

PARTOUCHE IMAGES (formerly New Screens) is a television channel devoted to interactive gaming;

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

PARTOUCHE GAMMON and **WORLD SERIES OF BACKGAMMON** organise backgammon tournaments in France and abroad;

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. A backgammon website was launched in September 2007 and one for poker in early September 2008, which began by offering free access and then moved to paid access in November 2008;

PARTOUCHE BETTING (formerly Atlas Sports & Games) holds a gaming licence in Malta and offers online betting.

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

None

6.5 ISSUER'S DEGREE OF DEPENDENCY

There is no significant degree of dependency with respect to patents or licences, 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.

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 information technology.

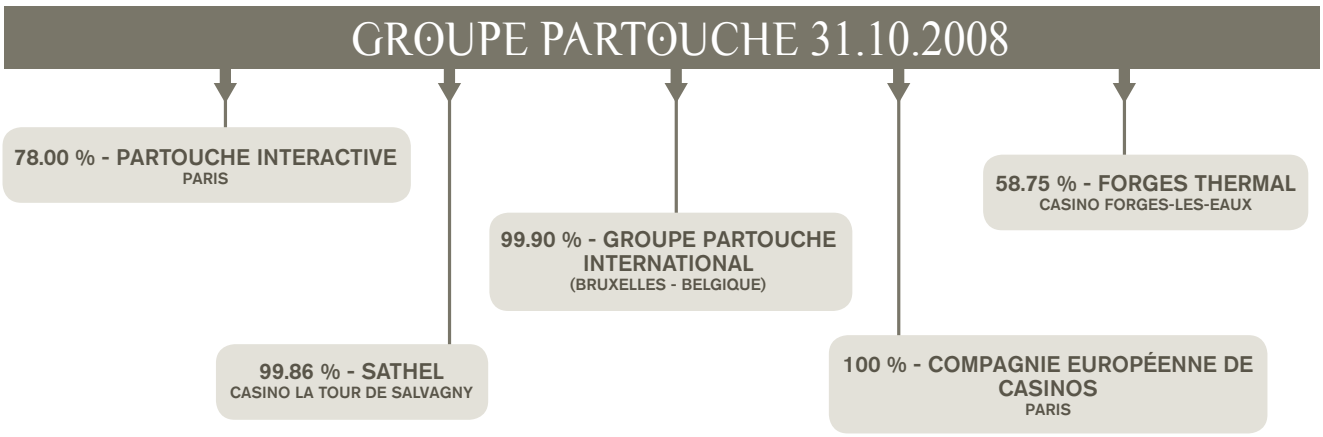
The remuneration paid by each of Groupe Partouche's subsidiaries is calculated on the basis of a margined share of the expenses incurred by them, in terms of human and technical resources, which is allocated in relation to the turnover generated by each of the subsidiaries bound by the head office services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

For the financial year ended 31 October 2008, the total amount received under head office services agreements was €13,729k 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 2007 are short-term cash management and the administration of a French tax consolidation structure.

7.2 ORGANISATIONAL STRUCTURE

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 % → SA SIKB
- 60,00 % → CASINO SLUIS NV — Sluis (Pays-Bas)
- GRAND CASINO DE TABARKA — Casino de Tabarka (Tunisie)
- 99,99 % → SA SIKB

58,75 % - FORGES THERMAL
CASINO FORGES-LES-EAUX

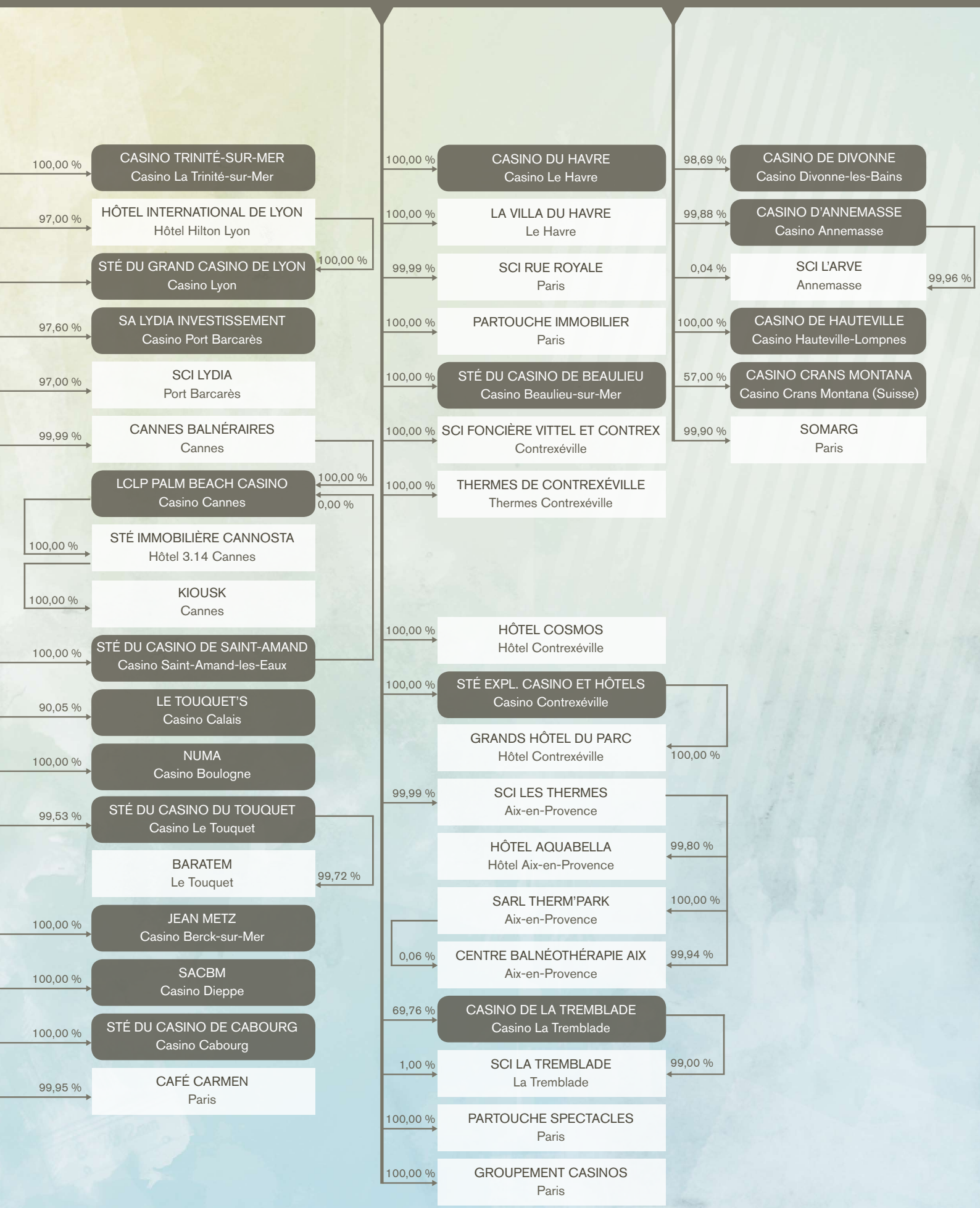
- 20,00 % → CASINO DE VICHY — Casino Vichy "Les 4 Chemins
- 79,93 % → FORGES THERMAL
- CINÉMA ELYSÉE — Vichy
- 96,00 % → CASINO DE VICHY
- 20,00 % → ELYSÉE PALACE HÔTEL — Vichy
- 79,80 % → FORGES THERMAL
- 17,24 % → CHM — Vichy
- 76,63 % → FORGES THERMAL
- 20,00 % → ELYSÉE PALACE EXPANSION — Vichy
- 79,80 % → FORGES THERMAL
- SOCIÉTÉ DE L'ELYSÉE PALACE — Vichy
- 99,97 % → ELYSÉE PALACE EXPANSION
- 30,00 % → INTERNATIONAL CASINO OF MADRID — Egypte

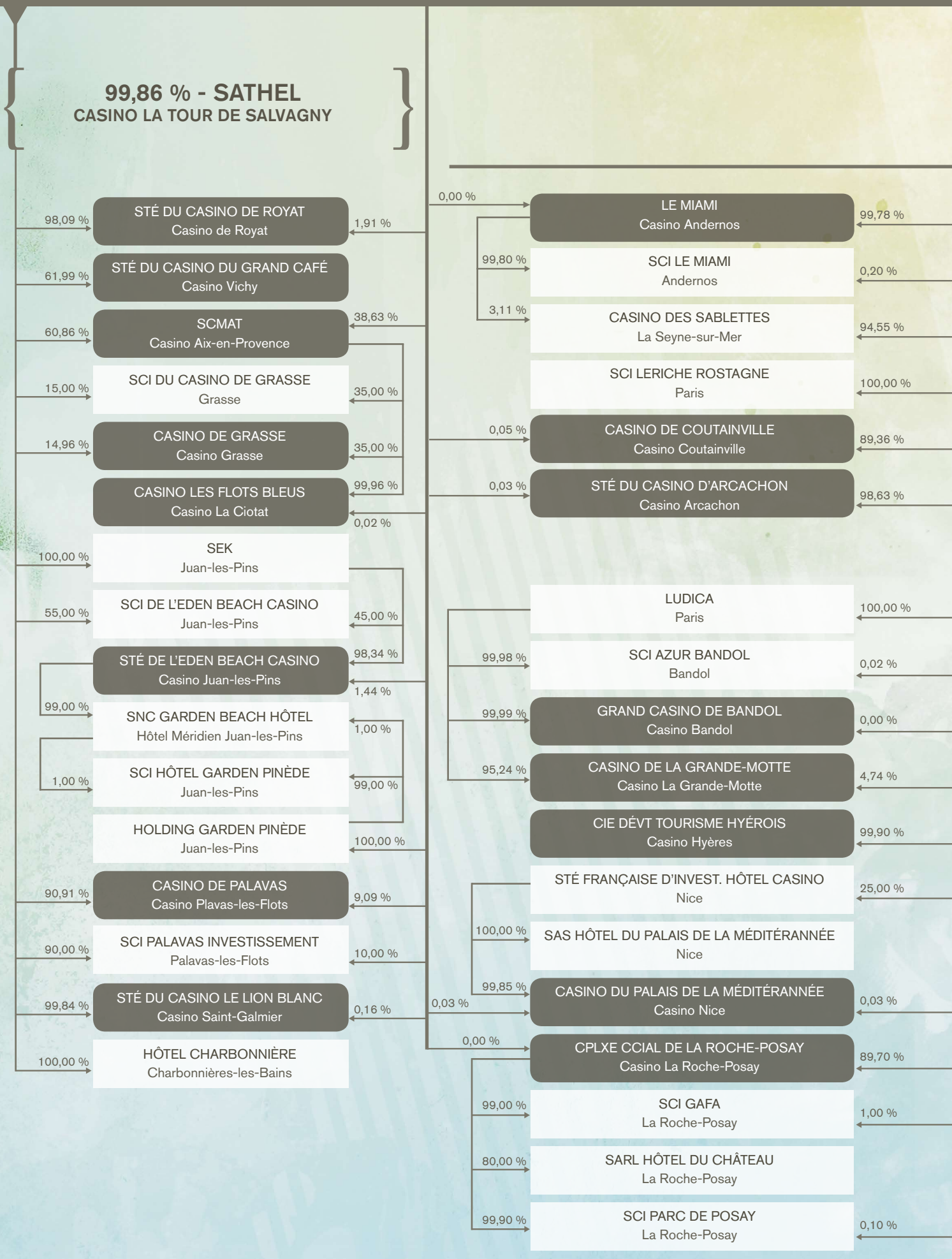
78,00 % - PARTOUCHE INTERACTIVE
PARIS

- 80,13 % → QUARISMA — Paris
- 75,43 % → PARTOUCHE PRODUCTION (ex Sogimage) Paris
- 100,00 % → PARTOUCHE TECHNOLOGIE (ex Que des Jeux) Saint-Avertin
- 75,46 % → PARTOUCHE IMAGES (ex New Screens) Paris
- 20,00 % → FAIRPLAYERS — Paris
- 85,00 % → PARTOUCHE GAMMON — Paris
- 85,00 % → WORLD SERIES OF BACKGAMMON — Londres
- 70,00 % → CASKNO — Bruxelles (Belgique)
- 100,00 % → PARTOUCHE INTERACTIVE HOLDINGS — Gibraltar
- PARTOUCHE INTERACTIVE GIBRALTAR — Gibraltar
- 100,00 % → PARTOUCHE INTERACTIVE HOLDINGS
- 100,00 % → PARTOUCHE BETTING (ex Atlas Sports et Games) Paris

LÉGENDE
- Casinos
- Other

GROUPE PARTOUCHE 31.10.2008




99,86 % - SATHEL
CASINO LA TOUR DE SALVAGNY
98,09 %
STÉ DU CASINO DE ROYAT
Casino de Royat
1,91 %
61,99 %
STÉ DU CASINO DU GRAND CAFÉ
Casino Vichy
60,86 %
SCMAT
Casino Aix-en-Provence
38,63 %
15,00 %
SCI DU CASINO DE GRASSE
Grasse
35,00 %
14,96 %
CASINO DE GRASSE
Casino Grasse
35,00 %
99,96 %
CASINO LES FLOTS BLEUS
Casino La Ciotat
0,02 %
100,00 %
SEK
Juan-les-Pins
55,00 %
SCI DE L'EDEN BEACH CASINO
Juan-les-Pins
45,00 %
98,34 %
STÉ DE L'EDEN BEACH CASINO
Casino Juan-les-Pins
1,44 %
99,00 %
SNC GARDEN BEACH HÔTEL
Hôtel Méridien Juan-les-Pins
1,00 %
1,00 %
SCI HÔTEL GARDEN PINÈDE
Juan-les-Pins
99,00 %
HOLDING GARDEN PINÈDE
Juan-les-Pins
100,00 %
90,91 %
CASINO DE PALAVAS
Casino Plavas-les-Flots
9,09 %
90,00 %
SCI PALAVAS INVESTISSEMENT
Palavas-les-Flots
10,00 %
99,84 %
STÉ DU CASINO LE LION BLANC
Casino Saint-Galmier
0,16 %
100,00 %
HÔTEL CHARBONNIÈRE
Charbonnières-les-Bains
0,00 %
LE MIAMI
Casino Andernos
99,78 %
99,80 %
SCI LE MIAMI
Andernos
0,20 %
3,11 %
CASINO DES SABLETTES
La Seyne-sur-Mer
94,55 %
SCI LERICHE ROSTAGNE
Paris
100,00 %
0,05 %
CASINO DE COUTAINVILLE
Casino Coutainville
89,36 %
0,03 %
STÉ DU CASINO D'ARCACHON
Casino Arcachon
98,63 %
LUDICA
Paris
100,00 %
99,98 %
SCI AZUR BANDOL
Bandol
0,02 %
99,99 %
GRAND CASINO DE BANDOL
Casino Bandol
0,00 %
95,24 %
CASINO DE LA GRANDE-MOTTE
Casino La Grande-Motte
4,74 %
CIE DÉVT TOURISME HYÉROIS
Casino Hyères
99,90 %
STÉ FRANÇAISE D'INVEST. HÔTEL CASINO
Nice
25,00 %
100,00 %
SAS HÔTEL DU PALAIS DE LA MÉDITÉRANNÉE
Nice
99,85 %
CASINO DU PALAIS DE LA MÉDITÉRANNÉE
Casino Nice
0,03 %
0,03 %
0,00 %
CPLXE CCIAL DE LA ROCHE-POSAY
Casino La Roche-Posay
89,70 %
99,00 %
SCI GAFA
La Roche-Posay
1,00 %
80,00 %
SARL HÔTEL DU CHÂTEAU
La Roche-Posay
99,90 %
SCI PARC DE POSAY
La Roche-Posay
0,10 %

GROUPE PARTOUCHE 31.10.2008

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 ST-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 % → SOC. EXPL. CASINO LA ROTONDE — Casino 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 % → VZW — (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 % → BELCASINOS — Bruxelles (Belgique)
- CASINO DE DINANT (Belgique)
- 100,00 % → BELCASINOS — Bruxelles (Belgique)
- 100,00 % → BEST GAMING CORPORATION — Reno (USA)
- 99,96 % → COMPAGNIE DES CASINOS HOLDING — Suisse
- CASINO LAC MEYRIN — Casino Meyrin (Suisse)
- 40,00 % → COMPAGNIE DES CASINOS HOLDING — Suisse
- VISTALEASING — Suisse
- 100,00 % → COMPAGNIE DES CASINOS HOLDING — Suisse
- CASINO DE SAXON — Saxon (Suisse)
- 100,00 % → COMPAGNIE DES CASINOS HOLDING — Suisse

LÉGENDE
- Casinos
- Other

08 PROPERTY, PLANT AND EQUIPMENT

8.1 EXISTING OR PLANNED MATERIAL TANGIBLE FIXED ASSETS

The Group's property, plant and equipment include property assets in which it holds full ownership.
In 2005, Groupe Partouche has commissioned an expert(1) to provide a succinct appraisal of these properties located in France. According to the expert's analysis updated at the end of 2008, the value of these property assets may be estimated at €319m, excluding the valuation of long leases for €104m.

Apart from the inventory of buildings, the appraisal focuses mainly on applying market values for premises considered as "occupied", with the exception of those manifestly known to be unoccupied.

(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, plant and equipment are:

ESTABLISHMENT	LEGAL STATUS	FLOOR SPACE
Aix-en-Provence casino	Long lease agreement	9 982 sq m
Cannes 3.14 hotel	Finance lease agreement	3 500 sq m
Contrexéville casino & hotels	Full ownership	16 123 sq m
Divonne-les-Bains casino, hotel & golf course	Full ownership	17 921 sq m
Forges-les-Eaux casino & hotels	Full ownership	17 605 sq m
Juan-les-pins casino & hotel	Full ownership	12 630 sq m
La Tour de Salvagny casino & hotel	Full ownership	15 137 sq m
Lyons casino & hotel	Long lease agreement	15 574 sq m
Saint-Amand-les-Eaux casino & hotel	Long lease agreement	11 139 sq m

Moreover, at 31 October 2008, the total number of authorized slot machines within the casinos of Groupe Partouche reached 5 967 units as a result of the following changes:

NUMBER OF SLOT MACHINES AT 31 OCTOBER 2007	5 716
Additional authorizations during 2008	**251**
AIX-EN-PROVENCE	+60
LA ROCHE-POSAY	+20
BOULOGNE-SUR-MER	+31
LA TRINITÉ-SUR-MER	+10
PLOUESCAT	+10
ANDERNOS	+10
FORGES-LES-EAUX	+30
LE HAVRE	+70
DIEPPE	+10
Number of slot machines at 31 October 2008	**5 967**

The following constructions are planned:

- 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

The future additional slot machines remain under reserves of the authorizations provided by the Ministry of the Interior.

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:
Financière Partouche assets:

- 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

9.1 FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In order to aid in the understanding of the information contained in this chapter, readers are referred to the Group's consolidated financial statements for the year ended 31 October 2008, included under §20.2.1 of this document.

9.1.1 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

In the year under review, the continued development of Partouche Interactive resulted in the addition of a new subsidiary to the scope of consolidation: Atlas Sports & Games (now Partouche Betting) owner of a Maltese on line gaming licence and more particularly in respect of on line betting and in the increase to 75,46% of its stake in Partouche Images (previously Newscreens). 2% of Partouche Interactive was sold to new partners.

Opening of the Casino of Dinant (Belgium) during March 2008.

Furthermore, readers are reminded that during the previous fiscal year ended on 31 October 2007, Groupe Partouche sold at the end of March 2007, the St-Julien-en-Genevois casino, one of the entities of Groupe de Divonne, which was acquired in 2005.

9.1.2 POSITION AND TRENDS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2008

ACTIVITY OF THE GROUP

The Group's turnover amounted to €481.7m, down by €29.2M (- 5,72%) compared to the prior financial year. The breakdown of the different components of Group turnover is summarised in the table below:

ANALYSIS OF 2008 TURNOVER

		2008	2007	DIFFERENTIAL	CHANGE IN %
	France	51,2	45,8	5,4	
	Abroad	25,6	23,4	2,2	
GGR OF TABLE GAMES		76,8	69,2	7,6	11,0 %
% OF ACTUAL GGR		9,7 %	8,1 %		
	France	636,7	718,7	-82,0	
	Abroad	74,4	66,9	7,5	
GROSS REVENUE OF SLOT MACHINE (ACTUAL)		711,1	785,6	**-74,5**	-9,5 %
% OF ACTUAL GGR		90,3 %	91,9 %		
	France	687,9	764,5		
	Abroad	100,0	90,3		
GROSS GAMING REVENUE (TOTAL)		787,9	854,8	**-66,9**	-7,8 %
	France	386,8	434,4		
	Abroad	46,5	40,9		
GROUP LEVIES		433,3	475,3	**-42,0**	-8,8%
	France	56,2 %	56,8 %		
	Abroad	46,5 %	45,3 %		
LEVY PERCENTAGE		**55,0 %**	**55,6 %**		
	France	301,1	330,1		
	Abroad	53,5	49,5		
NET GAMING REVENUE		354,7	379,6	**-24,9**	-6,6 %
% OF TOTAL TURNOVER		73,6 %	74,3 %		
	France	121,2	124,0		
	Abroad	5,8	7,4		
NON-GAMING REVENUE		127,0	131,3	**-4,3**	-3,3 %
% OF TOTAL TURNOVER		26,4 %	25,7 %		
	France	422,3	454,0		
	Abroad	59,3	56,9		
TURNOVER		481,7	510,9	**-29,2**	-5,7 %

GGR

Groupe Partouche's casinos generated gross gaming revenue (GGR) of €787.9 million, down 7.8% compared to the previous year.
The upturn in the portion of revenue generated by traditional games last year continued during the year under review and now represents 9.7% of the total, compared to 8.1% in 2007.

GAMING BUSINESS IN FRANCE

Financial year 2008 was a challenging period for gaming which, after two favourable months, was marked by the smoking ban in French casinos as of 1 January 2008, then by the economic climate resulting from the financial crisis. Thus, over the subsequent ten months, the slowdown in activity progressively increased culminating in a GGR decrease of -18.8% in October. The inconvenience caused by the smoking ban, which caused certain players to spend less time in our establishments and others to play at home over the Internet, was combined with a reduction in the budget allocated to casino gaming, leading to lower attendance levels and stakes.

In the challenging context described above, table game revenue held up well and even grew by €5.4m (+11.8%) thanks to the positive momentum achieved by the mixed-gaming format (combining slot machines and table games in the same space) and poker. Poker represented GGR in France of slightly over €16m.
With €8.8m of gross gaming revenue generated by table games, the Aix-en-Provence casino is the primary contributor to the Group.

Revenue from slot machines saw an opposite trend, with GGR down 11.4% to €636.7m, affecting practically all of the establishments. The Group increased its total number of installed slot machines by 251 units, from 5,496 to 5,747 units, following:

- authorisations granted for additional slot machines at the following casinos: +70 at Le Havre, +60 at Aix-en-Provence, +31 at Boulogne-sur-Mer, +30 at Forges-les-Eaux, +20 at La Roche-Posay and +10 at La Trinité-sur-Mer, Andernos and Plouescat;
- initial authorisations for 20 machines at the La Trinité-sur-Mer casino and 50 machines at the La Tremblade casino;
- disposal of the St-Julien casino in Genevois with its 100 machines.

Given the overall decline in slot machine revenue, this increase in the number of machines installed naturally entailed a drop in average GGR per machine per day, which fell from €366 in 2007 to €316 in 2008.

GAMING BUSINESS ABROAD

GGR generated outside France amounted to €100.0m, and now represents 12.7% of the Group's total GGR. It grew by €9.7m (10.8%). This trend was seen both in table games and slot machines and €2.7m was attributable to a new establishment that opened in February 2008, Dinant casino in Belgium, and €5.0m was contributed by Meyrin casino in Switzerland

TAX LEVIES

Tax levies totalled €433.3M compared to €475.3M in 2007. This figure amounts to a taxation rate of 55.0% of GGR, versus 55.6% in 2007. The rate of taxation applied abroad for the year was 46.5%.
The net gaming revenue, after tax, amounted to €354.7M down by 6.6%.

OTHER ACTIVITIES

Revenue generated by activities other than gaming amounted to €127M compared to €131.2 million in 2007. The decrease of €4.2M is mainly due (€ 2.4 M) to the disposal of the Thermes de Vittel on March 2008.

Total consolidated turnover amounted to €481.7 million at 31 October 2008, down by 5.7% than the previous year's figure of €510.9 million.

CONSOLIDATED PROFIT AND FINANCIAL POSITION

Consolidated operating profit was 60.21% lower in 2008, amounting to €30.1 million, down from €75.8 million in 2007.

This deterioration must be understood by mainly taking into account the decrease of turnover during the second yalf-year and slightly the increase by 3.5% of the current operating expenses.

The following breakdown of the current operating income by segment of activity gives a clear explanation of the results of the financial year 2008.

	CASINOS		HOTELS		P. INTERACTIVE		OTHER		TOTAL	
000 €	2008	2007	2008	2007	2008	2007	2008	2 007	2008	2007
Turnover	430 915	455 283	39 840	40 261	2 982	3 494	7 941	11 860	481 678	510 898
Purchases and external expenses	-114 017	-109 005	-13 929	-13 662	-12 115	-6 547	-14 263	-16 877	-154 324	-146 091
Tax	-25 411	-23 413	-2 128	-2 093	-457	-211	-1 375	-1 540	-29 371	-27 258
Personnel costs	-180 221	-175 832	-16 424	-15 957	-5 861	-3 692	-8 737	-11 440	-211 243	-206 921
Depreciation, amortisation and impairment on fixed assets	-37 394	-35 444	-4 452	-4 370	-534	-142	-4 629	-4 444	-47 009	-44 400
Other current operating income and expenses	-33 223	-32 266	-2 347	-2 414	6 135	4 595	19 869	19 683	-9 566	-10 403
Current operating income	40 649	79 324	559	1 764	-9 851	-2 504	-1 192	-2 759	30 165	75 825

The main explanation is based on changes in the French casino sector, with a decrease in revenue of €24.4m and increased expenses of €14.3m related partly to the generalised roll-out of Texas Hold'em Poker, which led to the recruitment of over 200 employees.
Casinos outside France, which do not have to apply the smoking ban, fared better, but nevertheless saw an overall decrease in the operating profit (-€3.8m), primarily as a result of tax expenses borne by Meyrin and San Roque of €1.9m and the launch of a new establishment in Dinant, Belgium.
The Partouche Interactive division stepped up the pace of its structuring, which can now be considered to be complete. This platform, which is considered to be a strategic future growth driver, had a higher negative impact on the accounts, with a current operating loss of -€9.9m compared with -€2.5m in 2007. This trend reflects notably a new subsidiary, Partouche Betting, dedicated to sports betting, the start-up of a business based in Gibraltar and the development of TV gaming production.
Hotels also suffered to a lesser extent from the economic crisis that arose during the financial year, with lower profitability mainly affecting the Lyon Hilton.
Non-recurring operating profit moved favourably, from a net expense of -€10.7m in 2007 to a net profit of €4.0m in 2008. It is influenced mainly by the impact of disposals for the financial year (the Thermes de Vittel spa for €3.1m and lease rights to the Cassis casino for €5.8m) and impairment of goodwill amounting to -€3.9m.

Operating profit, the sum of the abovementioned recurring and non-recurring amounts, was €34.4m compared with €65.1m in 2007.

The net financial expense for the financial year was €23.0m compared to €21.3m in 2007; it was adversely affected notably by the recognition of the valuation of an interest hedge at the balance sheet date, which represented an expense of €3.2m.
In light of the amount of the profit from recurring operations, a profit of €11.1m, the tax charge remains significant, totalling €13.8m, including a €2.9m deferred tax component, given the loss-making units which are no longer included in the tax consolidation scope.
The group's total net loss was €4.5m compared with a profit of €23.8m in 2007. The Group share was a loss of €8.5m while the profit attributable to minority interests was €4.0m.
After the impact of the net loss for the financial year, the Group's shareholders' equity decreased slightly to €326.6m compared to €333.8m in 2007.
The deterioration in the net result for 2008 also led to the entire syndicated loan being reclassified under short-term debt.
With regard to assets, current assets represented an increased portion of total assets given the volume of investments carried out and the significant reduction in the cash balance. Given the lower amount of cash flow generated by operating activities, the cash balance was used for the purpose of paying for investments and repaying debt.
Finally, it should be stipulated that § 9.2.3 of Annex I of Commission Regulation (EC) No. 809/2004 is not applicable to the Group.

ACTIVITY OF SUBSIDIARIES

€	TURNOVER	NET GAMING REVENUE	HOTEL	RESTAURANT	OTHER ACTIVITIES
CASINO - CHARBONNIÈRE (LYON VERT)	31 133 632	25 873 825	-	3 088 339	2 171 468
CASINO - AIX-EN-PROVENCE	30 793 833	24 960 703	-	3 485 128	2 348 002
CASINO - SAINT-AMAND	26 750 085	20 025 337	1 162 179	3 461 234	2 101 335
CASINO - FORGES	25 496 965	18 085 320	2 111 665	3 361 695	1 938 285
CASINO - MEYRIN	24 932 920	23 521 479	-	148 615	1 262 825
CASINO - DIVONNE	23 975 495	13 644 904	3 537 414	2 742 826	4 050 351
CASINO - LYON (PHARAON)	16 337 330	15 298 667	-	693 023	345 640
CASINO - LE HAVRE	12 948 219	9 377 601	926 917	1 389 748	1 253 953
CASINO - CANNES PALM BEACH	12 324 005	7 481 195	-	1 307 665	3 535 145
CASINO - ANNEMASSE	12 158 812	11 224 580	-	711 267	222 965
CASINO - PORNICHET	11 683 525	10 135 334	-	1 498 895	49 296
CASINO - CRANS MONTANA	11 343 221	10 814 549	-	130 596	398 076
CASINO - LA GRANDE MOTTE	10 822 668	9 421 860	-	1 101 420	299 388
CASINO - HYÈRES	10 710 422	9 812 696	139 122	459 710	298 894
CASINO - BANDOL	9 597 610	9 080 956	-	390 812	125 842
CASINO - JUAN-LES-PINS	9 046 858	7 566 559	-	959 401	520 898
CASINO - LA ROCHE-POSAY	8 943 669	8 055 868	77 140	567 979	242 682
CASINO - PALAVAS	7 680 123	7 008 601	-	557 920	113 602
CASINO - PORNIC	7 642 293	6 345 172	-	1 181 204	115 917
CASINO - ROYAT	7 391 735	6 596 770	-	403 955	391 010
CASINO - SAINT-GALMIER	6 849 411	6 341 513	-	392 185	115 713
CASINO - KNOKKE (ECK-Belgium)	6 572 811	5 710 221	-	426 227	436 363
CASINO - OOSTENDE	6 129 978	5 511 349	-	562 580	56 049
CASINO - DIEPPE	5 747 655	4 622 108	60 442	945 992	119 113
CASINO - PLOUESCAT	5 705 648	5 147 173	-	413 651	144 824
CASINO - VICHY GRAND CAFÉ	5 701 057	4 094 309	-	1 479 775	126 973
CASINO - CABOURG	5 021 576	3 588 805	-	1 163 909	268 862
CASINO - CALAIS	4 815 998	4 219 710	-	353 578	242 710
CASINO - TOUQUET	4 268 701	3 290 877	-	943 046	34 778
CASINO - BOULOGNE	4 240 783	3 943 850	-	215 184	81 749
CASINO - ARCACHON	4 100 312	3 849 775	-	221 651	28 886
CASINO - VICHY 4 CHEMINS	4 072 557	3 153 675	-	778 151	140 731

€	TURNOVER	NET GAMING REVENUE	HOTEL	RESTAURANT	OTHER ACTIVITIES
CASINO - BERCK	3 972 614	3 510 390	-	380 669	81 555
CASINO - CHAUDFONTAINE (LOISIRS)	3 918 013	3 584 487	-	263 982	69 544
CASINO - VAL ANDRÉ	3 913 292	2 834 878	-	746 850	331 564
CASINO - ANDERNOS	3 793 460	3 409 776	-	322 947	60 737
CASINO - LA CIOTAT	3 730 625	3 522 390	-	112 903	95 332
CASINO - BEAULIEU	3 258 092	2 606 475	-	172 664	478 953
CASINO - CONTREXÉVILLE	3 086 844	2 664 106	-	323 456	99 282
CASINO - PLOMBIÈRES	2 932 668	2 605 513	-	245 405	81 750
CASINO - GRÉOUX-LES-BAINS	2 770 596	2 494 360	-	202 064	74 172
CASINO - PORT BARCARÈS	2 744 472	1 505 764	-	1 143 408	95 300
CASINO - AGON COUTAINVILLE	2 696 196	2 487 393	-	141 328	67 475
CASINO - HAUTEVILLE	2 489 536	1 980 978	-	469 027	39 531
CASINO DINANT (Belgium)	2 377 662	2 002 438	-	366 224	9 000
CASINO - SALIES	2 278 816	1 437 813	331 309	371 715	137 979
CASINO - EVAUX	2 183 492	1 883 491	-	229 965	70 036
CASINO - DJERBA	2 064 286	1 615 143	-	380 586	68 557
CASINO - LA TREMBLADE	1 832 356	1 642 248	-	175 931	14 177
CASINO - SAINT-NECTAIRE	1 603 904	1 487 714	-	60 817	55 373
CASINO - SAINT-HONORÉ	1 232 118	1 133 981	-	85 325	12 812
CASINO - SAN ROQUE	1 110 711	777 372	-	111 687	221 652
CASINO - GRASSE	1 038 163	869 702	-	101 505	66 956
CASINO - LA TRINITÉ	947 076	802 046	12 922	119 428	12 680
TOTAL CASINOS	**430 914 898**	**354 663 798**	**8 359 110**	**42 065 247**	**25 826 743**
HOTEL - LYON HILTON	12 040 942	-	6 568 109	3 164 133	2 308 700
HÔTEL - JUAN GARDEN BEACH	11 580 957	-	8 362 395	1 478 709	1 739 853
HÔTEL - CANNES 3.14	7 985 109	-	3 839 983	3 356 271	788 855
HÔTEL - AIX AQUABELLA	5 736 814	-	3 576 550	1 086 465	1 073 799
HÔTEL - CONTREX COSMOS	1 604 290	-	608 613	955 540	40 137
HÔTEL - CHARBONNIÈRE	637 693	-	300 631	186 181	150 881
HÔTEL - VAL ANDRÉ - SINOCA	183 751	-	150 635	32 427	689
HOTEL - CONTREX - GD HÔTEL DU PARC	70 585	-	39 525	30 333	727
TOTAL HOTELS	**39 840 141**	**-**	**23 446 441**	**10 290 059**	**6 103 641**
THERMES - AIX - CBAP	2 678 383	-	-	-	2 678 383
CINÉMA ELYSÉE VICHY	1 553 253	-	-	-	1 553 253

€	TURNOVER	NET GAMING REVENUE	HOTEL	RESTAURANT	OTHER ACTIVITIES
PARTOUCHE TECHNOLOGIE (Ex QDJ)	1 481 649	-	-	-	1 481 649
THERMES - CONTREXÉVILLE	1 006 575	-	-	-	1 006 575
PARTOUCHE IMAGES (Ex New Screens)	821 037	-	-	-	821 037
GROUPE PARTOUCHE	641 401	-	-	-	641 401
SPRL CASKNO	574 431	-	-	-	574 431
SA SIKB (Belgium)	491 500	-	-	5 952	485 548
THERMES VITTEL	414 968	-	-	-	414 968
BARATEM	378 161	-	-	360 699	17 462
PARTOUCHE PRODUCTION (Ex sogimage)	256 565	-	-	-	256 565
SARL CAFÉ CARMEN	239 782	-	-	-	239 782
SARL THERM'PARK	196 740	-	-	-	196 740
SCI LERICHE ROSTAGNE	94 655	-	-	-	94 655
ELYSÉE PALACE (EPSA)	73 387	-	-	-	73 387
PARTOUCHE GAMMON	48 860	-	-	-	48 860
WS BACKGAMMON	46 433	-	-	-	46 433
SCI RUE ROYALE	42 723	-	-	-	42 723
GPT CASINOS	42 334	-	-	-	42 334
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	37 280	-	-	-	37 280
VILLA DU HAVRE	19 990	-	-	12 585	7 405
PI GIBRALTAR	18 317	-	-	-	18 317
CASINO VIRGINIAN DE RENO	11 277	-	-	-	11 277
CHM	9 285	-	-	-	9 285
VZW (Belgium)	4 957	-	-	-	4 957
CASINO SLUIS NV	4 468	-	-	-	4 468
PARTOUCHE INTERACTIVE	994	-	-	-	994
BELCASINOS	125	-	-	-	125
SCI DE GRASSE	31	-	-	-	31
SCI HOTEL GARDEN PINÈDE	2	-	-	-	2
PARTOUCHE BETTING LTD	-266 731	-	-	-	-266 731
TOTAL OTHER COMPANIES	**10 922 833**	**-**	**-**	**379 236**	**10 543 597**
TOTAL	**481 677 872**	**354 663 798**	**31 805 551**	**52 734 542**	**42 473 980**

9.2 FINANCIAL POSITION AND RESULTS OF THE COMPANY

The financial period under review, financial year 2008, is the 12-month period from 1 November 2007 to 31 October 2008.

The main events in this financial year were a joint venture within the SA Groupe de Divonne and the disposal of the SARL Thermes de Vittel.
Turnover totaled €14.8M very close to the €14.5M in 2007, chiefly consisting of management fees received from subsidiaries, which amounted to €13.7M and operating income of €15,4M compared to €15.5M in 2007.
With operating expenses equal to €19.1M (compared to €18.9M in 2007), the operating loss was -€3.6M compared to a loss of -€3.4m for 2007.
With €73.7M in financial income, primarily attributable to dividends paid by subsidiaries (€50.3M) and €64.0M in financial expenses, which mainly relate to the finance costs on the syndicated loan, and to provisions for impairment of shares in equity accounted affiliates, the net financial income represents a positive amount of €9.7M.
Current operating profit before tax represents a positive result of €6.1M, compared to €9M in 2007.
Exceptional income and expenses are mainly due to a tax assessment and provisions reversals in 2007. The tax saving, due notably to the tax consolidation regime, was €14.9M and the profit for the financial year was €22.1M compared with €24.0M in 2007.

In the balance sheet, total fixed assets amounted to €635.1M, which incorporated the impact of the following main movements within equity investments:

- €71.6M increase of the internally-generated goodwill and - €14.1M decrease in the financial investments due to the transmission of assets;
- Additional acquisition of investment securities in SAS HIL.

Current assets decreased from €299,0M to €288.7M due to the following movements:

- Increase in receivables for €15.8M mainly due to the Company's and associates receivables (+€22.9M);
- Decrease in cash and cash equivalents of €26.6M.

Changes in liabilities and equity comprise the improvement in equity, which rose to €395.7M from €373.6M in 2007, the reduction in bank debt of €45.7M and the increase in other debt of €28.6M related to current accounts with subsidiaries (+ €28.3M).

9.3 PROPOSED APPROPRIATION OF NET PROFIT FOR FINANCIAL YEAR 2008

The proposed appropriation of profit for financial year 2008 is as follows:

Net profit for the year	22 084 860 €
Retained earnings	22 084 860 €
Which, after appropriation:	232 183 881 €

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 2008.
Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2007.
Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2006.

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 2008.
Please refer to Note 26 of Chapter 20.2.1 of the Group's consolidated financial statements for 2007.
Please refer to Note 26 of Chapter 20.2.1 of the Group's consolidated financial statements for 2006.

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 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.
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 2006.
Please also refer to paragraph 4.1.1 Liquidity risk.

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 context of the activity that impacted the financial year 2008 and will continue prevailing in 2009, the program of investments of the Group is totally thrown back into question (please refer to paragraph 4.1.1 Liquidity risk). Now that self-financing is no more possible, it is important that an optimization be made in respect of investments and external financing is found for the more significant projects.

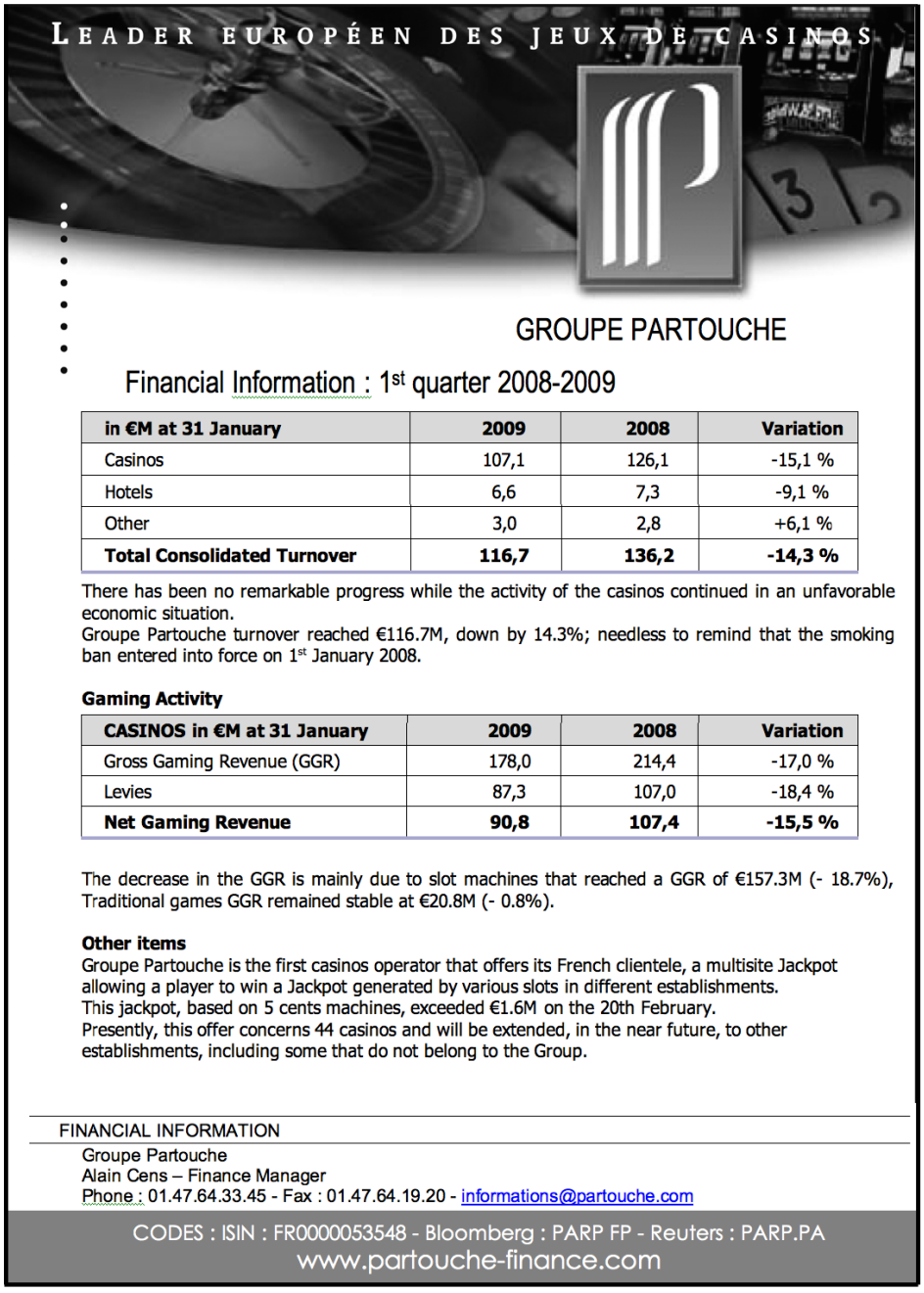
Especially that according to the syndicated loan agreement, gross investments are limited to 20 million € as long as cash flow on disposal remains below 80 million €.

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:



GROUPE PARTOUCHE

Financial Information : 1st quarter 2008-2009

in €M at 31 January	2009	2008	Variation
Casinos	107,1	126,1	-15,1 %
Hotels	6,6	7,3	-9,1 %
Other	3,0	2,8	+6,1 %
Total Consolidated Turnover	**116,7**	**136,2**	**-14,3 %**

There has been no remarkable progress while the activity of the casinos continued in an unfavorable economic situation.
Groupe Partouche turnover reached €116.7M, down by 14.3%; needless to remind that the smoking ban entered into force on 1st January 2008.

Gaming Activity

CASINOS in €M at 31 January	2009	2008	Variation
Gross Gaming Revenue (GGR)	178,0	214,4	-17,0 %
Levies	87,3	107,0	-18,4 %
Net Gaming Revenue	**90,8**	**107,4**	**-15,5 %**

The decrease in the GGR is mainly due to slot machines that reached a GGR of €157.3M (- 18.7%), Traditional games GGR remained stable at €20.8M (- 0.8%).

Other items
Groupe Partouche is the first casinos operator that offers its French clientele, a multisite Jackpot allowing a player to win a Jackpot generated by various slots in different establishments.
This jackpot, based on 5 cents machines, exceeded €1.6M on the 20th February.
Presently, this offer concerns 44 casinos and will be extended, in the near future, to other establishments, including some that do not belong to the Group.

FINANCIAL INFORMATION
Groupe Partouche
Alain Cens – Finance Manager
Phone : 01.47.64.33.45 - Fax : 01.47.64.19.20 - informations@partouche.com

CODES : ISIN : FR0000053548 - Bloomberg : PARP FP - Reuters : PARP.PA
www.partouche-finance.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. Furthermore, the impact of the present economic crisis together with the competition of the online gaming developed by the Française des Jeux, the PMU and other operators abroad, increased the negative impact on the activity of the Group. This was confirmed by the turnover of the first quarter of the current financial year, as at 31st January 2009.

At the end of 2008, Groupe Partouche took the following decisions against this backdrop :

- **Decrease of the operating expenses**

Planning was reviewed based on the analysis of the attendance both in table games and slots, in order to decrease the number of personnel.
Advertising and sponsoring budgets (Mother Company and subsidiaries) were reduced together with artistic events and prestige operations, mainly outside the establishments.
Negotiations are being conducted with some municipalities in order to reconsider the minimum provisions of the executed agreements.
Drastic measures were applied to some establishments with a negative income; take for instance the casino of Port-Barcarès that will only be operating during the summer season.
All of these already applied measures will save more that 10 M€ during the financial year 2009,

- **Assets disposal**

In order to reinforce its cash flow, Groupe Partouche is considering the disposal of some of its assets. But this option is limited by the present economic situation together with the lack of acquisition credits.

- **Reducing the investments**

The program of investments of the Group was reduced in order to optimize the choices of the projects.

During financial year 2009, the activities of Partouche Interactive and its subsidiaries will be developed, beyond the impact of the above mentioned measures.

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	POSITION HELD	NUMBER OF SHARES HELD	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR. ISIDORE PARTOUCHE BORN 21 APRIL 1931 IN TREZEL (ALGERIA)	AGM of 20 June 1996	31 October 2013	Chairman of the Supervisory Board	1 160 915	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)
M. MARCEL PARTOUCHE BORN 24 FEBRUARY 1920 IN TIARET (ALGERIA)	AGM of 20 June 1996	31 October 2013	Vice-Chairman of the Supervisory Board	21 345	None

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), SARL THERM PARK (Aix en Provence) until 5th November 2008, SCI AZUR BANDOL (Bandol), 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)
Chairman of the Board of Directors, Director: SA Compagnie des Casinos Holding (Fribourg)
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	POSITION HELD	NUMBER OF SHARES HELD	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR. MAURICE SEBAG BORN 1 DEC. 1926 IN TIARET (ALGERIA)	AGM of 20 June 1996	31 October 2013	Member of the Supervisory Board	5 100	None
MR. GASTON GHRENASSIA AKA ENRICO MACIAS BORN 11 DEC. 1938 IN CONSTANTINE (ALGERIA)	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	70	**Corporate 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 (*)

IN 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), 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	POSITION HELD	NUMBER OF SHARES HELD	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR. PATRICK PARTOUCHE BORN 13 JUNE 1964 IN ORAN (ALGERIA)	Supervisory Board of 20 June 1996	2 november 2013	Chairman of the Executive Board	27 986	**Director** SA Société Européenne des Grands Restaurants (Paris) **Member of the Board of Directors, Director :** SA Ispar Holding (Fribourg)
MR. ARI SEBAG BORN 25 SEP 1961 IN TIARET (ALGERIA)	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board General Manager	22 300	**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, 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, SAS CASINO DE PALAVAS, SAS CASINO DE SAINT CAST LE GUILDO, SA FORGES THERMAL, SA SOCIETE DU CASINO MUNICIPAL D'AIX THERMAL, 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), SA CASINO DE GRASSE (resigned on 16 April 2008).
Corporation Manager: SARL SEK (Juan Les Pins), SCI DU CASINO DE GRASSE
Member of the Executive Committee of SAS PARTOUCHE TECHNOLOGIES (St-Avertin), 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 CASINO NUEVO SAN ROQUE (Spain)
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: 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 DE CHAUDFONTAINE (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	POSITION HELD	NUMBER OF SHARES HELD	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)	
MRS. KATY ZENOU BORN 6 AUGUST 1961 IN TIARET (ALGERIA)	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board General Manager	35 469	None	
MR. RICHARD PARTOUCHE BORN 7 DEC 1946 IN TIARET (ALGERIA)	Supervisory Board of 20 June 1996	Resigned on 30 September 2008 Replaced by Mr Fabrice Paire as from 2 November 2008	Member of the Executive Board General Manager	17 276	None	
MR. FABRICE PAIRE BORN10 OCTOBER 1969 IN MONTMORENCY (VAL D'OISE - FRANCE)	Supervisory Board of 3 November 2008	2 November 2013	Member of the Executive Board General Manager	1 038		

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)
Managing Director: SA ELYSEE PALACE EXPANSION (Vichy)
Deputy General Manager and Director: SAS CASINOS DU TOUQUET
Director: SAS NUMA (Boulogne sur Mer), SA SOCIETE DU GRAND CASINO D'ANNEMASSE, SA BARATEM
Permanent Representative of GROUPE PARTOUCHE SA, **Director** of SA GRAND CASINO DU HAVRE

OUTSIDE FRANCE

Director: SA Groupe Partouche International (Brussels)

Resigned on 10 September 2008 from all these mandates as from 30 September 2008. To date, he does not hold any of these positions:

IN FRANCE

General Manager and Member of the Executive Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman: SAS CASINO DE ST-AMAND-LES-EAUX, SAS CASINO DE SAINT NECTAIRE
Director: SAS GRAND CASINO DE LYON, SAS GRANDCASINO DE LA TRINITÉ-SUR-MER, SAS LE TOUQUET'S (Calais), SA DU CASINO D'HAUTEVILLE-LOMPNES (Hauteville-Lompnes)
Corporation Manager: SNC EXPLOITATION HOTELIERE DE CHARBONNIERES – EHC (Charbonnières-les-Bains)
Permanent Representative of SAS SOCIETE DU CASINO DE ST AMAND LES EAUX for SCS LCLP (France) SA and CIE (Cannes)

OUTSIDE FRANCE

Director: SA GROUPE PARTOUCHE INTERNATIONAL (Brussels), SA GRAND CASINO DE DJERBA (Djerba – Tunisia)

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)
Management Accountant: INSTITUT DES METIERS CLIENTS DES JEUX ET DES CASINOS GIE I.M.C.J.C (Troyes)
Deputy Director: SA BELCASINOS (Belgium), SA CASINO DE CHAUDFONTAINE (Belgium)
Director: SA CHAUDFONTAINE LOISIRS (Belgium), SA CASINO KURSAAL OOSTENDE (Belgium)
Deputy Director, Member: CERCLE PRIVE DU CASINO DE SPA (Belgium), CLUB PRIVE CASINO D'OOSTENDE (Belgium)
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

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	FABRICE PAIRE
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	-	-	-	-	-	-	-	-	-

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, a role that he took over from Mr. Hubert Benhamou.

▸ **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 dit 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.

▸ **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.

14.1.5 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.

Beginning of 2006, the district attorney of Nanterre filed a case against the Belgium subsidiary Groupe Partouche International which granted an online gaming website, with an operating license of the trademark Groupe Partouche International; and this within all countries allowing that kind of gaming. Mr. Patrick Partouche was personally involved in this case while he only was the legal representative of Groupe Partouche International. He was sentenced to a fine and a suspended imprisonment of 18 months. An appeal was lodged against this judgment and the Court in Versailles will come up with a decision on the 4th of March 2009.

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.

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, apart from Mr Marcel Partouche, member of the Supervisory Board who acquired 11.000 shares during the 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:

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.

Where appropriate, the Chairman submits the proposed mission letter for the approval of the Remuneration, Audit and/or Finance Committees and forwards a copy of the approved and signed mission letter to the Chairmen of each of these Committees.

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

Article 5. Supervisory Board Committees

In order to support its missions and to undertake preparatory work for its meetings, the Supervisory Board has formed a number of committees.

In these Rules of Procedure, the Supervisory Board sets forth the roles and responsibilities of each of these committees. Each committee drafts proposals, prepares recommendations or issues opinions, as applicable, in its particular area of expertise. To achieve these ends, the committees may decide to commission studies as necessary to facilitate the deliberations of the Supervisory Board.

The Supervisory Board appoints the members and the Chairman of each committee. Committee members are expected to attend meetings in person, or if necessary by way of telecommunication or video-conferencing methods.

The Chairman of each committee establishes the agenda for each of its meetings and forwards this information to the Chairman of the Supervisory Board.

The Chairman of a committee may decide to invite all or a portion of the members of the Supervisory Board or the Executive Board and, if necessary, any other person of his or her choosing to certain meetings. To request the participation of members of Management in a meeting, the Chairman of a committee forwards a list of names to the Chairman of the Supervisory Board.

The referral procedure for matters to be handled by committees functions as follows:

- each committee handles all matters falling within the area of expertise assigned to it by these rules of procedure and determines its own annual schedule;
- matters included or due to be included in the agenda for a meeting of the Supervisory Board may also be referred to committees by the Chairman of Supervisory Board;
- The Supervisory Board and its Chairman may also refer any other matter falling within a specific area of expertise to the relevant committee.

Article 6. The Audit Committee

The Audit Committee effects an annual examination of the Holding company and of the Group's consolidated financial statements and periodically examines internal control

procedures and more generally all the procedures for auditing accounting or management that are in force within the Group.
It also acts as an intermediary between the Supervisory Board and the Statutory Auditors of the Group.
The Audit Committee reviews changes to the accounting standards applied in the preparation of financial statements and investigates any lack of compliance with these standards;
Any event exposing the Group to a significant risk is referred by the Chairman of the Supervisory Board to the Audit Committee for its review.
The Audit Committee may request that an internal or external audit or survey be performed on any subject that it considers to be relevant to its mission. Should it decide that such an audit or survey is required, its Chairman notifies the Supervisory Board.
The expenses incurred for all missions of the Audit Committee, and in particular for surveys and audits performed, are paid by the company.

Article 7. Remuneration Committee

The Remuneration Committee's task is to determine the remuneration of the members of the Executive Board, and to obtain, through the Executive Board, information relating to the remuneration and status of the Directors of the Group.
The committee does not determine the allocation methods for bonuses in advance.

Article 8. Finance Committee

The task of the Finance Committee is to examine planned disposals of real estate or investments, or the setting-up of guarantees or securities, so as to enable the Supervisory Board to issue the necessary authorisations prescribed by the Law.

Article 9. 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 10. 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 11. 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 12. 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.

However, given, on the one hand, the observations formulated by the AMF on the application of the provisions of Article R 225-56 of the French Commercial Code and the recommendations of the Afep-Medef report of October 2003, and on the other hand the strong family-based nature of the company and the limited number of members of the Board from which the members of the committees have to be selected, the Board decided on 24 December 2008 to dissolve the audit, remuneration and financial committees that it had created and to make the following related changes to its internal regulations.

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.

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.

When the location of specified on the notice of a Supervisory Board meeting is different from that of the company's registered office, the Chairman takes measures so that the members of the Supervisory Board who have decided to participate can do so using the means described above.

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. OBLIGATION OF INDEPENDENCE OF 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 annual results as well as its quarterly information.

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

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.

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

15 REMUNERATION AND BENEFITS

15.1 AMOUNT OF REMUNERATION AND BENEFITS IN KIND PAID

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 2008 amounted to 1,514,609 euros.

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 2008 from Groupe Partouche, is summarised in the table below on an individual basis:

List of company officers of Groupe Partouche SA

AMOUNT OF GROSS REMUNERATIONS FOR FINANCIAL YEAR 2007-2008 IN EUROS	AMOUNT OF TOTAL GROSS REMUNERATION	OF WHICH BENEFITS IN KIND
Mr. Patrick Partouche	542 842	6 915
Mr. Ari Sebag	375 858	21 275
Mr. Richard Partouche	366 170	
Mrs. Katy Zenou	233 924	
Mr. Isidore Partouche	216 000	
Mr. Marcel Partouche	204 522	
Mr. Maurice Sebag	154 179	
Mr. Gaston Ghrenassia	30 000	

CHANGE OVER THE LAST THREE YEARS IN THE AMOUNT OF TOTAL GROSS REMUNERATION IN EUROS	2008	2007	2006
Mr. Patrick Partouche	542 842	1 418 261	324 000
Mr. Hubert Benhamou (*)	-	53 464	320 784
Mr. Ari Sebag	375 858	364 424	349 500
Mr. Richard Partouche (**)	366 170	257 640	257 640
Mrs. Katy Zenou	233 924	233 924	233 924
Mr. Isidore Partouche	216 000	216 000	281 000
Mr. Marcel Partouche	204 522	204 522	204 522
Mr. Maurice Sebag	154 179	154 179	154 179
Mr. Gaston Ghrenassia	30 000	30 000	30 000

(*) Mr. Hubert Benhamou resigned from his positions as of 1 May 2007.
(**) Mr. Richard Partouche resigned from his positions as of 30 September 2008.

All the amounts comprising remuneration are fixed, with the exception of a gross bonus of €218,842 that is included in the remuneration of Mr. Patrick Partouche.
None of this remuneration is subject to any calculation criteria and no commitments have been taken by the company in favour of its company officers, corresponding to remuneration, indemnities or benefits in kind due or likely to become due as a result of the assumption, cessation or change of function. The bonus of the chairman of the Executive Board was decided by the Supervisory Board for the mission already accomplished in his functions, and to take into consideration the significant material constraints induced by these functions. In taking its decision, the Supervisory Board took into account, among others, the following criteria: significance of the functions, particular efforts accomplished, particular suggestions made, potential value of the exceptional activity deployed.

15.1.3 DIRECTORS' FEES PAID TO THE MEMBERS OF THE BOARD

The total amount of directors' fees paid in 2008 for the 2007–08 financial year was €66,000 and was divided as follows:

MEMBERS OF THE BOARD	AMOUNT OF DIRECTORS' FEES PAID
MR. ISIDORE PARTOUCHE	60 000 €
MR. MARCEL PARTOUCHE	2 000 €
MR. MAURICE SEBAG	2 000 €
MR. GASTON GHRENASSIA	2 000 €

For information, the total of the directors' fees paid by Groupe Partouche to the members of the Board was €66,000 for financial year 2007.

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 in Chapter 14.1 was €14,970.

16 OPERATION OF DIRECTORS' AND EXECUTIVE BODIES

16.1 TERM OF OFFICE OF DIRECTORS AND EXECUTIVE DIRECTORS

The terms in office of Messrs. Isidore Partouche, Marcel Partouche, Maurice Sebag and Gaston Ghrenassia as members of the Supervisory Board, were all renewed by the Shareholders' Meeting of 2 April 2008 for a further period of six financial years, thus until the close of the Annual General Meeting convened to approve the financial statements for the year ended 31 October 2013.
The Executive Board was renewed by the Supervisory Board on 2 November 2007. The mandates of its members will expire on 1 November 2013.
Given the significant family presence within the company's ownership structure, it is not possible to provide for the directors' mandates to be staggered, as recommended by the AFEP/MEDEF Code of Corporate Governance issued in 2003.

16.2 SERVICE CONTRACTS

Service agreements involving Financière Partouche SA
Financière Partouche is a company headed by Mr Patrick Partouche that has entered into the centralised cash pooling agreement concluded between Group companies and Groupe Partouche SA.

Service agreements involving Ispar Holding SA
Ispar Holding is a company headed and controlled by Mr Isidore Partouche that has concluded a partnership agreement with Groupe Partouche for head office services. This company provides advice and assistance to the Group's Swiss casinos.

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

Mr. Richard Partouche: Member of the Executive Board, Managing Director, resigned with effect from 30 September 2008, replaced by decision of the Supervisory Board as of 2 November 2008, by Mr Fabrice Paire, company secretary, as member of the Executive Board and Managing Director.

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

Meetings of the Executive Board

During the financial year ended 31/10/08, the Executive Board met on eight occasions, with a 100% attendance rate.

Functioning of the Executive Board

Please refer to Chapter 21.2.2.

Main work performed in financial year 2008

The meetings of the Executive Board related first and foremost to the preparation and presentation of the detailed activity report to the Supervisory Board at the end of each quarter, in order for it to carry out its mission without impediment (Executive Board meetings of 12 December 2007, 22 February 2008, 22 May 2008 and 12 September 2008), in addition to the interim financial statements (Executive Board meeting of 17 June 2008).

The Executive Board also approved for publication the 2007 annual financial statements (Executive Board meeting of 29 January 2008) and the interim financial statements at 30 April 2008 (Executive Board meeting of 17 June 2008).

During the past financial year, the Executive Board also decided to:

- sign a cash pooling agreement with certain subsidiaries and HSBC as part of the implementation of a multi-site jackpot for which the provisional authorisation was granted to us by the supervisory authorities (Executive Board meeting of 8 November 2007);
- sell 4% of its Partouche Interactive shares (Executive Board meeting of 15 November 2007).

Finally, in its meeting of 8 December 2008, the Executive Board reviewed the accounts for the fourth quarter of 2008 and on 28 January 2009 reviewed the individual company and consolidated financial statements for the financial year ended 31 October 2008 and approved 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 31/10/08, the Supervisory Board met on 20 occasions, with an attendance rate of more than 95% and five times after the accounts were approved.

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 2008

The meetings of the Supervisory Board related first and foremost to the review of the detailed reports of the Executive Board which were submitted to it at the end of each reporting quarter, which allowed the Supervisory Board to carry out its mission without impediment (Supervisory Board meetings of 17 December 2007, 25 February 2008, 26 May 2008 and 15 September 2008), in addition to the interim financial statements (Supervisory Board meeting of 18 June 2008), and the annual financial statements (Supervisory Board meeting of 30 January 2008).
During the past financial year, the Supervisory Board also decided to:

- to renew the terms of office of all Executive Board members for a period of 6 years, thus until 1 November 2013 (meeting of 2 November 2007);
- to conclude a service agreement with the Group's Belgian subsidiaries, Belcasino and Chaudfontaine (meeting of 19 November 2007);

- to authorise the signing of a cash pooling agreement with HSBC and the Group's subsidiaries LCPL France and Eden Beach Casino in connection with the establishment of a multi-site jackpot (meeting of 3 December 2007);
- to assume all rights and obligations of the Group's Belgian subsidiary SPRL Caskno under the latter's agreement with Lixxbail (meeting of 20 December 2007);
- to authorise the sale of 1% of the share capital of Partouche Interactive (a total of 370 shares) to Mr Philippe Fau (meeting of 4 January 2008);
- to allocate a special bonus to Mr Patrick Partouche, the Chairman of the Executive Board (meeting of 25 January 2008);
- to authorise the sale of 2% of the share capital of Partouche Interactive (a total of 740 shares) to Eusebius (meeting of 11 February 2008);
- to appoint a Chairman and a Vice Chairman for the Group's Belgian subsidiary Le Grand Casino de Dinant and to guarantee the latter's obligation to ING Belgium (meeting of 2 April 2008);
- to authorise the signing of a partnership agreement with Partouche Productions in connection with the organisation of a special event, the "Partouche Poker Tour", and to authorise the transfer of a receivable held by Groupe Partouche against LCPL to Cannes Balnéaire (meeting of 15 April 2008);
- to authorise the Chairman of the Executive Board to grant, in the name and on behalf of Groupe Partouche SA, a guarantee to Natixis Lease for computer equipment leased by its subsidiaries (meeting of 30 April 2008);
- to authorise the repurchase from Mr Patrick Partouche of 100 shares in the Group's subsidiary Hôtel International de Lyon (meeting of 1 July 2008);
- to authorise the signing of a cash pooling agreement with HSBC and several of the Group's subsidiaries in connection with the extension of its multi-site jackpot operations (meeting of 15 July 2008);
- to authorise the transfer of the Group's receivable held against Casino de Saint-Julien to DB Conseils (meeting of 7 October 2008);
- the allocation of directors' fees (meeting of 15 October 2008).

The Supervisory Board met five times after the balance sheet date, between 1 November 2008 and 15 February 2009, and addressed the following items of business:

- Appointment of Mr Fabrice Paire as a member of the Executive Board and as Managing Director (meeting of 3 November 2008);
- Adherence to the AFEP/MEDEF recommendations of 6 October 2008 (meeting of 24 November 2008);
- Review of the financial statements for the three months ended 31 October 2008 (Supervisory Board meeting of 16 December 2008);
- Lastly, in its meeting held on 30 January 2009, the Supervisory Board examined the parent company and consolidated financial statements for the year ended 31 October 2008 in addition to the management report of the Executive Board.

16.3.3 THE COMMITTEES OF THE SUPERVISORY BOARD

In the interests of transparency, after the change made to the status of its committees by decision of the Supervisory Board on 15 September 2008, these bodies were dissolved by decision of the Supervisory Board on 24 December 2008.

This decision was made in strict application of the provisions of Article R. 225-56 of the Code of Commerce as recommended by the AMF, and by the AFEP/MEDEF Code of Corporate Governance issued in October 2003, as the significant family control of the company and the small number of Supervisory Board members from among whom committee members must be selected did not enable them to be maintained.

However, during financial year 2008, the membership and detailed activities of these committees were as described below.

Audit Committee

The Audit Committee was placed under the chairmanship of Mr Isidore Partouche, chairman of the Supervisory Board, with the participation of Mr Alain Cens, Finance Director and Mr Olivier Bensoussan, head of management, consolidation standards and accounting procedures.

The mission of the audit committee was to carry out the annual and semi-annual examination of the individual company and consolidated financial statements as well as the periodic examination of internal control procedures and, more generally, of all audit, accounting or management procedures in force in the Group. It also provided the link between the Supervisory Board and the Group's statutory auditors. It studied modifications of accounting standards applied in the preparation of financial statements, as well as any non-compliance with such standards.

The audit committee met on six occasions in financial year 2008, with a 100% attendance rate.

Financial Committee

The Financial Committee was placed under the chairmanship of Mr Isidore Partouche, chairman of the Supervisory Board, with the participation of Mr Alain Cens, Finance Director.

The mission of the Financial Committee was to examine projects to divest buildings or investments, to constitute guarantees in order to allow the Supervisory Board to provide the authorisations required by law.

The Financial Committee met three times in financial year 2008, with a 100% rate.

Remuneration Committee

The Remuneration Committee was placed under the chairmanship of Mr Isidore Partouche, chairman of the Supervisory Board, with the participation of Mr Alain Cens, Finance Director.

It prepared the determination of compensation of members of the Executive Board, facilitated communication via the Executive Board of information relating to the remuneration and the status of the Group's senior management executives.

The remuneration committee was convened once a year in order to establish all of the remunerations for the financial year ahead, in accordance with the budget, with a 100% attendance rate.

16.4 COMPLIANCE WITH CORPORATE GOVERNANCE REGIMES

Groupe Partouche SA observes principles of corporate governance and, beginning with the current financial year, adheres in its preparation of this report pursuant to Article L. 225-37 of the Code of Commerce to the AFEP/MEDEF Code of Corporate Governance as amended, in application of the Law of 3 July 2008, the transposition into French law of Directive 2006/46/EC of 14 June 2006.

Furthermore, in its meeting held on 27 October 2005, the Supervisory Board decided to lay down internal rules for all its operating procedures as well as those of its Audit, Financial and Remuneration Committees, whose dissolution it approved on 24 December 2008.

Lastly, each equity share carries one voting right.

Aspects of its operating procedures that seem to depart from corporate governance principles, such as the absence of independent directors, the membership of Supervisory Board committees, followed by their dissolution as from the 2009 financial year, or the procedures for the renewal of terms of office of company officers that cannot be staggered, are directly linked to its maintenance of significant family control.

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 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 2008.

Conditions under which the Supervisory Board's work is prepared and organised

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.

In this regard, it should be noted that Chapter 16.3.2 of this document, relating in particular to:

- 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, is an integral part of this section of the report of the Chairman.

Control procedures implemented

INTERNAL CONTROL DEFINITION AND OBJECTIVES

The internal control procedures in force at Groupe Partouche SA aim:

- to ensure that operational and transaction management, together with the behaviour of employees in general comply with the framework of guidelines defined by management bodies, laws and regulations, as well as the Company's own values, standards and internal regulations;
- to check that accounting, financial and management information communicated by the company's management bodies faithfully reflect the company's business performance and financial position.

One of the objectives of the internal control system is to anticipate and control the risk of errors and fraud, particularly in accounting and finance. However, no internal control system can provide an absolute guarantee that such risks have been entirely eliminated.

The internal control procedures in force at Groupe Partouche SA are not defined in any accounting framework.

INTERNAL CONTROL SCOPE OF APPLICATION

The internal control procedures are applicable to all of Groupe Partouche, with Groupe Partouche being defined as Groupe Partouche SA in addition to all of its fully-consolidated entities.

EVALUATION 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.

The main risk factors and their management are described in Chapter 4.

Other risks specific to the Group's operations that have been identified are described below:

Smoking ban risk

Since 1 January 2008, smoking has been prohibited throughout France in all public places. The Group's casinos apply this rule in all indoor working areas. All of its establishments have examined the repercussions of this ban so as to best respond to the related loss in revenue by ensuring that casino customers are aware of the new law and by creating designated smoking areas outside their premises;

Customer identification checks

Since 1 November 2006, customer identification checks prior to entering gaming rooms have been mandatory for French casinos. Groupe Partouche has therefore sought to raise awareness among its customers as to the mandatory nature of this requirement and has taken the necessary measures in order to comply with this regulation. Groupe Partouche has also introduced a loyalty card which gives customers access to the Group's loyalty programme while eliminating the need to show identification each time they enter gaming rooms;

Addiction to gambling

Casino operators are required to subscribe to a prevention and assistance programme for problem gamblers. This commitment is in keeping with their role as responsible corporate citizens and is key to the industry's future. Gaming is not an industry like any other and it is for this reason that the authorities require operators to show that they have set up effective prevention procedures. To this end, in partnership with Addictel, Groupe Partouche demonstrates its commitment to promoting responsible gambling by providing information for its customers on the risks of gambling addiction;

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. All of its establishments are inspected very frequently by Silliker, an accredited independent organisation;

Health and safety

Like all other facilities open to the public, Groupe Partouche's establishments are required to ensure optimal safety conditions for their customers and employees. Accredited health and safety commissions inspect the Group's establishments on a highly regular basis, and all of these establishments comply with the full range of health and safety guidelines;

Customer risk

As is the case with all businesses, Groupe Partouche's establishments are exposed to customer 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 or by credit card. Suitable protection is taken out for the risk associated with the very small portion of payments made by cheque;

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. Over the course of each concession, all the Group's casino directors ensure strict compliance with concession specifications. As a result, and 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.

GENERAL ORGANISATION OF INTERNAL CONTROL PROCEDURES

Internal control procedures are part of the policy defined by the Executive Board and are implemented under the direct responsibility of the General Managers of the various subsidiaries.

Some 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.

The ministerial order of 14 May 2007, which modified the regulation of gaming under the terms of the decree of 22 December 1959 thus determines:

- the conditions for preparing and assessing requests for gaming licences;
- the administration and operating conditions for casinos;
- the operating regulations for games;
- accounting and progressive levies;
- supervision and control.

The regulatory frameworks of casinos operated outside France (12% of turnover) are also very strict, particularly in Switzerland.

Moreover, the Group's major hotels are managed via management contracts (Hilton and Méridien) or by reputable operators. Nearly 5% of turnover was generated with Hilton and Méridien over the accounting period.
Groupe Partouche SA's finance department is responsible for organising internal control procedures relating to the preparation and processing of the company's accounting and financial information.
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 thus provides, among other things, administrative, accounting, legal and financial support.
The operating units are all subsidiaries which do not have a particularly high degree of complexity, equipped with a dedicated internal administration and accounting departments.
Groupe Partouche SA's subsidiaries are also assisted by chartered accountants, long-term advisors with an in-depth knowledge of the specificities of the Group's business segments.

ORGANISATION OF ACCOUNTING INTERNAL CONTROLS

Groupe Partouche's finance department coordinates and supervises the organisation of its subsidiary level accounting departments.

It verifies the regularity of accounting data.

Groupe Partouche SA and its operating entities all use a single consistent accounting system.

The system is configured by external consultant. Updates to the software are performed only by the Group's in-house IT department.

The system runs on an AS400 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 package has a plethora of security features which allow access to certain information to be obtained based on a security hierarchy of users.

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.

Users are provided with an internal user guide covering payroll management, both from a technical (procedures – instructions) and legal point of view (calculation methods used by the Group in compliance with employment, sector-specific and tax regulations).

ORGANISATION OF MANAGEMENT INTERNAL CONTROLS

The management services at Groupe Partouche SA's head office are supported by staff in charge of preparing and monitoring budgets and the financial reporting of their operating units, within the subsidiaries.

All of the information used, in the budgetary and management 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 our line of business.

ORGANISATION OF FINANCIAL INTERNAL CONTROLS

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 decentralised 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 decentralised consolidation information system.

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

Groupe Partouche SA is obliged to present reliable financial statements, which must reflect a true and fair image of the Company.

ACCOUNTING INFORMATION

A chart of accounts adapted to the Group's accounting framework is used by the operating units, in compliance with the Order of 27 February 1984, which sets the provisions relating to casino's accounts and mentions that the professional chart of accounts appended thereto should by applied by casinos.

Procedural notes are prepared by the Group's accounting department for the attention of the subsidiaries, particularly by taking account of the specific accounting treatment in the gaming sector.
These provisions mean that consistent accounting information is sent to Groupe Partouche SA. The Group's accounting department organises and plans the work required to close the statutory accounts of Groupe Partouche SA, and prepares an annual and half-yearly control file.
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.

MANAGEMENT INFORMATION

Budget

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

Financial reporting

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.

A monthly management report package is produced.

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.

Finally, reconciliation between the management reporting and consolidation phases in the information system allows information to be definitively validated.

FINANCIAL INFORMATION

The ultimate objective of the internal control procedures for Groupe Partouche SA, the holding company, is to ensure the reliability of the consolidated financial statements. Specific procedures deal with the preparation of the consolidated financial statements by the dedicated department at Groupe Partouche's head office.

We can use, where necessary, the services of specialist external consultants, particularly for special, non-recurring transactions (acquisitions, disposals, mergers, etc.).

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.

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.

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 2008.

The Chairman is responsible for providing in his report, notably, the conditions under which the work of the Supervisory Board is prepared and organised and of the internal control procedures implemented within the company.

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.

We conducted our work in accordance with French accounting principles. These standards require that we perform whatever work necessary to assess the truth and fairness of the information provided in the Chairman's report relating to internal control procedures governing the preparation and processing of accounting and financial information. This work consisted, amongst other things, in the following:

- acquiring knowledge of the objectives and general organisation of the internal controls, together with the internal control procedures governing the preparation and processing of accounting and financial information, as presented in the Chairman's report;
- acquiring information on the work performed to provide the information presented in the report.

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.

Marseille and Sceaux, 17 February 2009

Fiduciaire MCR **José David**
Jean-Louis Mathieu

17 EMPLOYEES

17.1 HUMAN RESOURCES – WORKFORCE

17.1.1 WORKFORCE

CATEGORIES AT 31 OCTOBER	2008	2007	2006
Managers	963	875	810
Supervisors and technicians	294	321	372
Other employees excluding labour	4 628	4 696	4 689
Labour	200	192	211
TOTAL	**6086**	**6 084**	**6 082**

17.1.2 HUMAN RESOURCES

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 6,086 employees. The workforce remained on a par with its level in the previous year.

This stability stems mainly from our finely calibrated management of joiners and leavers, together with close supervision of our teams. 88% of the Group's workforce are employed under open-ended employment contracts.

Part time contracts are chosen rather than being imposed.

Women represent 39% of the workforce. There are a total of 963 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 €12m, chiefly attributable to the provision of security services.

REWARDS AND LOYALTY ENHANCEMENTS

Total payroll including social charges came to €209.7m, and the combined total of profit-related pay paid by the subsidiaries came to €4.6m.

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 Char-

ter, 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

Groupe Partouche uses all of its training budgets to maintain the levels of skills and keep knowledge up to date, in the context of technological change related to the gaming sector.

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 2008.

17.3.3 EMPLOYEE SHAREHOLDERS

Nil.

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	31 DECEMBER 2008		31 JANUARY 2008		31 JANUARY 2007	
	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 %
SOGESIC SARL	-	-	-	-	-	-
PARTOUCHE FAMILY	1 631 317	3,78 %	1 633 371	3,79 %	1 564 881	3,63 %
SUBTOTAL	**30 471 317**	**70,70 %**	**30 473 371**	**70,71 %**	**30 404 881**	**70,55 %**
Public (3)	12 626 101	29,30 %	12 624 047	29,29 %	12 692 537	29,45 %
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 12 September 2008, KBL Richelieu Gestion, acting on behalf of the mutual fund it manages declared that it had crossed the threshold below 6% of the share capital and voting rights of Groupe Partouche, and that it thereby held 2,581,282 shares representing 5.99% 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 those indicated above.

Groupe Partouche requested Euroclear France to perform a survey on 31 December 2008 of intermediaries holding at least 11,000 shares. This survey enabled us to identify 4,196 shareholders, representing 27.1% of the share capital. Taking into account the 102 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 4,298 shareholders.
A substantial proportion of the shareholders identified by the Euroclear France survey – some 37.3% – is made up of investment funds.
No securities are owned by employees under a share ownership programme.
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 70.70% 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, no 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. Finally, attention is drawn to the fact that §18.4 of Annex I of EC Regulation No. 809-2004 does not apply to the Group.

19 RELATED-PARTY TRANSACTIONS

Please refer to Chapter 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 2008

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 PARTNERSHIP AGREEMENT FOR HEAD OFFICE SERVICES

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 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 €156,521 under operating expenses.

This agreement was authorised by your Supervisory Board on 2 November 2007.

Member of the Supervisory Board concerned:
Mr. Isidore Partouche

1.2 EXCEPTIONAL BONUS AWARDED TO MR PATRICK PARTOUCHE

Your Supervisory Board has decided to award an exceptional bonus to Mr Patrick Partouche, in connection with his term in office as Chairman of the Executive Board, in a gross amount of €218,842 recorded under operating expenses.

This agreement was authorised by your Supervisory Board on 25 January 2008.

1.3 PARTNERSHIP AGREEMENT WITH PARTOUCHE PRODUCTIONS FOR THE ORGANISATION OF THE PARTOUCHE POKER TOUR

Your company made a partnership agreement with Partouche Productions for the organisation of the Partouche Poker tour.
Under this agreement, your Company recorded an operating expense of €700,000.
This agreement was authorised by your Supervisory Board on 15 April 2008.

Members of the Executive Board concerned:
Mr Ari Sebag
Mr Patrick Partouche

1.4 ASSIGNMENT OF THE RECEIVABLE WITH RESPECT TO LCLP (FRANCE) SA ET CIE - PALM BEACH CASINO TO CANNES BALNÉAIRE SA

On 30 April 2008 your company assigned a receivable in the amount of €44,015,409 which it held with respect to LCLP (France) SA et Cie - Palm Beach Casino to Cannes Balnéaire. This transfer was performed at nominal value.
This agreement was authorised by your Supervisory Board on 15 April 2008.

Members of the Executive Board concerned:
Mr Ari Sebag
Mr Patrick Partouche

Member of the Supervisory Board concerned:
Mr Isidore Partouche

1.5 SALE OF ONE SHARE IN SNC EXPLOITATION HÔTELIÈRE DE CHARBONNIÈRE (SNC EHC) TO SATHEL - CASINO LYON VERT

On 12 June 2008, your company sold one (1) share representing 0.1% of the share capital in EHC to SA Société d'Activités Thermales Hôtelières et de Loisirs (SATHEL – Casino Lyon Vert) for one euro.
This agreement was authorised by your Supervisory Board on 26 May 2008.

Member of the Supervisory Board concerned:
Mr Isidore Partouche

1.6 PURCHASE OF SHARES IN SAS SOCIÉTÉ HOTEL INTERNATIONAL DE LYON (HIL SAS)

Your company acquired on 8 July 2008, one hundred (100) shares representing 0.5% of the share capital in HIL SAS from Mr Patrick Partouche. The purchase price for these shares was €620,000, i.e. €6,200 per share.
This agreement was authorised by your Supervisory Board on 1 July 2008.

1.7 LEAVING BONUS FOR MR RICHARD PARTOUCHE

Your Supervisory Board granted Mr Richard Partouche a leaving bonus following his resignation dated 30 September 2008 from his functions of general manager and member of the Executive Board. The gross amount of this bonus was €130,000, which was recognised under operating expenses.

This agreement was authorised by your Supervisory Board on 15 September 2008.

2. AGREEMENTS AND COMMITMENTS CONCLUDED 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 2008, the tax consolidation agreement encompassing 64 subsidiary companies was extended to the following company, the integration of which will become effective as of 1 November 2008: LCLP (france) SA et Cie - Palm Beach casino.

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

Under this agreement, your company recorded a tax saving of €14,858,226.

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 covered 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.

Pursuant to this agreement, your Company recognised an operating expense of €183,158.

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 SA. 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 2008 was 5.05%.

Under the terms of this agreement, your company recognised a net interest expense of €51. The amount owed by Groupe Partouche to Financière Partouche SA recorded in the current account amounted to €4,190,010 at 31 October 2008.

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. This advance bears interest at the 6-month rate of Euribor plus 2%.

This shareholder advance was also subject to a subordination agreement signed on 27 September 2005 between Financière Partouche SA and Groupe Partouche SA. To this effect, the amounts lent to Groupe Partouche SA in respect of the shareholder advance may only be reimbursed and paid in accordance with the stipulations, terms and conditions defined in this agreement.

With regard to this agreement, Financière Partouche SA rebilled your company finance costs of €6,579,806, a commission for the rider to the syndicated loan agreement of €81,000 and retroceded an interest rate hedge gain of €459,940, representing a net expense of €6,200,866.

2.5 AUTHORISATION FOR THE USE OF THE GROUP'S 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 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 before tax 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 in 2007 amounted to €9,362.

2.6 MANAGEMENT CONSULTING AGREEMENT

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 concluded for an initial term of 24 months as from 1 January 2007.

With respect to this agreement, your company recorded a charge of €562,400 under operating expenses.

2.7 PARTNERSHIP AGREEMENT FOR HEAD OFFICE SERVICES

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.
With respect to this agreement, your company recorded a charge of €172,064 under operating expenses.

Marseille and Sceaux, 17 February 2009

Fiduciaire 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 2006 prepared in accordance with IFRS / IAS as adopted by the European Union and the report of the Statutory Auditors relating to the consolidated financial statements of the financial year ended 31 October 2006, which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 3 April 2007 under number D.07-0266, pages 84 et seq.
- the consolidated financial statements for the financial year ended 31 October 2007 prepared in accordance with IFRS / IAS as adopted by the European Union 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 et seq.
- the individual company financial statements for the financial year ended 31 October 2006 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2006 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 3 April 2007 under number D.07-0266, pages 126 et 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 et 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 2008

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT PER SHARE DATA)	NOTES	2008	2007	2006
Turnover	21	481 678	510 898	511 675
Purchases and external expenses	22	(154 324)	(146 091)	(140 538)
Tax		(29 371)	(27 258)	(28 931)
Personnel costs	23	(211 243)	(206 921)	(207 638)
Depreciation, amortisation and impairment on fixed assets		(47 009)	(44 400)	(45 870)
Other current operating income and expenses	24	(9 566)	(10 403)	(10 418)
Current operating profit		**30 165**	**75 825**	**78 280**
Other non-current operating income and expenses	24	8 317	(1 692)	(4 972)
Gain (loss) on the sale of consolidated investments		(417)	(2 766)	10 042
Impairment of non-current assets	5-6	(3 905)	(6 304)	(2 161)
Non-current operating profit		**3 994**	**(10 762)**	**2 909**
Operating profit		**34 159**	**65 063**	**81 189**
Financial items	**25**	**(23 074)**	**(21 258)**	**(22 489)**
Profit before tax		**11 085**	**43 805**	**58 700**
Corporate income tax	27	(13 832)	(18 015)	(20 825)
Profit after tax		**(2 747)**	**25 790**	**37 875**
Share in earnings of equity affiliates	7	(1 719)	(2 001)	(1 805)
Total net profit		**(4 466)**	**23 789**	**36 070**
o/w Group share		(8 485)	14 259	28 670
o/w minority interests		4 019	9 530	7 400
Net earnings per share – Group share		**(0,197)**	**0,33086**	**0,66524**
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	2008	2007	2006
Intangible assets	4	11 684	9 599	8 884
Goodwill on acquisition	5	414 114	407 747	404 301
Property and equipment	6	413 161	414 801	420 005
Investments in companies accounted for using the equity method	7	5 665	7 670	7 473
Other non-current financial assets	8	4 161	4 014	33 611
Deferred tax assets	27	855	1 988	2 280
Other non-current assets	9	9 980	4 987	618
TOTAL NON-CURRENT ASSETS		**859 620**	**850 806**	**877 172**
Inventories and semi-finished goods	10	4 052	7 840	8 072
Trade and other receivables	11	25 432	36 633	39 371
Tax receivables		8 516	8 099	5 038
Derivative financial instruments		333	2 973	545
Other current assets	12	13 576	15 234	15 050
Cash and cash equivalents	13	68 972	128 824	105 186
TOTAL CURRENT ASSETS		**120 881**	**199 604**	**173 261**
Available for sale assets	30	-	572	12 799
TOTAL ASSETS		**980 501**	**1 050 982**	**1 063 232**

EQUITY AND LIABILITIES €000 AT 31 OCTOBER	NOTES	2008	2007	2006
Share capital	14	86 195	86 195	86 195
Treasury shares	14	(79)	(169)	(169)
Share premium		9 411	9 411	9 411
Consolidated reserves	14	208 977	194 241	147 260
Revaluation reserve		1 339	(627)	(151)
Net income for the year		(8 485)	14 259	28 670
GROUP EQUITY		**297 358**	**303 310**	**271 216**
MINORITY INTERESTS	**14**	**29 200**	**30 459**	**32 336**
TOTAL EQUITY		**326 558**	**333 768**	**303 552**
Non-current financial debt	17	116 979	431 292	503 045
Employee commitments	15	6 670	6 035	4 185
Other non-current provisions	16	15 058	19 136	13 592
Deferred tax liabilities	27	34 491	32 673	32 719
Other non-current liabilities	18	12 247	9 737	10 339
TOTAL NON-CURRENT LIABILITIES		**185 445**	**498 872**	**563 880**
Current financial debt	17	304 810	50 686	45 934
Current provisions	16	2 549	1 945	1 138
Trade and other payables	19	118 671	99 261	91 089
Current tax liabilities	20	40 925	63 461	51 714
Other current liabilities	18	1 544	2 990	4 088
TOTAL CURRENT LIABILITIES		**468 497**	**218 341**	**193 963**
Held for sale liabilities	30	-	-	1 837
TOTAL EQUITY AND LIABILITIES		**980 501**	**1 050 982**	**1 063 232**

(Number of shares in circulation at 31 October 2008, 31 October 2007 and 31 October 2006: 43,097,418)
The notes are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

€000 AT 31 OCTOBER	2008	2007	2006
Total net profit	**(4 466)**	**23 789**	**36 071**
Adjustments:			
Elimination of income from associates	1 720	2 001	1 805
Elimination of tax expense (income)	13 832	18 015	20 804
Elimination of depreciation, amortisation and provisions	45 562	54 969	47 349
Elimination of gains and losses on revaluation to fair value	3 192	(573)	-
Elimination of results on the sale of assets	(8 055)	4 126	(4 659)
Elimination of net interest expense (income)	27 116	26 900	24 369
Elimination of dividend income	(14)	(14)	(14)
Impact of the change in WCR	10 802	17 876	9 910
Interest paid	(28 582)	(28 999)	(25 522)
Tax paid	(17 904)	(16 148)	(27 665)
Net cash inflow from operating activities, activities in the course of being divested	-	-	(1 816)
Net cash flow from operating activities	**43 202**	**101 942**	**80 629**
Acquisition of investment securities net of cash acquired	(6 530)	(8 410)	(8 601)
Disposal of consolidated companies, less cash sold	1 818	9 643	1 766
Impact of other changes in consolidation scope	165	694	1
Acquisition of intangible assets	(3 109)	(1 428)	(1 032)
Acquisition of property and equipment	(46 374)	(41 002)	(41 062)
Acquisition of financial assets	470	(1 012)	1 318
Loans and advances granted	(1 115)	(968)	(629)
Disposal of intangible assets	6 950	192	-
Disposal of property and equipment	7 000	339	5 418
Disposal of financial assets	-	35 988	68
Reimbursements received from loans	983	667	348
Interest received	1 463	2 088	1 144
Dividends received	14	14	14

€000 AT 31 OCTOBER	2008	2007	2006
Net change in short term investments	3	238	(158)
Cash flow from investing activities, activities in the course of being divested	-	9	(246)
Net cash flow from investing activities	**(38 260)**	**(2 948)**	**(41 649)**
Capital increased subscribed by minority interests	-	-	329
Loans issued	93	540	6 565
Loans reimbursed	(58 129)	(67 333)	(47 929)
Dividends paid to minority shareholders	(9 748)	(8 319)	(9 736)
Net cash flow from financing activities	**(67 784)**	**(75 112)**	**(50 770)**
Impact of foreign exchange rates	2 889	29	(521)
Change in cash and cash equivalents	**(59 953)**	**23 911**	**(12 311)**
Opening cash position	**128 712**	**104 801**	**117 113**
Closing cash position	**68 759**	**128 712**	**104 801**

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

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 2005	86 195	(169)	9 411	145 143	(23)	**240 557**	33 642	**274 200**
Distribution of dividends	-	-	-	-	-	**-**	(9 851)	**(9 851)**
Change in fair value of available for sale financial assets	-	-	-	1 941	-	**1 941**	48	**1 989**
Purchase commitments for minority interests	-	-	-	-	-	**-**	(2 680)	**(2 680)**
Other movements	-	-	-	175	(128)	**47**	3 777	**3 824**
Net profit for 2006 financial year	-	-	-	28 670	-	**28 670**	7 400	**36 071**
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 profit 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 profit 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**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 business and associated leisure activities (hotels, restaurants, live events, etc.). The consolidated financial statements were approved for publication by the Executive Board of Groupe Partouche SA on 28 January 2009.

Pursuant to French legislation, the consolidated financial statements for the financial year ended 31 October 2008 will be subject to the approval of the shareholders of the Group at the shareholders' meeting convened for 6 April 2009.

NOTE 1. KEY EVENTS DURING THE FINANCIAL YEAR

The main changes in the scope of consolidation in financial year 2008 were as follows:

During the first half of financial year 2008, Groupe Partouche continued to develop its subsidiary Partouche Interactive, in particular by way of the acquisition of the betting organisation Atlas Sport & Games Ltd (renamed Partouche Betting) and by raising the stake held in Partouche Images (formerly Newscreens) to 58.86%. As a result of the operations carried out in the Interactive business segment, the Group's ownership interest declined slightly from 80% at end-October 2007 to 78% at end-October 2008.

In March 2008, Groupe Partouche opened its fourth Belgian casino in Dinant, while July saw the creation of the Casino de Tabarka in Tunisia, which opened to the public at the end of December 2008.

Furthermore, the ban on smoking in casinos entered into force on 1 January 2008 and had an immediate impact on business results for these establishments.

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.
The financial information has been prepared for the periods presented in compliance with the rules of recognition and measurement.

IFRS/IFRIC (International Financial Reporting Interpretations Committee)

The Group opted to apply the following standards and interpretations as from 1 November 2007:

- Amendment to IAS 1 relating to capital disclosures
- IFRS 7 "Financial Instruments: Disclosures"

IFRS 7 sets out new disclosures to be made in respect of financial instruments. These qualitative and quantitative disclosures relate to the nature and extent of exposure to risk arising from financial instruments and also include specific minimum disclosures concerning credit risks, liquidity risks and market risks, the latter involving a sensitivity analysis of each type of market risk to which the Group is exposed. IFRS 7 adds certain new disclosures about financial instruments to those required under IAS 32 Financial Instruments: Disclosure and Presentation. After having evaluated the impact of IFRS 7 and of the amendment to IAS 1, Groupe Partouche SA concluded that the main additional disclosures would relate to the sensitivity analysis of market risk and the capital disclosures required by the amendment to IAS 1. This information is presented in Chapter 4.

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 2008

- IFRS 8, "Operating Segments"

  - This standard, which replaces IAS 14, requires that the management approach be adopted to report on the financial performance of operating segments. The application of this standard is currently being evaluated. It is not expected to have any financial impact for the Group but might alter the information published in its financial statements in the future (this standard is applicable to periods beginning on or after 1 January 2009, thus as from 1 November 2009 for the Group).

- IFRIC 13, "Customer Loyalty Programmes"

  - This interpretation is applicable for periods beginning on 1st July 2009. The potential impact of its adoption by the Group is currently being evaluated.

- IFRIC 11, "Group and Treasury Share Transactions"
- IFRIC 14, "IAS 19": "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction"
- IAS 1 Presentation of Financial Statements (as revised in September 2007)
- Amendment to IAS 23 Borrowing Costs
- Amendment to IFRS 2 Share-Based Payment entitled "Vesting Conditions and Cancellations".

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 based on their fair value, namely:

- 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 SC 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 based on the acquisition method as required under 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 31/10/2008	AVERAGE RATE 31/10/2008	CLOSING RATE 31/10/2007	AVERAGE RATE 31/10/2007	CLOSING RATE 31/10/2006	AVERAGE RATE 31/10/2006
USD US Dollar	**1,2757**	**1,46437**	1,4447	1,344310	1,2696	1,2352
CHF Swiss Franc	**1,4686**	**1,58568**	1,6762	1,632800	1,5887	1,5650
MAD Moroccan Dirham	**NA**	**NA**	NA	NA	11,067	11,006
TND Tunisian Dinar	**1,745806**	**1,8032**	1,7784	1,73156	1,6871	1,6508
EGP Egyptian Pound	**7,12836**	**7,95598**	7,968	7,65717	7,2714	7,1095
GBP Pound Sterling	**0,78690**	**0,7595**	0,6973	0,67765	NA	NA

INTANGIBLE ASSETS

Intangible assets with indefinite useful lives are not amortised. 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 licences, 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.

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

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 amortised, 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 17 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.

3.3 Methodology for impairment testing of goodwill

All recognised goodwill is tested, with casinos accounting for nearly 90% of the total.
Tests at the Group level involve the comparison at the testing date:

- for all casino establishments, of the carrying amount of the CGU's intangible assets (including goodwill) and the fair value of this CGU, taken as a multiple of gross gaming revenue, the main performance indicator in the casino industry. In consideration of the most recent significant transactions recorded in the industry, the coefficient used is 2. In addition, the Group substantiates the results obtained in this manner by conducting tests based on discounted future cash flows within a time horizon of three years;

- for all other entities, of the carrying amount of the CGU or the group of CGUs, with its recoverable amount measured by reference either to future cash flows or to recent comparable transactions, depending on the sector. It is to be noted that the Interactive business segment is considered as a start-up activity for which goodwill is still linked, in essence, to the potential future liberalisation of the online gaming sector.

Any impairment is recorded in the line item "Impairment of non-current assets" under non-current operating profit. An impairment loss recognised in respect of a goodwill item may not be reversed.

PROPERTY AND EQUIPMENT

1. Valuation

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 the 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 recognised at cost. The carrying amount is thus increased or decreased to recognise 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.

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 balance sheet date, less the fair value of the plan's assets at that date, adjusted for unrecognised actuarial gains or losses, minus the unrecognised 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 on the basis of an interest rate for investment-grade 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 Group are covered by health insurance plans and life insurance plans financed by the government. Consequently, the Group 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 recognised 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 lessor 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.

SEGMENT INFORMATION

First-level segment information is prepared based on the analysis of the Group's main segments of activity. The Group believes that these casino and hotel operating companies each 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. Consequently, since the Group does not use other operational indicators to manage its activities, disclosure is limited to breaking down turnover by activity and by geographic area.

The segments determined by the Group consist of a grouping by company based on a common activity, as follows:

- Casino operators;
- Hotel operators;
- Other activities.

Second-level segment information is based on a breakdown by large geographic regions in which the Group operates:

- France;
- Europe excluding France;
- Rest of the world.

Preparation for IFRS 8

With respect to the future application of IFRS 8 Operating Segments, which enters into force for periods beginning on or after 1 January 2010, the Group is currently examining the impact of this standard on the presentation of its financial statements in connection with the organisation of the Group's internal reporting.

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 (27 November 1986), 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, depending on their scheduled maturities, either under other current liabilities or under other non-current liabilities within 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 2008, 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.

	2008			2007			2006		
NUMBER OF COMPANIES	FRANCE	ZONE EURO (EXCL. FRANCE)	ABROAD	FRANCE	ZONE EURO (EXCL. FRANCE)	ABROAD	FRANCE	ZONE EURO (EXCL. FRANCE)	ABROAD
Fully consolidated companies	101	13	11	103	11	10	106	11	4
Proportionally consolidated companies	2	-	-	2	-	-	2	-	-
Equity-method companies	4	-	1	5	-	1	5	-	1
TOTAL	**107**	**13**	**12**	110	11	11	113	11	5

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 2008	CONSOLIDATION METHOD	GOODWILL (NOTE 5)	ACQUISITION PRICE	CONSOLIDATED REVENUE	CONSOLIDATED OPERATING PROFIT	CONSOLI-DATED NET PROFIT
CASINO TABARKA	FC	-	222	-	(7)	(7)
CASINO DINANT	FC	-	650	2 378	(1 163)	(1 189)
PARTOUCHE BETTING	FC	1 323	1 700	(267)	(1 715)	(2 005)
GPT MOYENS CASINOS	FC	-	-	42	-	-
PARTOUCHE IMAGE (Ex NEWSCREENS) (*)	FC	-	-	-	-	-

(*) At 31 October 2007, Partouche Images (formerly Newscreens) was accounted for using the equity method.
FC: Full consolidation method

CHANGE IN PERCENTAGE INTEREST AND CONTROL

ENTITIES	CONTROL 2008	INTEREST 2008	CONTROL 2007	INTEREST 2007	CONTROL 2006	INTEREST 2006
PARTOUCHE INTERACTIVE BUSINESS SEGMENT						
CASKNO	70	54,60	70	56	70	69,93
QUARISMA	80,13	62,50	80,13	64,11	80,13	67,31
PARTOUCHE PRODUCTION (Ex SOGIMAGE)	75,43	58,84	75,43	60,35	75,43	63,37
PARTOUCHE TECHNOLOGIE (ex QUE DES JEUX)	100	78,00	100	80	100	84
PARTOUCHE GAMMON	85	66,30	85	68	85	72,25
PARTOUCHE IMAGE (ex NEWSCREEN)	75,46	58,86	46,18	36,94	46,18	38,79
FAIRPLAYERS	20	15,60	20	16	20	16,8
PARTOUCHE INTERACTIVE	78	78,00	80	80	84	84
PARTOUCHE INTERACTIVE GIBRALTAR	100	78,00	100	80	NI	NI
PARTOUCHE INTERACTIVE HOLDING	100	78,00	100	80	NI	NI
WORLDSERIES OF BACKGAMMON	85	66,30	85	68	NI	NI
OTHER MOVEMENTS						
CASINO LA SEYNE-SUR-MER	97,65	97,65	97,65	97,64	87,91	87,88
FORGES THERMAL	58,75	58,75	58,76	58,76	58,76	58,76
GRAND CASINO DE LYON	100	97,00	100	96,50	100	94
AGON COUTAINVILLE	89,41	89,41	89,36	89,36	89,36	89,36
CASINO DE SLUIS NV	60	59,94	40	39,96	40	39,96
CHM	93,87	86,76	93,67	86,56	93,67	86,56
HÔTEL INTERNATIONAL DE LYON	97	97	96,50	96,50	94	94

TRANSMISSION UNIVERSELLE DE PATRIMOINE

During the period, the Group carried out four dissolutions without liquidation, commonly known in France as transmissions universelles de patrimoine (TUPs), three of which were effective at 1 November 2007. These operations involved Holding Sonecar, Holding European Gaming Company, Groupe de Divonne and Thermes de Vittel.

NOTE 4. INTANGIBLE ASSETS

€000 AT 31 OCTOBER	CONCESSIONS, PATENTS, BRANDS	INTERNALLY-GENERATED GOODWILL	OTHER INTANGIBLE ASSETS	TOTAL
Gross value at 31 October 2006	1 575	13 139	4 484	19 198
Accumulated amortization and impairment losses at 31 October 2006	(950)	(5 792)	(3 572)	(10 314)
Net value at 31 October 2006	**625**	**7 347**	**912**	**8 884**
Acquisitions	402		1 134	1 536
Disposals	(10)	(24)	(310)	(344)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	-	-	-
Translation difference	(10)		(22)	(32)
Assets transferred and scrapped	(169)	(46)	77	(138)
Depreciation charges/reversals	53	(150)	(211)	(308)
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
Depreciation charges/reversals	(859)	(157)	(491)	(1 507)
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**

NOTE 5. GOODWILL

BREAKDOWN OF CHANGES IN GOODWILL BY ACTIVITY

€000 AT 31 OCTOBER	2008	2007	2006
Casinos	355 366	359 265	358 060
Hotels	9 024	8 441	5 543
Other	49 724	40 041	40 698
TOTAL	**414 114**	**407 747**	**404 301**

BREAKDOWN OF CHANGES

NET VALUE AT 31 OCTOBER 2006	**404 301**
Increases	10 417
Decreases	(279)
Impairment losses (*)	(6 251)
Translation differences	(441)
NET VALUE AT 31 OCTOBER 2007	**407 747**
Increases	**9 883**
Partouche Betting	1 323
Partouche Images (Ex Newscreens) (1)	5 202
Partouche Interactive	2 757
Hôtel International de Lyon	583
Casino de Sluis NV	19
Decreases	**(742)**
Entities of the Partouche Interactive business segment	(742)
Impairment losses (*)	**(3 905)**
Casino d'Andernos	(960)
Casino d'Arcachon	(2 379)
Casino de Saint Honoré	(567)
Translation differences	**1 131**
NET VALUE AT 31 OCTOBER 2008	**414 114**

(1) Of which €2.776m booked to investments in equity-accounted associates in October 2007.

** 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 2008 led to the recognition of additional impairment losses for a total amount of €3.905m, as shown in the preceding table.

NOTE 6. PROPERTY AND EQUIPMENT

€000 AT 31 OCTOBER	LAND	BUILDINGS	TECHNICAL INSTALLATIONS	OTHER TANGIBLE FIXED ASSETS	TOTAL
Gross value at 31 October 2006	31 995	457 716	160 941	101 377	752 030
Accumulated depreciation and amortization at 31 October 2006	(3 719)	(147 756)	(114 212)	(66 224)	(331 911)
Accumulated impairment losses at 31 October 2006	-	(6)	-	(107)	(114)
Net value at 31 October 2006	**28 276**	**309 954**	**46 729**	**35 046**	**420 005**
Acquisitions	244	13 925	18 742	10 859	43 770
Disposals	(10)	(1 937)	(5 198)	(4 698)	(11 843)
Additions to the consolidation scope	-	-	-	-	-
Removals from the consolidation scope	-	-	-	-	-
Translation difference	(98)	(1 060)	(660)	(299)	(2 117)
Assets transferred and scrapped	(62)	11 033	(5 942)	(6 528)	(1 499)
Depreciation and impairment charges / reversals	(538)	(22 932)	(7 555)	(2 437)	(33 462)
Impairment losses for the period	-	(3)	-	(50)	(53)
Gross value at 31 October 2007	32 069	479 677	167 883	100 712	780 341
Accumulated depreciation and amortization at 31 October 2006	(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
Depreciation and impairment charges / reversals	(527)	(19 582)	(11 110)	(4 579)	(35 798)
Impairment losses for the period	-	9	-	157	167
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**

(*) 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 amount of €3.740m at the balance sheet date, which involved works carried out mainly at the following entities: Partouche Immobilier for €2.011m, Groupe Partouche SA for €0.736m, the Pavillon de la Rotonde of the Casino du Lyon Vert in Lyon for €0.216m.

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	2006	2007	SHARE IN PROFIT	TRANSLATION DIFFERENCE	CHANGE IN SCOPE	2008
Investments in equity-accounted associates	7 473	7 670	884	(46)	(2 843)	**5 665**
Provision for share of negative equity (*)	(4 938)	(7 201)	(2 604)	-	-	**(9 805)**
Total	**2 535**	**469**	**(1 720)**	**(46)**	**(2 843)**	**(4 140)**
Of which, goodwill relating to equity-accounted associates	**3 509**	**3 370**	**-**	**-**	**(2 776)**	**594**

(*) The change in this account is disclosed in Note 16.

Balance sheet of equity-accounted associates

€000 AT 31 OCTOBER	2008	2007	2006
Total Assets	**164 020**	157 668	152 854
Total Debt	**182 691**	169 161	157 169
TOTAL NET ASSETS	**(18 671)**	**(11 493)**	**(4 315)**

Income statement of equity-accounted associates

€000 AT 31 OCTOBER	2008	2007	2006
Total revenue	**40 281**	38 223	37 473
Total net profit	**(11 817)**	**(12 169)**	**(5 296)**

Breakdown of investments in equity-accounted associates

€000 AT 31 OCTOBER	% OWNED 2008	NET ASSETS 2008	NET PROFIT 2008	NET ASSETS 2007	NET PROFIT 2007	NET ASSETS 2006	NET PROFIT 2006
Casino international of Madrid	**17,63 %**	**(1 474)**	**(222)**	(1 097)	(441)	(738)	(287)
Palais de la Méditerranée (Nice)	**25 %**	**(17 746)**	**(6 815)**	(10 896)	(5 319)	(5 580)	6 960
Fairplayers	**15,60 %**	**10**	**2**	7	(2)	10	8
Société Française d'Invest. Hôtel et Casino	**25 %**	**21 746**	**(1 491)**	18 223	(1 567)	15 168	(8 687)
Hôtel du Palais de la Méditerranée	**25 %**	**(21 206)**	**(3 290)**	(17 900)	(4 011)	(14 176)	(4 601)
Partouche Images (ex New-Screens) (*)	**Passage in FC**	**-**	**-**	170	(831)	1 001	(651)
TOTAL		**(18 671)**	**(11 817)**	**(11 493)**	**(12 169)**	**(4 315)**	**(5 296)**

(*) Changed from equity-accounted to full consolidation during the period. See Note 3, Changes in the scope of consolidation.

NOTE 8. OTHER NON-CURRENT FINANCIAL ASSETS

€000 AT 31 OCTOBER	2008	2007	2006
Non-consolidated investments	**1 501**	1 452	26 271
Other financial assets	**2 660**	2 562	2 338
Held for sale assets	**-**	-	5 001
Other non-current financial assets	**4 161**	**4 014**	**33 611**

Non-consolidated investment securities

€000 AT 31 OCTOBER	GROSS VALUE 2008	IMPAIRMENT LOSSES	NET VALUE 2008	NET VALUE 2007	NET VALUE 2006
Non-consolidated companies owned > 50%	307	(276)	31	92	68
Non-consolidated companies owned 20 to 50%	170	(142)	27	24	13
Non-consolidated companies owned less than 20%	1 551	(108)	1 443	1 336	26 190
TOTAL	**2 027**	**526**	**1 501**	**1 452**	**26 271**

Due dates of other non-current financial assets

€000 AT 31 OCTOBER 2008	AMOUNT	- 1 YR	1 TO 5 YRS	+ 5 YRS
Non-current investment securities	43	-	43	-
Employee loans	139	-	139	-
Loans, guarantees and other receivables	2 584	-	1 020	1 564
Receivables attached to investments	351	-	351	-
GROSS AMOUNT	**3 117**	**-**	**1 553**	**1 564**
Provision	(457)	-	(457)	
NET AMOUNT	**2 660**	**-**	**1 096**	**1 564**

NOTE 9. OTHER NON-CURRENT ASSETS

€000 AT 31 OCTOBER	2008	2007	2006
Receivables from the French State (1)	**4 620**	4 606	497
Other non-current receivables (2)	**5 360**	381	121
Other non-current assets	**9 980**	**4 987**	**618**

(1) The account Receivables from the French state includes €3.9m relating to a receivable from the state for the Vichy cinema, corresponding to the state's financial support for the film industry. This receivable is payable and the total amount attributed breaks down according to the schedule below:

	- 1 YR	1 TO 5 YRS	+ 5 YRS
Apportionment of Vichy cinema receivable	**-**	**400**	**3 521**

(2) Other non-current receivables includes the assignment of the St-Julien receivable to DB Conseils in the amount of €3m and the Tête dans les Nuages (TDN) receivable in the amount of €2m. 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 (see Note 11).

	- 1 YR	1 TO 5 YRS	+ 5 YRS
DB Conseils receivable	**-**	**-**	**2966**
TDN receivables	**-**	**2 000**	**-**

NOTE 10. INVENTORIES AND SEMI-FINISHED GOODS

€000 AT 31 OCTOBER	2008	2007	2006
Inventories – Solids	**822**	620	631
Inventories – Liquids	**2 072**	2 071	2 133
Inventories – Other consumed purchases	**325**	490	460
Inventories – Production in progress	**54**	316	324
Inventories – Merchandise inventories	**995**	4 400	4 549
GROSS AMOUNT	**4 269**	**7 898**	**8 096**
Provision	**(217)**	(58)	(25)
NET AMOUNT	**4 052**	**7 840**	**8 072**

NOTE 11. TRADE RECEIVABLES AND OTHER DEBTORS

€000 AT 31 OCTOBER	2008	2007	2006
Trade receivables	**18 019**	21 169	21 474
Provisions for trade accounts receivables	**(8 547)**	(10 942)	(12 885)
Other debtors	**28 596**	38 518	44 664
Provisions for other debtors	**(12 636)**	(12 112)	(13 882)
Total trade accounts receivable and other debtors	**25 432**	**36 633**	**39 371**

BREAKDOWN OF OTHER DEBTORS

€000 AT 31 OCTOBER	2008	2007	2006
Trade accounts payable, advances and downpayments	**490**	1 225	640
Receivables from personnel – advances and downpayments	**134**	385	604
Receivables from social security organisations	**595**	827	694
Tax receivables – excluding corporate income tax	**5 103**	9 160	7 650
Current accounts – assets	**3 671**	7 028	5 192
Receivables in respect of sales of property, plant and equipment	**2 043**	-	-
Receivables in respect of sales of securities	**2 400**	5 388	11 642
Other receivables	**11 748**	11 043	15 338
Other income receivable	**2 412**	3 463	2 904
Total other debtors	**28 596**	**38 518**	**44 664**

At 31 October 2008, current receivables from disposals of participating interests correspond in their entirety to a single receivable in the amount of €2.400m representing the current balance receivable in connection with the divestment of the SFC unit (total receivable is €4.4m – 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 the entire Budapest current account.

NOTE 12. OTHER CURRENT ASSETS

€000 AT 31 OCTOBER	2006	2007	INCREASE	DECREASE	2008
Accrued interest/receivables and loans	10	25	-	-	25
Employee loans	129	231	357	(424)	164
Loans, guarantees	979	739	105	(117)	727
Receivables from the French State	5 193	5 723	311	(1 994)	4 040
Prepaid expenses	8 746	8 522	105	-	8 627
TOTAL GROSS VALUE	**15 057**	**15 240**	**878**	**(2 535)**	**13 583**
Provision/ Impairment	(7)	(7)	-	-	(7)
NET VALUE	**15 050**	**15 234**	**877**	**(2 535)**	**13 576**

NOTE 13. CASH AND CASH EQUIVALENTS

€000 AT 31 OCTOBER	2008	2007	2006
Financial management and highly liquid cash assets	7 493	28 775	24 611
Cash	61 479	100 049	80 575
Cash and cash equivalents-Asset	**68 972**	**128 824**	**105 186**

BREAKDOWN OF FINANCIAL MANAGEMENT AND CASH ASSETS

€000 AT 31 OCTOBER	2008	2007	2006
SICAV-type mutual fund units	1 234	28 551	24 356
FCP-type mutual fund units	6 265	210	248
Accrued interest / SICAV & FCP	7	23	7
Provision for impairment	(13)	(9)	-
Financial management and cash assets	**7 493**	**28 775**	**24 611**

BREAKDOWN OF POSITIVE CASH BALANCES

€000 AT 31 OCTOBER	2008	2007	2006
Bank	51 857	91 113	69 124
Cash	9 554	8 808	11 097
Interest receivable	68	128	354
Positive cash balances	**61 479**	**100 049**	**80 575**

NOTE 14. EQUITY

CAPITAL – SHARES IN CIRCULATION

SHARE CAPITAL AT 31 OCTOBER	2008	2007	2006
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 2008. Shares may be in registered or bearer form, based on the choice of the shareholder. In accordance with the Articles of Association, each share carries one voting right.

TREASURY SHARES

IN EUROS AT 31 OCTOBER	2008	2007	2006
Treasury shares at historic cost	168 767	168 767	168 767
Provision	(90 186)	-	-
Total treasury shares	**78 581**	**168 767**	**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 2008, Groupe Partouche SA recognised a provision in respect of treasury shares in the amount of €90k, as the stock market value of shares held was lower than the purchase cost.

EQUITY

€000 AT 31 OCTOBER	2008	2007	2006
Revaluation reserve	(42 663)	(42 663)	(42 663)
Other reserves and accumulated earnings	214 005	197 034	156 034
Legal reserve	8 620	8 620	8 620
Group consolidation reserves	15 364	17 599	20 699
Other group reserves	13 651	13 651	4 570
Consolidation reserves	**208 977**	**194 241**	**147 260**

MINORITY INTERESTS

€000 AT 31 OCTOBER	2008	2007	2006
Non-group reserves	24 440	21 918	25 472
Non-group translation reserves	741	(989)	(536)
Non-group earnings	4 019	9 531	7 400
Minority interests	**29 200**	**30 459**	**32 336**

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:

	2008	2007	2006
Discount rate	4,4 %	4,4 %	4 %
Salary inflation rate	1,5 %	2 %	2 %
Social charge provision rate	42 %	42 %	42 %

€000 AT 31 OCTOBER	2008	2007	2006
Provision at the beginning of the financial year	6 035	4 185	2 633
Net charge for the financial year	1 020	1 902	2 255
Use	(299)	(23)	(592)
Change in the scope of consolidation	(8)	(29)	(112)
Non-current provision	**6 670**	**6 035**	**4 185**
Current provision (*)	**78**	**-**	**-**
Total employee commitments	**6 748**	**6 035**	**4 185**

(*) 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	2006	2007	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RECLASS.	REMOVALS FROM CONSOLIDATION SCOPE	2008
Provisions for lawsuits	2 143	2 234	673	-	(960)	9	(31)	-	**1 925**
Provisions for tax risk (*)	2 318	6 409	20	-	(4 943)	-	55	-	**1 542**
Provisions for net equity of companies accounted for under the equity method(**)	4 938	7 201	-	-	-	-	2 604	-	**9 805**
Other non-current provisions	4 193	3 292	1 045	(48)	(789)	89	(1 803)	-	**1 786**
TOTAL	**13 592**	**19 136**	**1 738**	**(48)**	**(6 692)**	**99**	**825**	**-**	**15 058**

(*) The change in the line item "Provision for tax risks" relates to the reversal of the provision recognised for Groupe Partouche SA following the conclusion of the tax reassessment.

(**) The breakdown of companies accounted for under the equity method is provided in Note 7.

CURRENT PROVISIONS

€000 AT 31 OCTOBER	2006	2007	CHARGES	REVERSALS NOT USED	REVERSALS USED	RECLASS.	CHANGE IN SCOPE	2008
Jackpot provisions	638	587	529	-	(419)	-	-	**698**
Other current provisions(*)	501	1 357	1 158	(1)	(789)	99	27	**1 851**
TOTAL	**1 138**	**1 945**	**1 687**	**(1)**	**(1 208)**	**99**	**27**	**2 549**

(*) 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

BREAKDOWN OF BORROWINGS

€000 AT 31 OCTOBER	CURRENT PORTION 2008	NON-CURRENT PORTION 2008	TOTAL 2008	CURRENT PORTION 2007	NON-CURRENT PORTION 2007	TOTAL 2007	CURRENT PORTION 2006	NON-CURRENT PORTION 2006	TOTAL 2006
Bank loans	300 490	7 935	308 425	43 298	319 138	362 436	40 112	380 690	420 802
Accrued interest / loans	42		42	47	-	47	56	-	56
Restated capital lease	1 008	709	1 717	923	1 665	2 588	856	2 534	3 390
Bank overdrafts	184		184	65	-	65	81	-	81
Other borrowings		100 285	100 285	4	100 431	100 435	2 990	104 444	107 434
Employee profit-sharing	677	6 554	7 231	1 750	8 627	10 377	1 777	9 124	10 901
Deposits and guarantees	1	533	534	64	467	531	62	567	629
Liabilities in respect of shareholdings in associated entities		963	963	-	963	963	-	963	963
Valuation of rate hedging instruments	2 407		2 407	1 856	-	1 856			
Purchase commitments for minority interests				2 680	-	2 680	-	4 723	4 723
Total	**304 809**	**116 979**	**421 788**	**50 686**	**431 292**	**481 978**	**45 934**	**503 045**	**548 979**

CHANGE IN BANK LOANS

€000 AT 31 OCTOBER	2006	2007	CHANGE IN SCOPE	INCREASE	DECREASE	2008
Bank loans	420 802	362 436			**54 011**	**308 425**

In the account "bank loans", a syndicated loan represents the bulk of the Group's debt and has the following main characteristics:

- **Original loan amount:** €431,000,000;
- **Principal outstanding at the balance sheet date:** €298,083,000;
- **Remaining term:** 4 years;
- **Rate:** variable rate based on 3-month Euribor, with a decreasing banking margin based on the ratio:

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

As from 31 October 2008, the applicable margin is 2.25%;

Guarantees:

The syndicated credit facility contains commitments that, if not met, will cause the lender to call for early repayment of the loan.

- These mainly involve the following covenants, established under the previous accounting standards:

  - The ratio of Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals to Finance costs was required to be greater than or equal to 5 at 31 October 2008 and will need to be greater than or equal to 5 at 31 October 2009.
  - The ratio of Available cash flow after tax and exceptional items before debt servicing costs to Debt servicing costs was required to be greater than or equal to 1 at 31 October 2008 and will need to be greater than or equal to 1 at 31 October 2009.
  - The ratio of Financial debt net of cash to Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals was required to be less than 2.5 at 31 October 2008 and will need to be less than 2.5 at 31 October 2009.

- The preceding commitments are supplemented by a cap on annual investments net of disposals at €37m until the maturity of the credit facility in 2012.

The decline in profitability recorded by the Group in 2008 did not allow it to meet these ratios. It is for this reason that, in agreement with the pool of banks, an endorsement to the loan agreement amended the ratios applicable for the period ended 31 October 2008 and replaced them as follows:

- The ratio of Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals to Finance costs must be greater than or equal to 2.75;
- The ratio of Available cash flow after tax and exceptional items before debt servicing costs to Debt servicing costs no longer applies;
- The ratio of Financial debt net of cash to Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than 4.6.

Consequently, these ratios thus amended and valid exclusively for the 31 October 2008 balance sheet date have been met.

Annual investments net of disposals for the 2008 financial year reached €39.7m, in excess of the authorised limit of €37m.

The endorsement to the loan agreement also introduced a new ceiling for gross investments in 2009, now limited to €20 million unless an inflow due to disposals in the minimum amount of €80 million is recorded.

This endorsement also authorised additional debt in the form of a €10 million overdraft, thus bring the authorised total debt to €15 million as against €5 million previously.

The decline in profitability recorded by the Group in 2008 and that anticipated in 2009 no longer enable the Group to meet the covenants originally contained within the syndicated credit facility, which remain applicable until November 2012, the maturity of the loan.

The Group is thus compelled to restructure its debt and an analysis is currently under way. This restructuring is rendered more complex due to the current financial crisis.

Given these elements, and in application of the recommendation of the Autorités des Marchés Financiers (AMF) issued on 29 October 2008, a reclassification of total bank borrowings under current liabilities was performed at 31 October 2008.

In consideration of the preceding, and in appreciation of the Group's exposure to liquidity risk (see §4.1.1), the entire syndicated credit facility was reclassified under current liabilities.

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 agreement dated 30 September 2005.

ANALYSIS OF BANK LOANS BY INTEREST RATE AT THE BALANCE SHEET DATE

€000 AT 31 OCTOBER	BEFORE INTEREST RATE HEDGING 2008	AFTER INTEREST RATE HEDGING 2008	BEFORE INTEREST RATE HEDGING 2007	AFTER INTEREST RATE HEDGING 2007	BEFORE INTEREST RATE HEDGING 2006	AFTER INTEREST RATE HEDGING 2006
Fixed rate financial debt	215	100 215	1 194	297 694	3 044	204 044
Variable rate financial debt	308 210	208 210	361 242	64 742	417 758	216 758
Financial debt at financial period-end	**308 425**	**308 425**	**362 436**	**362 436**	**420 802**	**420 802**
Average interest rate - fixed -	4,32 %	5,67 %	4,62 %	4,48 %	5,21 %	5,15 %
Average interest rate - variable -	6,73 %	6,71 %	5,42 %	5,45 %	5,02 %	4,99 %
Weighted average interest rate at the balance sheet date	**6,72 %**	**6,38 %**	**5,41 %**	**4,66 %**	**5,02 %**	**5,07 %**

At the balance sheet date, the amount outstanding on variable-rate loans represents more than 99% of total loans. For this reason, a partial hedge against the risk associated with floating-rate loans has been put in place. The total hedge of the syndicated credit facility, a cancellable swap subscribed to provide protection against an increase in the interest rate above 3.75%, amounted to €100m at 31 October 2008 and was active at this date. The interest rate of this swap will rise from 3.75% to 4.25% on 31 July 2009.

NET FINANCIAL DEBT AT FINANCIAL PERIOD-END

€000 AT 31 OCTOBER	2008	2007	2006
Bank loans	**310 142**	**365 024**	**424 192**
Accrued interest	42	47	56
Borrowings and sundry financial debt			119 927
Economic financial debt (1)	**419 197**	**477 377**	**544 175**
Financial instruments – assets	333	2 973	545
Financial instruments – liabilities	(2 407)	(1 856)	-
Hedges (2)	**(2 074)**	**1 117**	**545**
Cash and cash equivalents	68 972	128 824	105 186
Bank overdrafts	(184)	(65)	(81)
Net cash position (3)	**68 788**	**128 759**	**105 105**
Option of minorities (4)	0	2 680	4 723
Net financial debt (1-2-3+4)	**352 483**	**350 181**	**443 248**

MATURITY DATES OF FINANCIAL DEBT

€000 AT 31 OCTOBER 2008	TOTAL	- 1 YEAR	1 TO 5 YEARS	+ 5 YEARS
Bank loans	308 425	300 490	7 250	685
Accrued interest / borrowings	42	42		
Finance leases	1 717	1 008	709	
Other borrowings	100 285	0	5	100 280
Employee profit sharing	7 231	677	6 307	247
Deposits guarantees	534	1	181	352
Liabilities for equity investments	963	0	963	
Total	**419 197**	**302 218**	**15 415**	**101 564**

There are no financial debts in foreign currency.

NOTE 18. OTHER CURRENT AND NON-CURRENT LIABILITIES

€000 AT 31 OCTOBER	2008	2007	2006
Liabilities to suppliers of fixed assets	589	953	1 700
Tax liabilities	1 571	5	174
Other liabilities	744	651	326
Deferred income – non-current portion	9 344	8 128	8 140
Total other non-current liabilities	**12 247**	**9 737**	**10 339**
Deferred income – current portion	1 544	2 990	4 088
Total other current liabilities	**1 544**	**2 990**	**4 088**

NOTE 19. TRADE ACCOUNTS PAYABLE AND OTHER CREDITORS

€000 AT 31 OCTOBER	2008	2007	2006
Customers, advances and downpayments received	3 594	3 224	2 969
Trade accounts payable	32 615	22 054	18 750
Liabilities in respect of fixed asset acquisitions	7 781	6 959	6 021
Personnel	5 717	6 196	5 927
Employee profit sharing	5 081	6 991	7 808
Social security organisations	9 327	8 480	9 003
Paid vacation	18 436	18 696	16 817
Gaming levies	2 861	2 739	2 701
Current account liabilities and partners	5 429	2 550	1 400
State – VAT	2 711	2 996	2 355
State – expenses payable	11 607	10 873	10 272
Other	13 511	7 503	7 066
TOTAL	**118 671**	**99 261**	**91 089**

NOTE 20. CURRENT TAX LIABILITIES

€000 AT 31 OCTOBER	2008	2007	2006
Gaming levies	38 809	55 114	48 754
State – Corporate income tax	2 116	8 347	2 960
TOTAL	**40 925**	**63 461**	**51 714**

NOTE 21. INFORMATION BY SEGMENT

INFORMATION PER 1ST LEVEL SEGMENT: BY BUSINESS SEGMENT

REVENUE €000 AT 31 OCTOBER	2008	%	2007	%	2006	%
Casinos	430 915	89,5 %	455 283	89,1 %	458 472	89,6 %
Hotels	39 840	8,3 %	40 261	7,9 %	39 061	7,6 %
Other	10 923	2,3 %	15 354	3,0 %	14 142	2,8 %
TOTAL	**481 678**	**100,0 %**	**510 898**	**100,0 %**	**511 675**	**100,0 %**

INFORMATION PER 2ND LEVEL SEGMENT: BY GEOGRAPHIC SEGMENT

REVENUE €000 AT 31 OCTOBER	2008	%	2007	%	2006	%
France	422 343	87,7 %	454 022	88,9 %	456 185	89,2 %
Europe (excluding France)	57 259	11,9 %	54 792	10,7 %	52 485	10,3 %
Other locations	2 076	0,4 %	2 084	0,4 %	3 005	0,6 %
TOTAL	**481 678**	**100,0 %**	**510 898**	**100,0 %**	**511 675**	**100,0 %**

NOTE 22. PURCHASES AND EXTERNAL CHARGES

€000 AT 31 OCTOBER	2008	2007	2006
Raw materials	51 352	49 099	48 933
Lease payments on current assets	242	239	138
Fixed assets leases	10 334	9 812	9 683
Current assets leases	6 940	5 197	4 683
Maintenance	10 709	10 916	10 516
Insurance premiums	1 872	2 207	2 042
External staff	3 012	2 865	1 964
Professional fees	15 614	15 769	14 580
Advertising	28 744	28 010	25 347
Entertainment	3 869	2 957	2 461
Post and telecoms	3 489	2 666	2 570
Banking fees	3 644	3 618	3 658
Subcontracting expenses	11 988	11 046	11 552
Other	2 516	1 691	2 410
TOTAL	**154 324**	**146 091**	**140 538**

NOTE 23. PERSONNEL COSTS AND WORKFORCE

PERSONNEL COSTS

€000 AT 31 OCTOBER	2008	2007	2006
Wages and salaries	151 314	146 186	144 283
Social security costs	55 365	54 296	55 704
Employee profit sharing	4 564	6 439	7 651
TOTAL	**211 243**	**206 921**	**207 638**

AVERAGE WORKFORCE

AT 31 OCTOBER	2008	2007	2006
France	5 458	5 537	5 528
Abroad	628	547	554
TOTAL	**6 086**	**6 084**	**6 082**

2,696 people work in the gaming sector.

BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY

€000 AT 31 OCTOBER	2008	2007	2006
Executive staff	963	875	810
Junior executive staff	294	321	372
Other non-manual labourers	4 628	4 696	4 686
Manual labourers	200	192	214
TOTAL	**6 086**	**6 084**	**6 082**

NOTE 24. OTHER CURRENT OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2008	2007	2006
Net gain (loss) on asset disposals	(434)	(632)	(769)
Changes in provisions for current assets	(1109)	(1 009)	(2 613)
Changes in provisions for liabilities	(261)	(4 597)	540
Sundry current operating income and expenses	(7 762)	(4 165)	(7 576)
Other current operating income and expenses	**(9 566)**	**(10 403)**	**(10 418)**

In respect of 2008, the line item “Sundry current operating income and expenses” includes in particular:

Charges related to specifications	(12 183)
Tax relief for “manifestations artistiques de qualité” (high-quality artistic productions)	1 395
Investment subsidies taken to income for the period	1 590

OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2008	2007	2006
Net gain (loss) on asset disposals	6 852	650	(4 972)
Sundry operating income and expenses	1 464	(2 343)	-
Other non-current operating income and expenses	**8 316**	**(1 692)**	**(4 972)**

NOTE 25. NET FINANCIAL INCOME (EXPENSE)

€000 AT 31 OCTOBER	2008	2007	2006
Cost of debt	(28 579)	(29 003)	(25 526)
Cost of interest rate hedges	(236)	1 148	(971)
Investment income	3 320	3 740	2 806
Cost of financial debt	**(25 495)**	**(24 115)**	**(23 691)**
Foreign exchange gains	3 024	3 181	2 409
Foreign exchange losses	(960)	(1 674)	(959)
Other	510	1 189	(1 426)
Financial provision charges and reversals	(153)	161	1 178
Other financial income and expenses	**2 421**	**2 857**	**1 202**
NET FINANCIAL INCOME (EXPENSE)	**(23 074)**	**(21 258)**	**(22 489)**

In the 2008 financial year, the cost of debt declined by nearly €500k; the positive impact of the capital repayment of the debt was attenuated by the increase in the margin applicable to the syndicated credit facility. Interest rate hedges, which produced favourable results throughout the period, nevertheless generated an adverse valuation entry at 31 October 2008 owing to the trend reversal recorded at the end of the period in the interest rate market environment. Investment income decreased, in line with the change in the Group's cash position.

NOTE 26. COMMENTS ON THE CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities declined sharply, from €101.9m in 2007 to €43.2m in 2008, under the influence of two main factors:

- the drop in the profitability of the Group's current activities;
- the reduction in resources generated by the change in working capital requirements: the change associated with 2008, corresponding to net resources of €10.8m (compared to €17.9m in 2007), is the result of various movements in line items, mainly represented as follows:
  - €1.1m reduction in trade receivables,
  - €8.6m reduction in receivables, including the repayment of receivables from the State (VAT and corporate income tax refund) in the amount of €6.1m,
  - €10.3m increase in trade payables,
  - €10.0m reduction in other creditors, including a €17.2m reduction in the tax debt associated with levies on gross gaming revenue.

CASH FLOW FROM INVESTING ACTIVITIES

After a very limited use of cash in 2007, in connection with the sale of the stake held in SFCMC for €36m, cash flow from investing activities returned in 2008 to a level similar to that in 2006 and represented a net use of cash of €38.3m. Cash flow related to acquisitions mainly involves

the Partouche Interactive business segment. Cash flow related to acquisitions of intangible assets in the amount of €3.1m includes €1.9m for Partouche Interactive Gibraltar. Cash flow relating to acquisitions of property, plant and equipment, which came to €46.4m, versus €41.0m in 2007, includes €11.2m recorded for Partouche Immobilier, a total corresponding to the sum of costs for the completion of the construction of the Boulogne-sur-Mer casino and the purchase of land intended to be used for the development of the future Pasinos in La Ciotat and La Grande Motte for €6.2m. Acquisitions of property, plant and equipment also include other investments distributed across the Group, including €15.8m for slot machines.
Cash flow from the disposal of intangible assets and property, plant and equipment in the total amount of €13.9m includes €4.6m for the Vittel thermal spa and €6.9m for the leasehold renewal right for the Cassis casino (an establishment not belonging to Groupe Partouche).

CASH FLOW RELATING TO FINANCING ACTIVITIES

Cash flow from financing activities represented a net outflow of €67.8m compared to €75.1m in 2007. This item includes repayments of borrowings for €58.1m, of which €54.0 in respect of the syndicated credit facility, and €9.7m for dividends paid to minority interests by subsidiaries.
For the period, the net cash flow relating to financing activities was a consumption of cash in the amount of €60.0m.

NOTE 27. CORPORATE INCOME TAX

ANALYSIS OF THE TAX EXPENSE

€000 AT 31 OCTOBER	2008	2007	2006
Profit before tax	11 085	45 710	58 700
Current tax expense	10 931	18 580	21 366
Change in deferred tax	2 901	(565)	(541)
Total tax expense	**13 832**	**18 015**	**20 825**
Effective tax rate	124,78 %	39,41 %	35,48 %

TAX PROOF

€000 AT 31 OCTOBER	2008	2007	2006
Net profit before tax	70 541	151 315	156 796
Total consolidation adjustments	(59 456)	(105 605)	(98 096)
Profit taxable at the current corporate income tax rate	**11 085**	**45 710**	**58 700**
French corporate income tax rate	33,33 %	33,33 %	33,33 %
Tax charge based on current corporate income tax rate (theoretical)	**(3 695)**	**(15 237)**	**(19 567)**
Temporary timing differences	(770)	44	1 006
Permanent differences	24 860	30 487	32 057
Net effect of consolidation operations	(22 519)	(39 434)	(34 622)
Tax losses generated by Group companies during the year	(23 373)	(18 755)	(20 699)

€000 AT 31 OCTOBER	2008	2007	2006
Impact of tax consolidation	14 858	15 285	16 641
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	(4 121)	2 891	2 039
Use of unrecognised tax loss carryforwards	648	1 732	825
Tax credit and other	280	(437)	1 284
Other eliminations	-	5 409	211
Group tax charge	**(13 832)**	**(18 015)**	**(20 825)**
Consolidated net income before tax	**11 085**	**45 710**	**58 700**
Reconstituted Group tax rate	**124,78 %**	**39,41 %**	**35.48 %**

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

- Groupe Partouche SA (Groupe Partouche, Azur Bandol, Baratem, C.D.T.H, Cannes Balnéaires, Casino d'Evaux-les-Bains, Casino de Bourbon Lancy, Casino de Contrexéville, Casino de Gréoux-les-Bains, Casino de la Grande-Motte, Casino de Palavas, Casino de St-Cast-le-Guildo, Casino de Salies-de-Béarn, Casino de St Amand, Casino de St Nectaire, Casino du Touquet – Les Quatre Saisons, Casino le Lion Blanc, Casino municipal d'Aix Thermal, Casino municipal de Royat, Compagnie Européenne de Casinos, Développement baie de Kernic, Eden Beach Casino, Grand casino de Bandol, Grand casino de Beaulieu, Grands hôtels du Parc, Hôtel Cosmos, Jean Metz, Ludica, Numa, Plombinoise de Casino, SACBM, Sathel, SEK, Société du Casino d'Arcachon, Sonecar, 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 de Pornichet, Casino de Pornic, Casino d'Andernos, SCI Leriche Rostagne, Casino Val André, Sinoca, Grand Casino du Havre, Grand Casino de la Trinité, Casino de Saint Honoré, SA Somarg, STTH Divonne, Société du Grand Casino D'Annemasse, SCI de l'Arve, S.C.H.L., Hôtel International de Lyon et Grand Casino de Lyon, Café Carmen, Partouche, Casino de Cabourg, SCI Vittel et Contrexeville, Partouche Immobilier.
- Casino de Vichy and cinema of the Casino de Vichy

DEFERRED TAX ASSETS AND LIABILITIES

€000 AT 31 OCTOBER	2008	2007	2006
Deferred tax – Assets	855	1 988	2 280
Deferred tax – Liabilities	(34 491)	(32 673)	(32 719)
Net deferred tax	**(33 636)**	**(30 685)**	**(30 439)**

NOTE 28. COMMERCIAL AND FINANCIAL COMMITMENTS

COMMITMENTS GIVEN

Contractual obligations and commercial commitments as of 31 October 2008:

€000 AT 31 OCTOBER	2008	PAYMENTS DUE PER PERIOD			2007	2006
		LESS THAN 1 YEAR	ONE TO FIVE YEARS	MORE THAN FIVE YEARS		
Long term liabilities (bank debts with guarantees)	308 040	300 546	6 809	685	360 314	416 146
Finance lease obligations (other than hire purchase)	1 015	629	386	-	1 296	1 806
Operating lease contracts (leases, non-real estate lease contracts)	65 807	8 133	24 371	33 303	60 796	69 552
Other commitments (collateral or mortgages)	1 406	-	1 406	-	1 406	1 406
Other obligations (Guarantees)	7 086	7 086	-	-	5 803	6 770
Notes issued	235	235	-	-	45	9
Liability guarantee	-	-	-	-	5 481	5 481
Other financial commitments	-	-	-	-	-	-
Other commercial commitments	34 753	6 411	12 541	15 801	34 785	33 670
TOTAL	**418 342**	**323 040**	**45 513**	**49 789**	**469 926**	**550 035**

COMMITMENTS RECEIVED

€000 AT 31 OCTOBER	2008	2007	2006
Guarantees	529	544	1 116
Liability guarantee	17 731	17 731	17 731
Other commitments	-	2 680	2 680
TOTAL	**18 260**	**20 955**	**21 527**

The presentation of off-balance sheet commitments above does not omit the existence of any significant off-balance sheet item in accordance with accounting standards in force.

NOTE 29. RELATED PARTIES

DIRECTORS' COMPENSATION

For the financial year ended 31 October 2008, the amount of gross compensation allocated to the management and supervisory bodies of Groupe Partouche SA amounts to €1,514,609, and the directors' fees received by the members of the Supervisory Board amount to €66,000. 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 €241,777 for financial year 2007-2008.

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 2007-2008, a financial charge of €6,200,866 net of hedges.

Groupe Partouche has a shareholder current account of €4,190,010 and interest of €50 at 31 October 2008.

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 2007-2008 was €562,400

Services with Ispar Holding SA

Ispar Holding SA, controlled and chaired by Mr. Isidore Partouche, provides assistance and advice to the Swiss casinos.

Other

The other transactions in financial year 2007-2008 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

It is worth recalling here that, at the end of financial year 2007, Groupe Partouche signed a memorandum of understanding relating to the disposal of the buildings and business of Thermes de Vittel. This memorandum of understanding led the Group to consider the assets concerned as held for sale in the consolidated balance sheet at the end of the previous financial year. In respect of the 2008 financial year, no assets were held for sale.

BALANCE SHEET ASSETS €000 at 31 October	2008	2007	2006
Non-current assets	NA	572	11 992
Current assets	NA	-	807
Total held for sale assets	**NA**	**572**	**12 799**

BALANCE SHEET LIABILITIES AND EQUITY €000 at 31 October	2008	2007	2006
Equity	NA	-	122
Non-current liabilities	NA	-	(33)
Current liabilities	NA	-	(1 926)
Total held for sale liabilities and equity	**NA**	**-**	**(1 837)**

BREAKDOWN OF NON-CURRENT ASSETS

€000 AT 31 OCTOBER	2008	2007	2006
Intangible assets	NA	(1) 39	27
Property and equipment	NA	(2) 533	8 373
Other non-current assets	NA	-	3 592
Non-current assets	**NA**	**572**	**11 992**

(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 Groupe Partouche SA:

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	INTEREST PERCENTAGE 2006	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	58,75	58,76	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	91,68	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	96,50	94,00	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

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	INTEREST PERCENTAGE 2006	CONSOLIDATION METHOD
SA CASINO LE LION BLANC	France	99,86	99,86	99,86	FC
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	99,39	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	65,60	FC
CASINO DE CHAUDFONTAINE	Belgium	99,99	99,99	65,60	FC
CASINO DE LA ROCHE-POSAY	France	89,70	89,70	89,70	FC
CASINO DE AGON COUTAINVILLE	France	89,41	89,36	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	39,98	39,98	39,98	FC
SA LYDIA	France	97,60	97,60	97,30	FC
CASINO DU HAVRE	France	100,00	100,00	100,00	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	INTEREST PERCENTAGE 2006	CONSOLIDATION METHOD
CASINO DE LA TRINITÉ	France	100,00	100,00	100,00	FC
CASINO DE DIVONNE	France	98,69	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	-	-	FC
CASINO TABARKA (*)	Tunisia	84,90	-	-	FC
HOTELS					
SA ELYSÉE PALACE HÔTEL	France	91,55	91,55	91,55	FC
SA HÔTEL INTERNATIONAL DE LYON	France	97,00	96,50	94,00	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	France	99,86	99,86	99,86	FC
SARL SINOCA	France	100,00	100,00	100,00	FC
OTHER					
SA CANNES BALNÉAIRE PALM BEACH	France	99,99	99,99	99,99	FC
SA CHM	France	86,76	86,56	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	91,55	91,55	91,55	FC
ELYSÉE PALACE SA	France	91,53	91,53	91,53	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	INTEREST PERCENTAGE 2006	CONSOLIDATION METHOD
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
SPRL CASKNO	Belgium	54,60	56,00	69,93	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	100,00	100,00	100,00	FC
ÉTABLISSEMENT THERMAL VITTEL (T)	France	-	100,00	100,00	FC
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	65,61	FC
SA CHAUDFONTAINE LOISIRS	Belgium	99,98	99,98	65,60	FC
SCI GAFA	France	89,80	89,80	89,80	FC
SCI AZUR BANDOL	France	100,00	100,00	100,00	FC
CASINO VIRGINIAN DE RENO	USA	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	100,00	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	INTEREST PERCENTAGE 2006	CONSOLIDATION METHOD
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	100,00	FC
SCI JMB	France	100,00	100,00	100,00	FC
CASINO DE LA SEYNE-SUR-MER	France	97,65	97,64	87,88	FC
VZW	Belgium	100,00	100,00	65,61	FC
CIE CASINO HOLDING	Switzerland	99,96	99,96	99,96	FC
VISTALEASING	Switzerland	99,96	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	88,01	88,01	88,01	FC
QUARISMA	France	62,50	64,11	67,31	FC
CASINO DE SAXON	Switzerland	99,96	99,96	99,96	FC
CASINO SLUIS NV	Netherlands	59,94	39,96	39,96	FC
GROUPE DE DIVONNE (T)	France	-	100,00	100,00	FC
SCI DE L'ARVE	France	99,88	99,88	99,94	FC
SOMARG	France	99,90	99,90	99,90	FC
PARTOUCHE INTERACTIVE	France	78,00	80,00	84,00	FC
PARTOUCHE TECHNOLOGIE	France	78,00	80,00	84,00	FC
PARTOUCHE PRODUCTION	France	58,84	60,35	63,37	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	NI	FC
PARTOUCHE INTERACTIVE HOLDING	Gibraltar	78,00	80,00	NI	FC
PARTOUCHE INTERACTIVE GIBRALTAR	Gibraltar	78,00	80,00	NI	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2008	INTEREST PERCENTAGE 2007	INTEREST PERCENTAGE 2006	CONSOLIDATION METHOD
WORLD SERIES OF BACKGAMON	United Kingdom	66,30	68,00	NI	FC
PARTOUCHE GAMMON	France	66,30	68,00	72,25	FC
KIOUSK	France	99,99	99,99	99,99	FC
GROUPEMENT DE MOYEN DES CASINOS (*)	France	100,00	-	-	FC
PARTOUCHE BETTING (*)	France	78,00	-	-	FC
PARTOUCHE IMAGE	France	58,86	36,94	38,79	FC 2008 - EM 2007
COMPANIES CONSOLIDATED USING THE EQUITY METHOD					
CASINOS					
CASINO DU PALAIS DE LA MÉDITERRANNÉE	France	25,00	25,00	25,00	EM
INTERNATIONAL CASINO OF MADRID	Egypt	17,63	17,63	17,63	EM
OTHER					
STE FRANCAISE INVEST HOTEL	France	25,00	25,00	25,00	EM
SAS HÔTEL PALAIS DE LA MÉDITERRANNÉE	France	25,00	25,00	25,00	EM
FAIR PLAYERS	France	15,60	16,00	16,80	EM
PROPORTIONALLY CONSOLIDATED COMPANIES					
CASINOS					
SA CASINO DE GRASSE	France	49,73	49,73	49,73	PC
OTHER					
SCI DU CASINO DE GRASSE	France	49,77	49,77	49,78	PC

(*) Companies added to the scope of consolidation.

(T) Transmission universelle de patrimoine 2008.

20.2.2 FINANCIAL STATEMENTS OF THE PARENT COMPANY AT 31 OCTOBER 2008

BALANCE SHEET ASSETS (NET VALUES) €000 AT 31 OCTOBER	NOTES	2008	2007	2006
FIXED ASSETS				
Intangible assets	2.1 / 2.2			
Concession and similar rights		545	236	160
Internally generated goodwill		73 157	1 514	1 590
Deposits and downpayments on fixed assets		18	225	173
Tangible fixed assets	2.1 / 2.2			
Land		145	145	145
Buildings		4 091	4 447	4 802
Technical equipment		158	55	-
Other tangible fixed assets		324	316	273
Assets under construction		736	-	-
Deposits and downpayments		0	20	-
Financial investments				
Other investments in associates	2.3 / 2.4	555 708	613 889	622 169
Other investments	2.3	-	-	-
Loans	2.5	68	39	19
Other financial investments	2.4 / 2.5	155	141	136
Total fixed assets		**635 106**	**621 027**	**629 466**
CURRENT ASSETS				
Merchandise		74		
Advances and downpayments to suppliers		6	23	20
Trade receivables	2.5	55	1	11
Other receivables	2.4 / 2.5	286 039	270 203	277 827
Marketable securities		857	27 044	22 979
Cash and cash equivalents		115	498	166
Prepaid expenses	2.5 / 2.10	1 580	1 233	1 645
Total current assets		**288 726**	**299 002**	**302 648**
REGULARISATION ACCOUNTS				
Capitalised expenses		2 935	3 684	4 433
Translation adjustment – asset		127	267	120
TOTAL ASSETS		**926 895**	**923 980**	**936 668**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	NOTES	2008	2007	2006
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		210 099	186 141	144 601
NET PROFIT (LOSS) FOR THE YEAR		22 085	23 958	41 541
Equity	2.12	**395 706**	**373 621**	**349 663**
Provisions for contingencies	2.4	203	267	114
Provisions for losses	2.4	407	5 341	1 185
Provisions for contingencies and losses		**611**	**5 608**	**1 299**
Bank loans (5)	2.6	308 104	353 807	407 530
Other borrowings	2.6	101 038	101 034	101 031
Advances and deposits on outstanding orders			-	-
Trade creditors	2.6	3 918	585	443
Tax and social security liabilities	2.6	1 815	2 375	1 916
Liabilities in respect of fixed assets	2.6	223	41	41
Other liabilities	2.6	115 457	86 889	74 719
Deferred income	2.6 / 2.11	21	20	20
Total (4)		**530 575**	**544 751**	**585 700**
Translation adjustment - liability		3		6
TOTAL EQUITY AND LIABILITIES		**926 895**	**923 980**	**936 668**
(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 due falling due or to be released to the income statement in less than one year		**430 575**	**136 043**	**119 177**
(5) Includes current account bank balances and bank overdrafts		10 021	5 447	6 700

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2008	2007	2006
Sales of goods held for resale		31	0	0
Sales of services		14 780	14 842	11 443
Net turnover	2.14	**14 812**	**14 842**	**11 443**
Reversals of depreciation, amortisation, provisions and expense transfers (7)		588	663	323
Other revenue		9	4	13
Total operating revenue (2)		**15 409**	**15 508**	**11 779**
OPERATING EXPENSES				
Purchases of goods (and custom duties)		105	0	0
Change in goods		(74)	0	0
Other purchases and external expense (6a)		11 325	10 547	5 674
Tax		478	544	425
Personnel costs		3 990	4 583	3 733
Social security expenses		1 552	1 744	1 581
Depreciation and amortisation charges and provision on fixed assets		1 520	1 428	1 405
Impairment of current assets		92	0	876
Other expenses		68	69	67
Total operating expenses		**19 056**	**18 915**	**13 761**
OPERATING PROFIT		**(3 647)**	**(3 406)**	**(1 982)**
Income allocated or loss transferred		29	18	30
Loss borne or income transferred		1	1	0
Income from associates (5)	2.16	50 334	41 599	46 301
Income from other marketable securities and receivables (5)		1	0	21
Other interest income (5)		19 610	11 201	7 982
Provision reversals and expense transfers		3 106	114	13 558
Positive foreign exchange differences		4	0	0
Net gains on the disposal of marketable securities		692	1 358	701
Total financial income		**73 747**	54 272	68 564

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2008	2007	2006
Depreciation, amortisation and provision charges		28 324	4 678	4 955
Interest expenses (6)		35 697	37 159	28 595
Negative foreign exchange differences		0	0	426
Total finance costs		**64 021**	**41 837**	**33 975**
FINANCIAL ITEMS		**9 726**	**12 435**	**34 588**
CURRENT PROFIT BEFORE TAX		**6 107**	**9 046**	**32 636**
Exceptional income on management transactions		401	3 460	493
Exceptional income on capital transactions		1 010	11 464	17 334
Provision reversals and expense transfers		4 934	0	1 299
Total exceptional income		**6 345**	**14 924**	**19 126**
Exceptional expense on management transactions		4 943	52	2 549
Exceptional expense on capital transactions		282	11 172	22 352
Exceptional depreciation, amortisation and provision charges		0	4 156	778
Total exceptional expense		**5 225**	**15 380**	**25 679**
EXCEPTIONAL ITEMS	2.17	**1 120**	**(456)**	**(6 553)**
Employee profit sharing				
Corporate income tax	2.18	(14 858)	(15 368)	(15 458)
Total income		**95 530**	**84 723**	**99 498**
Total expense		**73 445**	**60 765**	**57 957**
NET PROFIT		**22 085**	**23 958**	**41 541**
(2) Includes property rental income		735	721	658
(2) Includes operating revenue relating to prior financial years		263	10	0
(4) Includes operating expenses relating to prior financial years		1	1	123
(5) Includes income from associated entities		61 234	51 258	53 830
(6) Includes interest from associated entities		10 878	15 874	9 484
(6a) Includes contributions made to organisations deemed to be in the public interest		29	62	60
(7) Includes expense transfers		588	567	118

NOTES TO THE PARENT COMPANY ACCOUNTS

Notes to the balance sheet before appropriation for the financial year ending 31 October 2008 which totals €926.895m and the income statement for the financial year, presented in list format, showing total revenues of €95.530m and net profit of €22.085m

The financial year included 12 months, covering the period from 1 November 2007 to 31 October 2008, during which the following key events occurred:

Two Transmissions Universelles de Patrimoine were carried out, the companies of Groupe de Divonne SA and Thermes de Vittel SARL, both of which were placed under the favourable tax regime provided by Article 210 A of the French General Tax Code, and completed as of 2 November 2007 and 17 March 2008, respectively.

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 99-03);
- 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 break down as follows:

- Structure : 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.

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 2008	GROSS VALUE OF FIXED ASSETS AT THE BEGINNING OF EACH YEAR	INCREASES	
		REVALUATION DURING THE YEAR	ACQUISITION, CREATION, INTER-ACCOUNT TRANSFERS
Setup costs, research			
Other intangible assets	**3 351**		**72 243**
Land	145		
Buildings on own land	3 182		
Buildings on other land	2 239		
Fixtures and fittings – buildings	2 364		
Machinery and equipment	66		157
Other equipment, fixtures and fittings	306		6
Vehicles	256		42
Office and computer equipment, furniture	169		49
Fixed assets under construction	0		736
Advances and downpayments	20		0
Total fixed assets	**8 747**		**991**

€000 AT 31 OCTOBER 2008	DECREASES		GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	REVALUATION VS. ORIGINAL VALUE AT END OF FINANCIAL YEAR
	INTER-ACCOUNT TRANSFER	BY SALE OR WITHDRAWAL		
Setup costs, research	-	-	-	-
Other intangible assets	**225**	**-**	**75 368**	-
Land	-	-	145	-
Buildings on own land	-	-	3 182	-
Buildings on other land	-	-	2 239	-
Fixtures and fittings – buildings	-	-	2 364	-
Machinery and equipment	-	-	223	-
Other equipment, fixtures and fittings	-	-	313	-
Vehicles	-	-	298	-
Office and computer equipment, furniture	-	-	218	-
Fixed assets under construction	-	-	736	-
Advances and down payments	20	-	0	-
Total fixed assets	**20**	0	**9 718**	-

The increase in fixed assets was due in the amount of €71.1m, to the Transmission Universelle du Patrimoine of Groupe de Divonne SA carried out during the financial year. It corresponds to technical meshing from the merger operations when Groupe de Divonne SA absorbed Société Financière du Domaine de Divonne (SFDD) in financial year 2003/2004.

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.

2.2 Depreciation and amortisation

€000 AT 31 OCTOBER 2008	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	**1 375**	**273**		**1 648**
Land				
Buildings on own land	1 223	123		1 346
Buildings on other land	932	112		1 044
Fixtures and fittings – buildings	1 183	121		1 303
Machinery and equipment	11	53		65
Other equipment, fixtures and fittings	127	28		154
Vehicles	138	46		184
Office and computer equipment, furniture	151	16		167
Recoverable packaging and other	-	-		-
Fixed assets under construction	-	-		-
Advances and down payments	-	-		-
TOTAL	**3 765**	**498**	**0**	**4 263**
GRAND TOTAL	**5 140**	**771**	**0**	**5 910**

The depreciation and amortisation charge in respect of intangible and tangible fixed assets amounts to €771k.
The amount relating to deferred charges amounts to €749k.

The sum of these two charges is equal to €1,520k (compare "Depreciation, amortisation and provisions for fixed assets" in the income statement).

2.3 Investments in associates

€000 AT 31 OCTOBER 2008	GROSS VALUE AT BEGINNING OF FINANCIAL YEAR	ACQUISITION, INTER-ACCOUNT TRANSFER
Equity-accounted investments	-	-
Other investments in associates	615 520	42 490
Other long-term investment securities	-	-
Loans and other long-term investments	180	63
TOTAL	**615 700**	**42 552**

€000 AT 31 OCTOBER 2008	DECREASE BY INTER-ACCOUNT TRANSFER	DECREASE BY SALE OR WITHDRAWAL	GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	REVALUATION OF ORIGINAL VALUE AT FINANCIAL YEAR-END
Equity-accounted investments	-	-	-	-
Other investments in associates	84 054	3	573 953	-
Other long-term investment securities	-	-	0	-
Loans and other long-term investments	-	20	223	-
TOTAL	**84 054**	**23**	**574 175**	-

The main changes in the financial year were:

- Following the T.U.P., carried out under a favourable regime, leading to the dissolution without liquidation of Groupe de Divonne SA, securities held by Groupe de Divonne SA were acquired at their carrying amount, which therefore accounts for the €40.3m increase. This related to casinos in Divonne Les Bains, Annemasse, Hauteville Lompnes, Crans Montana in Switzerland, Somarg SA and SCI de l'Arve. This operation led, however, to the elimination of securities in Groupe de Divonne SA, which explains the €84m decrease in this item.

The T.U.P, carried out on Thermes de Vittel SARL under a favourable regime, led to the total elimination of the securities, thus explaining the €50k decrease in this item.

- Additional acquisition of participating interests in SAS Hôtel International de Lyon and CHM.

2.4 Provisions

€000 AT 31 OCTOBER 2008	BEGINNING OF THE FINANCIAL YEAR	INCREASE ALLOCATION	DECREASE RECOVERY	END OF THE FINANCIAL YEAR
Provisions	-	-	-	-
For litigation	-	79	-	79
For foreign exchange losses	267	147	289	125
For tax	5 341	-	4 934	407
Other provisions for contingencies and losses	-	-	-	-
TOTAL	**5 608**	**226**	**5 223**	**611**
For property, plant and equipment	-	-	-	-
Provisions for investments in associates	1 630	16 664	50	18 244
Provisions for financial investments	-	-	-	-
For trade accounts receivable	88	-	-	88
Other provisions for impairment	39 510	11 648	2 767	48 391
TOTAL	**41 228**	**28 312**	**2 817**	**66 724**
GRAND TOTAL	**46 836**	**28 538**	**8 040**	**67 334**
Including:				
Operating allocations and recoveries		92		
Financial allocations and recoveries		28 324	3 106	
Exceptional allocations and reversals		-	4 934	
Movements by balance sheet accounts following the TUP		122		
Impairment of shares in equity accounted affiliates		-	-	

The provision for litigation of €79k, representing an increase, is attributable to the TUP of Thermes de Vittel SARL. It represents a legal claim between Thermes de Vittel SARL and C.P.A.M des Vosges. However, it did not have any impact on the income statement as it was reversed in a balance sheet account.

Provision charges for exchange losses of €147k includes a €22 increase per balance sheet account following the TUP.

The provision for tax of €407k, at financial-year end, concerns tax reassessments for 1981 to 1984. The provision relating to a verification of accounting for the years 2002 to 2004 was reversed in its entirety for €4.934m, since the legal claim was resolved during the financial year.

Provisions for investment securities relate to subsidiaries whose net asset position deteriorated during the financial period. They increased by €16.664m, of which €21k was allocated by balance sheet item following the TUP.

The reversal in investment securities of €50k is entirely related to the elimination of Thermes de Vittel SARL following the TUP.

"Other provisions" relates to:

- Certain current account receivables, which were provisioned in respect of our subsidiaries in light of their net worth. These provisions amounted to €40,629k;
- The balance of other provisions, at the financial year-end, relates to receivables from third parties, notably for €6,860k 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 €784k. These provisions were constituted during the course of prior accounting periods;
- Treasury shares were provisioned in the amount of €90k.

2.5 Maturities of receivables

€000 AT 31 OCTOBER 2008	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR
Loans	68	48	20
Other long-term investments	155	155	-
Other trade receivables	143	143	-
Employee accounts payable	0	0	-
Social security and other social benefits	20	20	-
Corporate income tax	7 997	7 997	-
VAT	1 120	1 120	-
Other taxes	-	-	-
Other receivables	-	-	-
Subsidiaries and associates	302 293	302 293	-
Sundry receivables	22 910	17 944	4 966
Prepaid expenses	1 580	1 580	-
GRAND TOTAL	**336 286**	**331 300**	**4 986**
Loans granted during the financial year	49	-	-
Repayment of loans during the financial year	20	-	-

2.6 Maturities of debts

€000 AT 31 OCTOBER 2008	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR	+5 YEARS
Bank loans and overdrafts	308 104	308 104		-
Sundry loans and debts	101 038	1 038	100 000	-
Trade accounts payable	3 918	3 918	-	-
Liabilities to personnel	244	244	-	-
Social security and other social benefits	297	297	-	-
State and other public authorities:				
- Corporate income tax	-	-	-	-
- VAT	1 070	1 070	-	-
- Other taxes	204	204	-	-
- Miscellaneous	-	-	-	-
Liabilities to fixed asset suppliers	223	223	-	-
Subsidiaries and associates	114 233	114 233	-	-
Other liabilities	1 224	1 224	-	-
Deferred income	21	21	-	-
GRAND TOTAL	**530 575**	**430 575**	**100 000**	**0**
Bank loans contracted during the financial year	-	-	-	-
Bank loan repayments during the financial year	50 277	-	-	-

The presentation of the balance of the syndicated loan in "Bank loans and overdrafts" falling due within one year is explained in Note 2.20 "Other information".

2.7 Elements related to more than one balance sheet item

GROSS AMOUNT IN RESPECT OF AFFILIATED UNDERTAKINGS (PARTICIPATING INTERESTS) €000 AT 31 OCTOBER 2008	AMOUNT
Fixed assets	
Participating interests	**555 515**
Current assets	
Trade receivables	**54**
Other receivables	**269 190**
Debts	
Loans, sundry financial debts	**100 022**
Trade accounts payable	**900**
Other liabilities	**108 981**

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 2008	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	20
Accrued income – management fees	7 623
Accrued income – other	190
Other receivables	**7 832**
Total	**7 832**

2.9 Accrued expenses included in the following balance sheet items

€000 AT 31 OCTOBER 2008	AMOUNT
Bank loans and overdrafts	0
Trade notes and accounts payable	859
Personnel – paid vacation and social charges	326
Tax and social charges	230
Other liabilities	1213
Accrued interest on overdrafts	18
Total	**2 645**

2.10 Prepaid expenses

€000 AT 31 OCTOBER 2008	AMOUNT
Prepaid operating expenses	1 580
Prepaid financial expenses	0
Total prepaid expenses	**1 580**

2.11 Deferred income

€000 AT 31 OCTOBER 2008	AMOUNT
Deferred income	21
Total deferred income	**21**

2.12 Statement of changes in shareholders' equity

EQUITY ACCOUNTS	BALANCE 31/10/2007	APPROPRIATION OF 2007 PROFIT	POSITION AFTER APPROPRIATION	FINANCIAL YEAR MOVEMENTS	BALANCE 31/10/2008
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	186 141	23 958	210 099		210 099
Net profit for the year	23 958	-23 958	0	**22 085**	22 085
Net shareholders' equity carried forward	**373 621**	**0**	**373 621**	**22 085**	**395 706**

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 have been 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 2008 was €4.10.

2.14 Breakdown of net turnover

€000 AT 31 OCTOBER 2008	FRANCE	REST OF WORLD	TOTAL AMOUNT
Merchandise sales	31		31
Group management fees	11 849	1 880	13 729
Rent	735		735
Other	317		317
Total	**12 932**	**1 880**	**14 812**

2.15 Expense transfers

€000 AT 31 OCTOBER 2008	AMOUNT
Miscellaneous operating expense transfers	588
Total operating expense transfers	**588**

2.16 Financial income from affiliates

€000 AT 31 OCTOBER 2008	AMOUNT
Dividends distributed by subsidiaries	50 334
Total	**50 334**

2.17 Breakdown of exceptional items

€000 AT 31 OCTOBER 2008	EXCEPTIONAL EXPENSE	EXCEPTIONAL INCOME
Late payment penalties, fines	1	0
Disposal of equity investments	242	562
Damages and other judgments	40	447
Corporate income tax following tax inspection and corresponding reversal	4 930	4 934
Late payment interest	0	136
Other exceptional expenses and profit for the year	12	147
Various exceptional income and expenses in respect of prior periods	1	118
Exceptional contingences and losses charge and reversal	0	0
TOTAL	**5 225**	**6 345**

2.18 Breakdown of corporate income tax

€000 AT 31 OCTOBER 2008	PROFIT BEFORE TAX	TAX DUE	NET PROFIT AFTER TAX
Current profit	6 107	-14 473	20 579
Exceptional items	1 120	-386	1 506
Accounting profit	**7 227**	**-14 858**	**22 085**

N.B. Groupe Partouche SA is head of a tax consolidation group comprising 64 subsidiaries.

2.19 Financial commitments

€000 AT 31 OCTOBER 2008	
Commitments given	**Amount**
Collateral (*)	11 146
Guaranteed bank debt	299 150
Retirement indemnities	73
Operating lease contract	2 328
Liability guarantee	0
Other commitments given	1 990
TOTAL	**314 687**
(*) Of which, related to subsidiaries	*7 791*
Commitments received	**Amount**
Financial recovery commitments (*)	29 878
Operating lease contract	4 778
Liability guarantee	17 731
Other commitments received	0
TOTAL	**52 387**
** Of which, related to subsidiaries*	*27 294*

2.20 Other information

In "bank debt", a syndicated loan constitutes the debt of Groupe Partouche SA with the following characteristics:

- **Original loan amount:** €431,000,000;
- **Principal outstanding at the year-end:** €298,083,000;
- **Remaining term:** 4 years;
- **Rate:** variable rate based on 3-month Euribor, with the banking margin varying based on the ratio of:

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

  As of 31/10/2008, the applicable margin is 2.25%.

- **Guarantees :**

  The syndicated credit facility contains commitments that, if not met, will cause the lender to call for early repayment of the loan.

  - These mainly involve the following covenants, established under the previous accounting standards:

    - The ratio of Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals to Finance costs was required to be greater than or equal to 5 at 31 October 2008 and will need to be greater than or equal to 5 at 31 October 2009.
    - The ratio of Available cash flow after tax and exceptional items before debt servicing costs to

Debt servicing costs was required to be greater than or equal to 1 at 31 October 2008 and will need to be greater than or equal to 1 at 31 October 2009.

- The ratio of Financial debt net of cash to Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals was required to be less than 2.5 at 31 October 2008 and will need to be less than 2.5 at 31 October 2009.

- The preceding commitments are supplemented by a cap on annual investments net of disposals at €37m until the maturity of the credit facility in 2012.

The decline in profitability recorded by the Group in 2008 did not allow it to meet these ratios. It is for this reason that, in agreement with the pool of banks, an endorsement to the loan agreement amended the ratios applicable for the period ended 31 October 2008 and replaced them as follows:

- The ratio of Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals to Finance costs must be greater than or equal to 2.75;
- The ratio of Available cash flow after tax and exceptional items before debt servicing costs to Debt servicing costs no longer applies.
- The ratio of Financial debt net of cash to Operating profit plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than 4.6.

Consequently, these ratios thus amended and valid exclusively for the 31 October 2008 balance sheet date have been met.

Annual investments net of disposals for the 2008 financial year reached €39.7m, in excess of the authorised limit of €37m.

The endorsement to the loan agreement also introduced a new ceiling for gross investments in 2009, now limited to €20 million unless an inflow due to disposals in the minimum amount of €80 million is recorded.

This endorsement also authorised additional debt in the form of a €10 million overdraft, thus bring the authorised total debt to €15 million as against €5 million previously.

The decline in profitability recorded by the Group in 2008 and that anticipated in 2009 no longer enable the Group to meet the covenants originally contained within the syndicated credit facility, which remain applicable until November 2012, the maturity of the loan.

The Group is thus compelled to restructure its debt and an analysis is currently under way. This restructuring is rendered more complex due to the current financial crisis.

In consideration of the preceding, and in appreciation of the Group's exposure to liquidity risk (see §4.1.1), the entire syndicated credit facility was reclassified under current liabilities in Note 2.6 "Maturities of debts". 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 agreement dated 30 September 2005.

2.21 Average workforce

AT 31 OCTOBER 2008	STAFF
Executives	22
Non-executives	23
TOTAL	**45**

2.22 Management remuneration

Management remuneration amounted to €1,514,609 and consisted of:

- remuneration allocated to the members of the Supervisory Board: €216,000
- remuneration allocated to the members of the Executive Board: €1,298,609

Directors' fees were allocated to the members of the Supervisory Board in the amount of €66,000.

2.23 Commitments for pensions and other retirement costs

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

2.24 Sundry information

At the end of the financial year, given that the syndicated loan had a variable rate, a partial hedge against the risk implied by variable-rate borrowings is in force.

The total hedge of the syndicated loan, namely a cancellable swap subscribed to hedge against an increase in interest rates of 3.75%, amounts to €100m as of 31 October 2008 and was active at that date.

The interest rate of this swap will rise from 3.75% to 4.25% at 31 July 2009.

2.25 Deferred tax

€000 AT 31 OCTOBER 2008	AMOUNT
Tax to be paid on:	
- Pre-deducted expenses	-1 021
Prepaid tax on:	
- Temporarily non-deductible expenses (to be deducted on the following financial year)	56
- Taxed profit to be deducted at a later date	1
Net deferred tax	**-964**

3 – SUBSIDIARIES AND ASSOCIATED ENTITIES AT 31/10/2008

Information in €000

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY
SUBSIDIARIES (MORE THAN 50% OF SHARE CAPITAL)			
CENTRE FORMATION PROFESSIONNEL CASINOS	FORGES-LES-EAUX	8	(20)
Cie EUROPÉENNE DE CASINOS	PARIS	24 813	221 154
HOLDING GARDEN PINÈDE	JUAN-LES-PINS	15 418	13 934
HÔTEL COSMOS	CONTREXÉVILLE	50	(2 150)
SOC EXPLOIT° CASINO ET HÔTELS CONTREXÉVILLE	CONTREXÉVILLE	75	(103)
THERMES DE CONTREXÉVILLE	CONTREXÉVILLE	50	(2 391)
VILLA DU HAVRE	LE HAVRE	40	(2 778)
SOCIÉTÉ DU CASINO DE ST-AMAND-LES-EAUX	ST-AMAND-LES-EAUX	17 786	24 916
SOCIÉTÉ DU GRAND CASINO DE CABOURG	CABOURG	300	(1 082)
GRAND CASINO DE LA TRINITÉ-SUR-MER	LA TRINITÉ-SUR-MER	75	(1 148)
GRAND CASINO DE BEAULIEU	BEAULIEU	150	(3 837)
JEAN METZ	BERCK-SUR-MER	80	734
NUMA	BOULOGNE-SUR-MER	80	462
SA DU CASINO ET DES BAINS DE MER	DIEPPE	396	164
SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	CONTREXÉVILLE	50	2 132
GRAND CASINO DU HAVRE	LE HAVRE	150	(6 847)
SCI LES THERMES	AIX-EN-PROVENCE	150	(3 000)
SCI DE LA RUE ROYALE	PARIS	134	162
SOCIÉTÉ CANNES BALNÉAIRE	CANNES	2 551	(26 812)
GROUPE PARTOUCHE INTERNATIONAL	BRUXELLES	144	(24 320)
SATHEL	LA TOUR SALVAGNY	323	35 889
CASINO DES 4 SAISONS	LE TOUQUET	392	1 841
SA LYDIA INVEST	LE BARCARÈS	40	(7 875)

%	DIVIDENDS	GROSS VALUE OF INVESTMENTS	NET VALUE OF INVESTMENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET PROFIT
100,00 %	0	8	8	59	-	178	2
100,00 %	0	316 504	316 504	0	-	0	22 460
100,00 %	0	336	336	3 504	-	0	146
100,00 %	0	50	0	2 338	-	1 738	(559)
100,00 %	225	6 833	6 833	592	-	3 150	(188)
100,00 %	0	50	0	2 378	-	1 032	(355)
100,00 %	0	40	0	2 924	-	20	(359)
100,00 %	8 021	18 371	18 371	12 416	-	26 903	4 616
100,00 %	0	564	564	3 665	-	5 024	(613)
100,00 %	0	76	76	5 153	-	947	(933)
100,00 %	0	152	0	4 824	-	3 260	(1 914)
100,00 %	780	3 025	3 025	0	-	3 973	631
100,00 %	950	3 458	3 458	617	-	4 248	324
100,00 %	271	4 611	4 611	0	-	5 750	(278)
100,00 %	0	50	50	0	-	362	2 469
100,00 %	0	150	150	29 329	-	12 996	(3 747)
99,99 %	0	0	0	7 538	-	1 141	346
99,99 %	0	534	534	0	-	70	32
99,99 %	0	48 424	37 771	54 357	-	867	(8 603)
99,90 %	0	153	0	46 889	-	0	(3 682)
99,86 %	22 145	93 525	93 525	0	-	31 666	16 998
99,53 %	853	5 593	5 593	0	-	4 344	774
97,60 %	0	444	0	8 281	-	2 747	(3 112)

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY
SCI LYDIA INVESTISSEMENT	LE BARCARÈS	2	(400)
HÔTEL INTERNATIONAL DE LYON	LYON	300	4 405
LE TOUQUET'S	CALAIS	92	741
CASINOS DE VICHY	VICHY	240	(2 175)
ELYSÉE PALACE EXPANSION	VICHY	40	(570)
ELYSÉE PALACE HÔTEL	VICHY	40	(628)
SOC CHEMINS FER ET HÔTELS MONTAGNE PYRÉNÉES	VICHY	701	1 069
CASINO DE TREMBLADE	LA TREMBLADE	38	(483)
FORGES THERMAL	FORGES-LES-EAUX	15 600	40 441
TTH DIVONNE	DIVONNE-LES-BAINS	2 442	4 364
CASINO D'ANNEMASSE – SGCA	ANNEMASSE	200	1 589
CASINO DE CRANS MONTANA	CRANS MONTANA (SUISSE)	3 405	8 377
CASINO D'HAUTEVILLE-LOMPNES – SCHL	HAUTEVILLE-LOMPNES	60	(5 285)
SOMARG	PARIS	45	28
CAFÉ CARMEN	PARIS	30	(1 642)
PARTOUCHE INTERACTIVE	PARIS	37	(8 210)
PARTOUCHE IMMOBILIER	PARIS	37	(547)
PARTOUCHE SPECTACLES	PARIS	37	(209)
ASSOCIATED ENTITIES (10 TO 50% OF SHARE CAPITAL)			
SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL	AIX-EN-PROVENCE	2 160	21 061
SOCIETAT DE L'OCI DELS PYRENEUS	ESCALDES ENGORDANY	38	NC
BASTIDE II RICH TAVERN	MONTPELLIER	46	NC
PALAVAS INVESTISSEMENT	PALAVAS-LES-FLOTS	8	(760)
OTHER INTERESTS			
CASINO DE PALAVAS	PALAVAS-LES-FLOTS	330	822
CASINO MUNICIPAL DE ROYAT	ROYAT	240	1 860

%	DIVIDENDS	GROSS VALUE OF INVESTMENTS	NET VALUE OF INVESTMENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET PROFIT
97,00 %	0	2 023	0	1 069	-	180	(14)
97,00 %	4 922	4 007	4 007	10 362	-	14 409	4 051
90,05 %	720	4 668	4 668	0	-	4 817	538
79,93 %	0	371	0	13 818	-	4 073	(900)
79,80 %	0	1 309	1 309	4 065	-	0	(67)
79,80 %	0	1 240	0	547	-	0	(84)
76,63 %	0	602	602	0	-	52	60
69,76 %	0	53	53	1 232	-	1 832	(327)
58,75 %	2 256	11 205	11 205	0	-	25 695	1 582
98,69 %	723	25 076	25 076	1 671	-	24 027	142
99,88 %	2 996	10 386	10 386	0	-	12 168	1 042
57,00 %	2 191	1 857	1 857	2	-	12 248	4 475
100,00 %	0	3 000	0	8 458	-	2 490	(1 714)
99,90 %	0	50	28	0	-	0	(1)
99,95 %	0	0	0	1 172	-	237	(147)
78,00 %	0	1 527	1 527	32 965	-	48	(5 385)
100,00 %	0	37	37	13 645	-	297	(551)
100,00 %	0	37	37	234	-	19	(210)
38,63 %	3 129	2 780	2 780	0	-	30 444	1 646
33,00 %	-	13	13	44	-	NC	NC
25,00 %	-	46	0	-	-	NC	NC
10,00 %	0	122	122	683	-	186	81
9,09 %	95	183	183	0	-	7 701	414
1,91 %	38	73	73	0	-	7 405	1 508

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY
EDEN BEACH CASINO	JUAN-LES-PINS	1 056	14 082
SCI TREMBLADE	LA TREMBLADE	1	(85)
SEMTEE	ESCALDES ENGORDANY	25 242	NC
CASINO D'AGON COUTAINVILLE	AGON COUTAINVILLE	51	6 241
CASINO D'ARCACHON	ARCACHON	60	1 072
SOCIÉTÉ THERMALE DE PLOMBIÈRES-LES-BAINS	PLOMBIÈRES-LES-BAINS	38	NC
CASINO LE LION BLANC	SAINT-GALMIER	240	1 390
CASINO LES FLOTS BLEUS	LA CIOTAT	200	693
CASINO LE MIAMI	ANDERNOS	758	1 290
CASINO DE LA ROCHE-POSAY	LA ROCHE-POSAY	177	26 243
CASINO DU PALAIS DE LA MÉDITERRANÉE	NICE	40	(17 727)
SCI DE L'ARVE	ANNEMASSE	381	1 371

%	DIVIDENDS	GROSS VALUE OF INVESTMENTS	NET VALUE OF INVESTMENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET PROFIT
1,44 %	0	155	155	0	-	10 479	821
1,00 %	0	0	0	2 923		250	(102)
0,71 %	14	181	181	0	-	NC	NC
0,05 %	0	2	2	8	-	2 698	606
0,03 %	0	1	1	0	-	4 101	79
0,00 %	-	2	0	0	-	NC	NC
0,16 %	3	0	0	0	-	6 852	1 088
0,02 %	0	0	0	0	-	3 734	457
0,00 %	0	0	0	0	-	3 793	429
0,00 %	0	0	0	13	-	8 948	2 998
0,03 %	0	0	0	0	-	11 619	(6 815)
0,04 %	0	0	0	0	-	900	284

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 November 1993

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

LAND

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Bagnoles land	5	145	140
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 (*)

BUILDINGS

DESIGNATION	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Granville Cellar	0	1	1
Bagnoles building	3	1 303	1 300
Saint-Placide apartment	19	76	57
Subtotal	22	1 380	1 358
TOTAL	**16 937**	**61 097**	**44 160**

(*) 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: 02/11/2007

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 REINTEGRATED
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 31/10/2004 (12 MONTHS)	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) 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	8 591 972	10 681 419	11 442 639	14 841 731	14 811 850
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	18 832 413	34 036 752	19 034 378	18 642 656	29 122 471
Corporate income tax	-22 325 358	-14 314 350	-15 457 725	-15 367 897	-14 858 226

INDICATION	YEAR ENDED 31/10/2004 (12 MONTHS)	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) BEFORE AGM APPROVAL
Employee profit-sharing for the financial year	0	0	0	0	0
Depreciation, amortisation and provision charges	28 439 549	15 575 299	-7 048 558	10 052 695	21 895 836
Net profit	12 718 223	32 775 803	41 540 660	23 957 858	22 084 860
Distributed profit	0	0	0	0	0
III- EARNINGS PER SHARE					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	0.95	1.12	0.80	0.79	1.02
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	0.30	0.76	0.96	0.56	0.51
Dividend per share	0.00	0.00	0.00	0.00	0.00
IV- PERSONNEL COSTS					
Average workforce during the financial year	47	47	48	45	45
Payroll for the financial year	3 199 275	3 473 872	3 732 642	4 582 816	3 989 574
Social benefits paid for the financial year	1 331 673	1 413 263	1 580 688	1 744 407	1 551 827

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 2008

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting, we audited the consolidated financial statements of Groupe Partouche SA for the year ending 31 October 2008, as presented in this report.
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 through the use of other selection methods, of evidence supporting the amounts and disclosures included in the consolidated financial statements. An audit also includes the assessment of the accounting principles used and significant estimates made by management as well as the evaluation of the overall presentation of the consolidated financial statements. We believe that the evidence we have gathered provides an adequate and appropriate basis for the expression of 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 companies and other legal 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, which describes the reclassification under current liabilities of the entire syndicated loan outstanding at 31 October 2008.

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 relating to the description of 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.
Note 17 to the consolidated financial statements relating to financial liabilities describes the reclassification under current liabilities of the entire syndicated loan outstanding at 31 October 2008. As part of out assessment of the accounting policies applied by your company, in particular IAS 1, Presentation of financial statements, we have verified the appropriateness of the abovementioned accounting reclassification and the information provided in the notes to the financial statements.
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 information provided 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, 17 February 2009

Fiduciaire MCR **José David**
Jean-Louis Mathieu

General statutory auditors' report Accounts for the financial year ending 31 October 2008

Ladies and Gentlemen,

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we hereby report to you for the financial year ended October 31, 2008 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, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a 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, 2008 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 2.20 to the parent company financial statements, which describes the reclassification under current liabilities of the entire syndicated loan outstanding at 31 October 2008.

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.

Note 2.20 of the notes to the parent company financial statements relating to the syndicated loan discloses the reclassification to current liabilities of the balance of the syndicated loan at 31 October 2008. As part of our assessment of the accounting principles and policies adopted by your company, we have verified the appropriateness of the information disclosed in the notes, notably the schedule of financial debt presented in Note 2.6.

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;
- the fair presentation of the information given in the Executive Board's report on the compensation and benefits paid to relevant company officers as well as commitments granted in their favour when they assumed, changed or terminated duties or subsequent thereto.

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, 17 February 2009

Fiduciaire 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 2009 its revenue for the first quarter of the financial year in progress, which has been reproduced in paragraph 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	NET DIVIDEND PER SHARE	TAX ALREADY PAID (TAX CREDIT)	TOTAL INCOME
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-

During the financial year ending 31 October 2007, 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).
No dividend has been proposed in respect of the financial year ending 31 October 2008.

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).

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

▸ The jointly interested parties in Raineau, who sold their 49% stake in Sathel to Groupe Partouche in 1991, brought a claim for compensation against the French state in 1998, on the grounds that the latter had forced them to sell their stake. Their claim was dismissed by the Lyon Admi-

nistrative Court of Appeal in October 2006.Following this decision, these parties then brought a suit against Groupe Partouche seeking rescission of the sale agreement, which was dismissed at first instance and on appeal by the Paris courts.

▸ 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

▸ On 28 March 2006, Syndicat des Casinos Modernes de France, of which the casinos of Groupe Partouche are members, lodged a complaint with the European Commission's Directorate-General for Competition against the French state and Française des Jeux (FDJ), on grounds of abuse of article 82 of the EC Treaty. Today, FDJ has in fact seen its monopoly in the organisation of lotteries and sports betting extended to the online market, and has expanded its offerings by providing other online services, which in the opinion of the Syndicat des Casino Modernes constitutes an abuse of a dominant position and discrimination against French casino operators, as an attempt is being made to deny them the use of the new information and communication technologies in their sphere of activity.

Together with similar complaints lodged by other European casino operators, and supported by the results of investigations of French regulations by European institutions, this claim has prompted the French authorities to introduce a reform of gaming law in France, intended to ensure equitable and controlled access by the various market participants to gaming over the Internet.

▸ The criminal lawsuit brought against Groupe Partouche International SA (Belgium) in 2006 for having authorised an online gaming site in 2001 to use the brand "Groupe Partouche International" in all countries where this use would be authorised, also personally accusing Mr Patrick Partouche, Chairman of the Executive Board, of complicity, resulted in a judgement against the defendants, which was to be heard under appeal. On 4 March 2009, both defendants were acquitted by the Versailles Court of Appeal.

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 2008

At 31 October 2008, 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) euros 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 2007-2008

Since the Shareholders' Meeting of 24 April 1998, we have had 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 held

Groupe Partouche holds 19,166 of its own shares at 31 October 2008. Since 2000, no repurchase programme was implemented. These shares are presented in the balance sheet of Groupe Partouche for a nominal value of 38,352 euros and a carrying amount of 78,581 euros (cf. Note 14 of the notes to the consolidated financial statements).

Existing authorisation

The Extraordinary Shareholders' Meeting of 24 April 2007 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 30 euros per share and the minimum sale price is 10 euros. This authorisation, which is valid for a maximum period of 18 months, expired on 24 October 2008 and has not been used.

21.1.4 OTHER SECURITIES GIVING ACCESS TO THE CAPITAL

Nil.

21.1.5 SHARE CAPITAL SUBSCRIBED, BUT NOT PAID UP – CAPITAL INCREASE

The Executive Board benefits from the following authorisations granted by the Extraordinary Shareholders' Meeting of 23 April 2004 and 24 April 2007, which may lead to the issue of securities conferring access to the share capital. These authorisations, which are summarised in the table below are set to expire and we submit to the combined shareholders' meeting called to vote on extraordinary resolutions to validate their eventual renewal.

Moreover, we submit to the shareholders a resolution by application of the provisions of Order 2009-80 dated 22 January 2009, to grant the executive board an authorisation, allowing it, where applicable, to carry out, at its sole discretion, a capital increase without preferential subscription rights via a private placement.

NATURE OF TRANSACTION AUTHORISED	DURATION AND EXPIRATION OF AUTHORISATION	MAXIMUM AMOUNT	TERMS
Capital increase ▪ In cash (EGM of 24 April 2007)	26 months 24 June 2009	€500,000,000	With and without preferential right of subscription
Capital increase ▪ By capitalisation of reserves, Premiums of net profit (EGM of 24 April 2007)	26 months 24 June 2009	Amount of premiums, reserves and earnings available	
Capital increase ▪ By issue of debt securities (EGM of 24 April 2007)	26 months 24 June 2009	€500,000,000	With and without preferential right of subscription
Capital increase ▪ Reserved for employees belonging to a company savings plan (EGM of 23 April 2004)	60 months 23 April 2009	€5,860,000	

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 2004 TO 31 OCTOBER 2008)	TYPE OF OPERATION	AMOUNT OF CHANGE IN SHARE CAPITAL	SUCCESSIVE AMOUNTS OF SHARE CAPITAL	CUMULATIVE NUMBER OF SHARES
2004			86 194 836 €	43 097 418
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

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 avenue de Provence 75009 PARIS.

The table below shows the change in the share price and transaction volume of Groupe Partouche SA shares.

PERIOD	PERIOD HIGH AND LOW (IN EUROS)		NUMBER OF SHARES EXCHANGED	CAPITAL (IN €M)
	HIGH	LOW		
2007				
January	19,55	18,40	2 062 517	39,34
February	19,09	16,00	2 350 025	41,01
March	19,50	17,16	2 092 011	39,27
April	19,00	18,22	1 657 267	30,82
May	18,83	17,54	1 466 508	26,81
June	18,69	15,36	778 079	13,35
July	15,99	14,11	1 136 580	16,78
August	15,75	12,92	1 142 550	16,17
September	14,48	12,50	1 672 866	22,30
October	15,45	13,72	3 784 002	54,50
November	14,93	12,85	732 822	10,05
December	14,02	11,66	521 570	6,89
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

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

No actions exist to modify shareholders' rights that are more strict than those provided by law.
Finally, it is stipulated that §21.2.4 of Annex I of European Regulation 809-2004 does not apply to the Group.

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, 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.

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, 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 establishes 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 carryforward.

- 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

	FIDUCIAIRE MCR				JOSÉ DAVID			
	MONTANT (K€)		%		MONTANT (K€)		%	
AT 31 OCTOBER	2 008	2 007	2 008	2 007	2 008	2 007	2 008	2 007
Audit Statutory audit, certification, audit of the individual company and consolidated financial statements								
Issuer	103	100	29 %	30 %	103	100	19 %	18 %
Fully consolidated subsidiaries	254	231	71 %	70 %	450	447	81 %	82 %
Other work and services performed directly related to the mission of statutory auditor								
Issuer								
Fully consolidated subsidiaries								
SUBTOTAL	**357**	**331**	**100 %**	**100 %**	**553**	**547**	**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	**357**	**331**	**100 %**	**100 %**	**553**	**547**	**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 20.3.1) 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.

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 has 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

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 allée des Eiders, Paris (19th arr.). (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:

1- the memorandum and Articles of Association of the issuer;

2- 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;

3- 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
Téléphone : +33(0)1 47 64 33 45

24.3 FINANCIAL COMMUNICATION CALENDAR

▸ 1st Quarter revenue	Week 9
▸ 2nd Quarter revenue	Week 24
▸ 1st Half results	Week 26
▸ 3rd Quarter revenue	Week 37
▸ 4th Quarter revenue	Week 50
▸ Results for the financial year	Week 6 of 2010

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 30 of the consolidated financial statements of the Group for the financial year ended 31 October 2008, presented in Chapter 20.2.1 of this document.

During financial year 2007-08, Groupe Partouche did not acquire any significant investments, as defined in article L. 233-6 of the Code of Commerce, in French companies (excluding intra-Group transactions).

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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AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

Le présent document, document de référence, a été déposé auprès de l'Autorité des marchés financiers le 6 mars 2009, 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.

Conception et réalisation : **Emmanuelle Morand / www.kromogen.eu**

Couverture : **Emmanuelle Morand / www.kromogen.eu**

Impression : **Magenta Color**

Crédits photos : **Marcel Partouche / Jean-Michel Sordello**



GROUPE PARTOUCHE

143 bis rue de Saussure - 75017 Paris
Tél. : 33 (0) 1 47 64 33 45 / Fax : 33 (0) 1 47 64 19 20
http://www.partouche.com