





2002 ANNUAL REPORT

GROUPE PARTOUCHE



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BECOMING THE EUROPEAN LEADER IS NO GAME OF CHANCE

The secrets of our success: a rigorous sense of professionalism, flexibility and adaptability, together with a creative forward-looking drive.
The ambassadors of our success: our 49 casinos and our innovative "Pasino" activity concept.

Consolidated net turnover
million Euros
371,99

Consolidated net income
million Euros
22,46

Average workforce
5 337



MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD



Thirty years already…

It seems like such a long time when you're looking forward, but now that I'm looking back, I can hardly believe they've gone by.

With all due respect to Albert Einstein, I often get the feeling that the faster you move, the faster time runs!

I won't elaborate on all the details of these thirty years: 1973, the Group's first casino in Saint-Amand-les-Eaux; 2003, No. 1 casino operator in Europe. What can I say that hasn't already been said…

Thirty years, the age of maturity. So now that GROUPE PARTOUCHE has crossed the Rubicon into adulthood, like any other adult, we can take time to reflect with a greater sense of perspective!

The men and women of GROUPE PARTOUCHE continue to be our most prized ambassadors and in these troubled times which are perhaps even tougher than those of yesteryear, we must all remain true to the fundamental values of our Group – love, respect, and professionalism.

I would like to wish each and every one of our 5,000 employees a very happy anniversary celebration, and tell you how much working today with the “children” of 1973 is a gratifying, thrilling, and motivating experience.

Pushing ourselves to our limits to achieve ever wider acclaim for GROUPE PARTOUCHE, making us into the gold standard for the business in which we operate: this will continue to be the priority of our Executive Board, in which, once more, I place my confidence.

I would like to express my sincere and heartfelt thanks to one and all!

Isidore Partouche



MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD



Ladies and Gentlemen,

Fiscal year 2001–2002 marked a big leap forward for GROUPE PARTOUCHE with our acquisition and integration of Compagnie Européenne de Casinos. This transaction has propelled us into the position of Europe's premier casino operator. We have been pleased to find that our initial impressions about the sterling quality of the establishments and staff that have joined the Group were fully justified. As we look forward to the future from this position of strength, we shall endeavour to maintain the specific locally attuned character of our establishments while at the same time allowing them to reap the benefits of Group-wide savoir-faire.
In conjunction with this major acquisition, GROUPE PARTOUCHE pursued its own organic expansion. The transfer of our principal establishment in Cannes from the Carlton to the Palm Beach was one of the highlights of the period, underpinned by the synergy-unlocking acquisition of the Savoy Hotel. We also observed for the first time in 2002 the success of the mutually beneficial development of our two establishments in Lyons, Le Lyon Vert and Le Pharaon, and were delighted to see their complementarity bear fruit.

This exciting fiscal year also saw the further development of the Aix-en-Provence Pasino, an innovative concept created by Isidore Partouche, combining areas devoted to gaming, dining, exhibitions, and conventions under one roof. The excellent performance of this establishment, bolstered by the strong synergies between the different activities, has inspired the Group to reproduce this concept elsewhere whenever suitable opportunities arise. A new Pasino is due to be opened in 2004.

On the international front, the integration of Compagnie Européenne de Casinos has given us an excellent vantage point in the Belgian market. We also intend to increase our exposure in Switzerland where we plan to open an establishment near Geneva in 2003.

In 2002 our business was hit by the transition to the euro, which not only impacted equipment upgrade costs, but also affected the gaming budgets of our clients who had to adjust them from francs into euros. We responded by adapting our marketing strategy to this new situation and any remaining negative effects of the transition to the euro are expected to fade away quickly.
Our business as a whole was also affected by the aftermath of September 11 which resulted, as was the case for the entire hotel, restaurant and tourism sector, in a considerable decline in attendance by foreign clients.

Despite these sporadic difficulties, 2002 will remain in our memories as an exceptional vintage, a historical milestone for the Group which, at the dawn of its fourth decade, can look with satisfaction upon the road already travelled and look forward to the future with confidence and serenity.

Hubert Benhamou



MORE THAN JUST A BUSINESS, A SUCCESS STORY…

Overstepping the obstacles and vicissitudes of prevailing business conditions, Groupe Partouche has built itself up over the years, with a common sense of purpose, rigour and boldness, in order to meet the needs of a profession dedicated to the pleasures of gaming and the satisfaction of its patrons.

OUR PROFESSION

France authorises the following games:

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

Automatic games:
Slot machines are legally defined as automatic machines incorporating games of chance and comprise “roll machines” and “video games”.
The Group has a large number of slot machines (3,926 at 31 October 2002 and 4,016 at 15 March 2003).

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.

REGULATORY FRAMEWORK

STRICT REGULATORY FRAMEWORK

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

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

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

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

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

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

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

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

Tax levies:

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

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

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

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

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

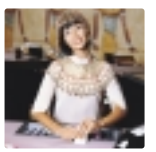
Slot machines have a statutory pay-out rate of at least 85%.

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

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

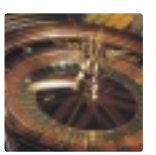
Casino games – GROUPE PARTOUCHE SAs core business – are not subject to value added tax (VAT).

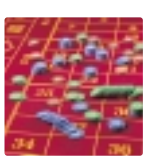




Gross gaming revenue

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





BIRTH OF THE EUROPEAN LEADER

1973
Arriving in France from Algeria, where he was a Philips representative, Mr. Isidore Partouche bought, with the help of his brothers and sisters, the Saint-Amand-les-Eaux casino, together with its spa and mineral water source.

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

1976
The Le Touquet casino was bought from Mr. Lucien Barrière and the establishment returned to its long-standing reputation.

1982
Creation of the Calais casino (SA Le Touquet's).

1986
Acquisition of the Forges-les-Eaux casino, 110 km from Paris, and opening of the Boulogne-sur-Mer casino.

1988
Acquisition of the Dieppe Casino .

1989
In 1989, the Fécamp, Bagnoles-de-l'Orne and Vichy casinos joined the Group.

1991
GROUPE PARTOUCHE's casinos were finally granted their first slot machine operating licences.

The Group also took control of the Lyon Vert casino in La Tour-de-Salvagny that year, together with its subsidiaries, the Saint-Galmier and Juan-les-Pins casinos.

1992
The towns of Royat and Chamalières selected the Group to re-open the Royat casino. Fécamp and Bagnoles-de-l'Orne casinos were sold.

1994
GROUPE PARTOUCHE took control of the Aix-en-Provence and La Ciotat casinos and in December of the same year acquired the Palavas casino.

1995
Acquisition of a jointly-controlled stake in the Grasse casino leaving management responsibility to the Boucau Group.

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

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

1996
We 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.

We opened our first casino in Agadir (Morocco) in association with Club Méditerranée.

1997
Acquisition of the 4-star Hotel which was renamed the Meridien-Garden Beach. This transaction brought together the hotel and the Juan-les-Pins casino properties, constituting a cohesive asset.

The town of Cabourg selected GROUPE PARTOUCHE to reopen its Grand Casino.

1998
We celebrated our 25th anniversary in April 1998 and opened the Djerba Pasino, our own innovative concept: an entertainment centre and casino combined.


Casino de Saint-Amand-les-Eaux

In June 1998, we acquired the Carlton Casino Club in Cannes from UK-based London Clubs International. On 2 November 1998, we 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, was transferred to the monthly settlement segment of the Paris Stock Exchange Premier Marché.

1999
On 1 July the Hilton hotel in Lyons' Cité Internationale complex was opened: the future home of a new casino.

Abroad, the San Roque Grand Casino in Andalucia was inaugurated and the Hilton Bucharest's casino was created and inaugurated by GROUPE PARTOUCHE.

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


Casino de Forges-les-Eaux

2000
In February, we acquired the Lydia in Port Barcarès, a sea resort 20 km from 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, we took over the Aquabella Hotel and went on to acquire the town's spa.

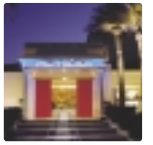

Pasino d'Aix-en-Provence

2001
In July, the Pharaon casino located in Lyons' Cité Internationale complex was granted a licence to operate 200 slot machines.

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

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

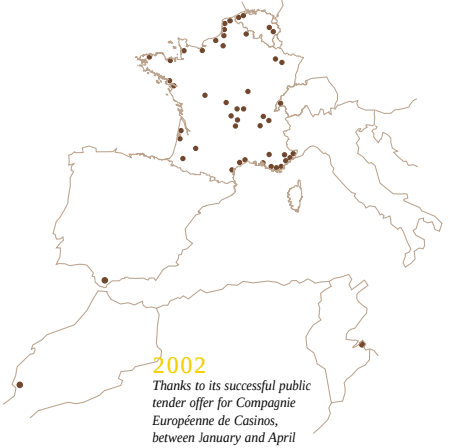
In November, the Bucharest casino was sold and the Contrexéville casino, hotels and thermal spa business unit was acquired, together with the Vittel thermal spa.

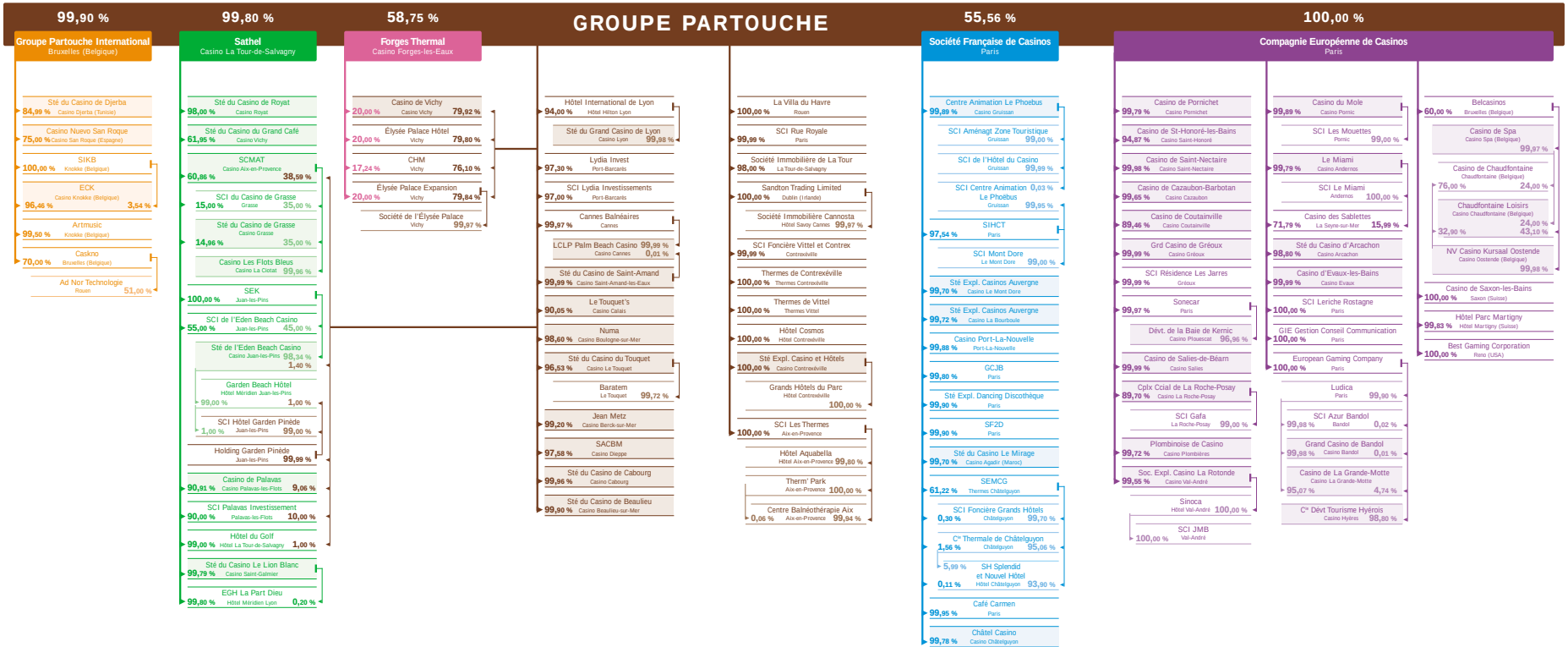

Casino Palm Beach de Cannes

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

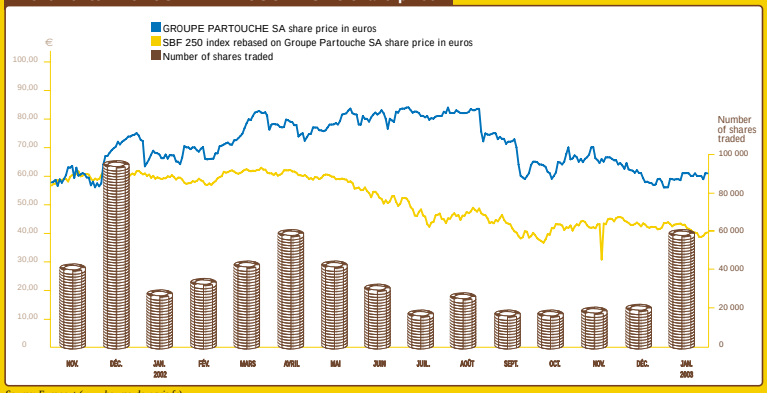
In August, the transfer of the Cannes-based Casino Carlton to the Palm Beach was officially approved.

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




GROUPE PARTOUCHE
99,90 %
Groupe Partouche International
Bruxelles (Belgique)
Sté du Casino de Djerba
84,99 % Casino Djerba (Tunisie)
Casino Nuevo San Roque
75,00 % Casino San Roque (Espagne)
SIKB
100,00 % Knokke (Belgique)
ECK
Casino Knokke (Belgique)
96,46 % 3,54 %
Artmusic
99,50 % Knokke (Belgique)
Caskno
70,00 % Bruxelles (Belgique)
Ad Nor Technologie
Rouen 51,00 %
99,80 %
Sathel
Casino La Tour-de-Salvagny
Sté du Casino de Royat
98,00 % Casino Royat
Sté du Casino du Grand Café
61,95 % Casino Vichy
SCMAT
Casino Aix-en-Provence
60,86 % 38,59 %
SCI du Casino de Grasse
15,00 % Grasse 35,00 %
Sté du Casino de Grasse
Casino Grasse
14,96 % 35,00 %
Casino Les Flots Bleus
Casino La Ciotat 99,96 %
SEK
100,00 % Juan-les-Pins
SCI de l'Eden Beach Casino
55,00 % Juan-les-Pins 45,00 %
Sté de l'Eden Beach Casino
Casino Juan-les-Pins 98,34 %
1,40 %
Garden Beach Hôtel
Hôtel Méridien Juan-les-Pins
99,00 % 1,00 %
SCI Hôtel Garden Pinède
1,00 % Juan-les-Pins 99,00 %
Holding Garden Pinède
Juan-les-Pins 99,99 %
Casino de Palavas
90,91 % Casino Palavas-les-Flots 9,06 %
SCI Palavas Investissement
90,00 % Palavas-les-Flots 10,00 %
Hôtel du Golf
99,00 % Hôtel La Tour-de-Salvagny 1,00 %
Sté du Casino Le Lion Blanc
99,79 % Casino Saint-Galmier
EGH La Part Dieu
99,80 % Hôtel Méridien Lyon 0,20 %
58,75 %
Forges Thermal
Casino Forges-les-Eaux
Casino de Vichy
20,00 % Casino Vichy 79,92 %
Élysée Palace Hôtel
20,00 % Vichy 79,80 %
CHM
17,24 % Vichy 76,10 %
Élysée Palace Expansion
20,00 % Vichy 79,84 %
Société de l'Élysée Palace
Vichy 99,97 %
Hôtel International de Lyon
94,00 % Hôtel Hilton Lyon
Sté du Grand Casino de Lyon
Casino Lyon 99,98 %
Lydia Invest
97,30 % Port-Barcarès
SCI Lydia Investissements
97,00 % Port-Barcarès
Cannes Balnéaires
99,97 % Cannes
LCLP Palm Beach Casino 99,99 %
Casino Cannes 0,01 %
Sté du Casino de Saint-Amand
99,99 % Casino Saint-Amand-les-Eaux
Le Touquet's
Casino Calais
90,05 %
Numa
98,60 % Casino Boulogne-sur-Mer
Sté du Casino du Touquet
96,53 % Casino Le Touquet
Baratem
Le Touquet 99,72 %
Jean Metz
99,20 % Casino Berck-sur-Mer
SACBM
97,58 % Casino Dieppe
Sté du Casino de Cabourg
99,96 % Casino Cabourg
Sté du Casino de Beaulieu
99,90 % Casino Beaulieu-sur-Mer
La Villa du Havre
100,00 % Rouen
SCI Rue Royale
99,99 % Paris
Société Immobilière de La Tour
98,00 % La Tour-de-Salvagny
Sandton Trading Limited
100,00 % Dublin (+Irlande)
Société Immobilière Cannosta
Hôtel Savoy Cannes 99,97 %
SCI Foncière Vittel et Contrex
99,99 % Contrexéville
Thermes de Contrexéville
100,00 % Thermes Contrexéville
Thermes de Vittel
100,00 % Thermes Vittel
Hôtel Cosmos
100,00 % Hôtel Contrexéville
Sté Expl. Casino et Hôtels
100,00 % Casino Contrexéville
Grands Hôtels du Parc
Hôtel Contrexéville
100,00 %
SCI Les Thermes
100,00 % Aix-en-Provence
Hôtel Aquabella
Hôtel Aix-en-Provence 99,80 %
Therm' Park
Aix-en-Provence 100,00 %
Centre Balnéothérapie Aix
0,06 % Aix-en-Provence 99,94 %
55,56 %
Société Française de Casinos
Paris
Centre Animation Le Phoebus
99,89 % Casino Gruissan
SCI Aménagt Zone Touristique
Gruissan 99,00 %
SCI de l'Hôtel du Casino
Gruissan 99,99 %
SCI Centre Animation 0,03 %
Le Phoebus
Gruissan 99,95 %
SIHCT
97,54 % Paris
SCI Mont Dore
Le Mont Dore 99,00 %
Sté Expl. Casinos Auvergne
99,70 % Casino Le Mont Dore
Sté Expl. Casinos Auvergne
99,72 % Casino La Bourboule
Casino Port-La-Nouvelle
99,88 % Port-La-Nouvelle
GCJB
99,80 % Paris
Sté Expl. Dancing Discothèque
99,90 % Paris
SF2D
99,90 % Paris
Sté du Casino Le Mirage
99,70 % Casino Agadir (Maroc)
SEMCG
61,22 % Thermes Châtelguyon
SCI Foncière Grands Hôtels
0,30 % Châtelguyon 99,70 %
Cie Thermale de Châtelguyon
1,56 % Châtelguyon 95,06 %
5,99 % SH Splendid
et Nouvel Hôtel
0,11 % Hôtel Châtelguyon 93,90 %
Café Carmen
99,95 % Paris
Châtel Casino
99,78 % Casino Châtelguyon
100,00 %
Compagnie Européenne de Casinos
Paris
Casino de Pornichet
99,79 % Casino Pornichet
Casino de St-Honoré-les-Bains
94,87 % Casino Saint-Honoré
Casino de Saint-Nectaire
99,98 % Casino Saint-Nectaire
Casino de Cazaubon-Barbotan
99,65 % Casino Cazaubon
Casino de Coutainville
89,46 % Casino Coutainville
Grd Casino de Gréoux
99,99 % Casino Gréoux
SCI Résidence Les Jarres
99,99 % Gréoux
Sonecar
99,97 % Paris
Dévt. de la Baie de Kernic
Casino Pleubian 96,96 %
Casino de Salies-de-Béarn
99,99 % Casino Salies
Cplx Ccial de La Roche-Posay
89,70 % Casino La Roche-Posay
SCI Gafa
La Roche-Posay 99,00 %
Plombinoise de Casino
99,72 % Casino Plombières
Soc. Expl. Casino La Rotonde
99,55 % Casino Val-André
Sinoca
Hôtel Val-André 100,00 %
SCI JMB
Val-André
100,00 %
Casino du Mole
99,89 % Casino Pornic
SCI Les Mouettes
Pornic 99,00 %
Le Miami
99,79 % Casino Andernos
SCI Le Miami
Andernos 100,00 %
Casino des Sablettes
71,79 % La Seyne-sur-Mer 15,99 %
Sté du Casino d'Arcachon
98,80 % Casino Arcachon
Casino d'Evaux-les-Bains
99,99 % Casino Evaux
SCI Leriche Rostagne
100,00 % Paris
GIE Gestion Conseil Communication
100,00 % Paris
European Gaming Company
100,00 % Paris
Ludica
Paris 99,90 %
SCI Azur Bandol
99,98 % Bandol 0,02 %
Grand Casino de Bandol
99,98 % Casino Bandol 0,01 %
Casino de La Grande-Motte
Casino La Grande-Motte
95,07 % 4,74 %
Cie Dévt Tourisme Hyérois
Casino Hyères 98,80 %
Belcasinos
60,00 % Bruxelles (Belgique)
Casino de Spa
Casino Spa (Belgique)
99,97 %
Casino de Chaudfontaine
Chaudfontaine (Belgique)
76,00 % 24,00 %
Chaudfontaine Loisirs
Casino Chaudfontaine (Belgique)
24,00 %
32,90 % 43,10 %
NV Casino Kursaal Oostende
Casino Oostende (Belgique)
99,88 %
Casino de Saxon-les-Bains
100,00 % Saxon (Suisse)
Hôtel Parc Martigny
99,83 % Hôtel Martigny (Suisse)
Best Gaming Corporation
100,00 % Reno (USA)

Movements in GROUPE PARTOUCHE SA's share price



Source: Euronext (www.bourse-de-paris.fr)

& GROUP STRUCTURE 2002 STOCK MARKET INFORMATION

Financial review

	2002	2001	2000
Price at 31/10 (Euro)	66,6	57,9	58,5
Number of shares as at 31/10	6 156 774	6 156 774	6 156 774
Market capitalisation (Euro)	410 041 148	356 477 215	360 171 279
Earnings per share (Euro)	3,65	5,57	4,68
Net dividend per share (Euro)	0,00	0,8	1,68
Total payout (Euro millions)	0,00	4,93	10,32
Payout ratio (%)	0,00 %	14,36 %	35,90 %
Net stock yield (%)	0,00 %	1,38 %	2,87 %

EXECUTIVE BOARD REPORT TO THE COMBINED ANNUAL AND EXTRAORDINARY GENERAL MEETING

OF 15 APRIL 2003

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EXECUTIVE BOARD REPORT TO THE COMBINED ANNUAL AND EXTRAORDINARY GENERAL MEETING
OF 15 APRIL 2003

Ladies and Gentlemen,

In compliance with the law and the Articles of Association, we have convened you to the Annual General Meeting in order to report to you on the position and activities of our company and of the Group during the year ended 31 October 2002 and to invite you to adopt the annual meeting resolutions relating to: the approval of the holding company and consolidated financial statements for the said year, the appropriation of the holding company's earnings, the approval of regulated agreements, the setting-up of a procedure enabling the company to buy back its own shares pursuant to the provisions of Article L. 225-209 of the Commercial Code, the decision not to distribute directors' fees to the members of the Supervisory Board, and the decision in principle to issue bonds in application of the provisions of Articles L. 228-40 et seq. of the Commercial Code with full powers granted to the Executive Board for this procedure.

We have also convened you to the Extraordinary General Meeting in order to make modifications to the Articles of Association under the Employee Savings Schemes Law of 19 February 2001 and the New Economic Regulations Law of 15 May 2001.

EXECUTIVE BOARD REPORT TO THE ANNUAL GENERAL MEETING

1.1 Group activities

Position and trends for the fiscal year ended 31 October 2002

The Group's turnover came to €372.0 million up by 28.0% compared to the previous fiscal year. This growth was driven primarily by the integration of Compagnie Européenne de Casinos (CEC) which took effect in the second half of the year, and the presence for the first full fiscal period of newly acquired companies, namely the Contrexéville business unit and the Savoy Hotel in Cannes.
In an identical scope of consolidation turnover increased by 2.7% to €298.3 million.
The Group's activities were also affected by the transition to the euro which disturbed the gaming habits of clients.

Gaming in France

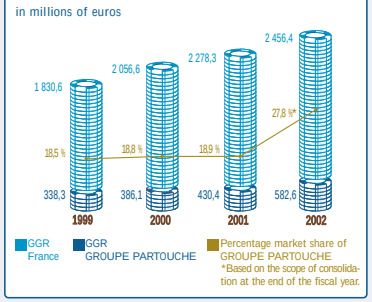
The gaming sector in France generated an actual Gross Gaming Revenue (GGR) of €2,456.4 million, reflecting the sector-wide slowdown in growth. For the first time in many years, year-on-year growth was in the single digits (+7.8%) notwithstanding a further increase in the number of casinos in operation (176 establishments compared to 170 in 2001).

The Group's actual GGR reached €582.6 million (up 35.4%), which breaks down into €43.6 million for table games and €542.8 million for slot machines of, this latter share representing 92.5% of the total.

Table games fared well, due in particular to strong showings by the Palm Beach and Aix-en-Provence Casinos, up €4.7 million and €3.3 million, respectively. These two significant advances drove this activity's organic growth of €7.7 million. The impact of the acquisition of CEC Group amounts to €4.4 million.

Gross Gaming Revenue

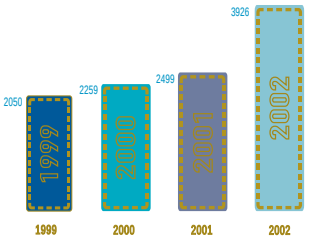
in millions of euros



Slot machines generated a total GGR of €539.0 million, up 35.1%, or €140.1 million. Casinos formerly owned by CEC Group contributed 105.0 million. The remainder of this growth, €35.1 million, was generated by the newly acquired Contrexéville casino and an organic growth component of €28.9 million (up 7.2% year-on-year), the net result of a somewhat mixed set of performances. The Le Pharaon casino in Lyons, with its 200 machines operating all year round for the first time this fiscal period, achieved a GGR of €38.5 million (up €28.6 million). But this stellar growth rate was achieved in part to the detriment of the traditional contribution from the Lyon Vert, our neighbouring casino in La Tour-de-Salvagny. This establishment, which also suffered the setback of a three-month postponement to the opening of a slot-machine floor, saw its GGR decline to €16.8 million. The new Pasino in Aix-en-Provence continued to press ahead, contributing an additional €8.2 million to the segment's GGR. The Forges-les-Eaux casino suffered from the arrival of slot machines at the Enghien-les-Bains casino.

Number of Group slot machines in France

at 31 October 2002



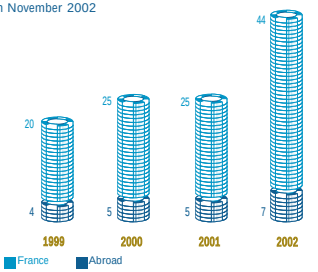
At the start of the fiscal year, the Group operated a total of 2,499 slot machines in France. Thirty machines were added during the year at Forges-les-Eaux, 15 at La Ciotat, 55 at Contrexéville, together with 1,327 slot machines at establishments previously owned by CEC Group. At the end of the fiscal year, we operated a total of 3,926 slot machines in France. The average daily GGR per machine was €458 compared to €467 in 2001, due mainly to the consolidation of CEC whose average daily GGR is weaker across the board.

Gaming abroad

The GGR generated abroad increased by €4.7 million to €17.0 million. This increase is due to the acquisition of CEC's casinos in Belgium (+€6.5 million), while Groupe Partouche casinos posted a decrease of €1.8 million, achieving a GGR of €10.5 million. We should recall that the Bucharest casino was sold at the beginning of the fiscal year.
As slot machines are still prohibited in Belgium, table games represent the lion's share of the GGR in the gaming segment outside France, representing 77%.

Number of casinos in operation

in November 2002



Levies

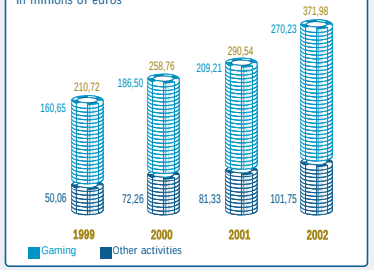
The total amount of levies collected by the French state and local authorities came to €329.3 million, a global tax charge equivalent to 54.9% of actual GGR, compared to 52.8% in 2001. This significant rise is due to the higher levies introduced during the fiscal year. The ceiling placed on the "slide" allowance of 15% of actual slot machine GGR led to a heavier tax burden: an additional tax levy of €5.7 million was incurred in the second half of 2002.
Average global levy percentages came to 55.6% in France and 33.3% abroad.
After subtracting these levies, the Net Gaming Revenue amounts to €270.2 million (up 29.2%).

Other activities

Activities other than gaming rose from €81.4 million in 2001 to €101.8 million, fuelled by external growth, namely the newly acquired Contrexéville business unit (€6.5 million), Savoy Hotel (€4.5 million) and CEC (€9.9 million). These companies managed to keep stable the percentage of total Group turnover contributed by the hotels and restaurants segments (21.9% in fiscal year 2002 compared with 22.0% in 2001).
We should note that the Group's hotels suffered in the aftermath of September 11 and from the general worsening of economic conditions.

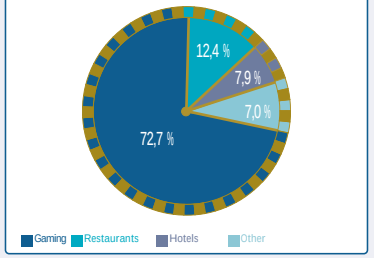
Consolidated net turnover

in millions of euros



Consolidated turnover by business segment

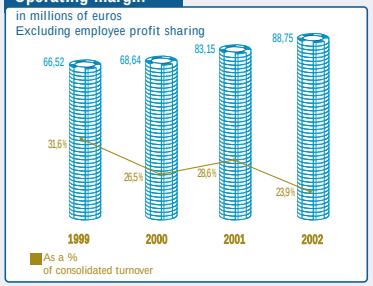
in millions of euros



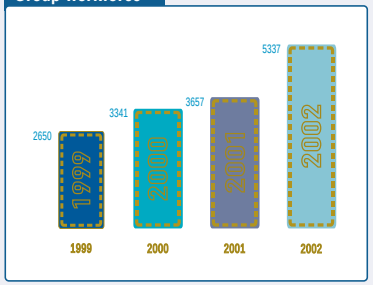
Consolidated net income

Operating income after employee profit sharing came to €82.8 million, compared to €78.8 million for the previous fiscal year. This increase of 5.2%, low compared to the growth in turnover, indicates a deterioration in the operational profitability of the Group, which declined from 27.1% of turnover in 2001 to 22.3% for fiscal year 2002.

Operating margin



Group workforce



There are several reasons for this change.
Apart from heavier taxation of the casinos' gross revenue mentioned above, which feeds straight through to the margin, we should note the impact of external growth and the specific difficulties of certain establishments.
With regard to newly acquired companies, CEC was consolidated with an operating profit margin of 23.1%. The equivalent figure for the Contrexéville business unit and the Savoy Hotel is 9%.
Problems encountered by certain establishments owned by the Group at the start of the fiscal year should also be discussed. In light of the high proportion that fixed costs represent of the total cost base, the change in activity levels at our two Lyons-based establishments led to a rise of €8 million in operating income for Le Pharaon and a decline of €9.8 million in that of Le Lyon Vert. The Aix-en-Provence casino, forced to bear the costs of its enlarged size, but without having received the additional slot machines on order, suffered a drop in its operating income of €2.3 million. Finally, we should mention the Forges-les-Eaux casino, which now faces stiffer competition from Enghien-les-Bains, which has received delivery of its first slot machines, as well as the tough business climate in the hotels sector.

Financial items show net finance costs of €22.4 million, compared to €7.6 million in 2001. This deterioration is directly attributable to the increase in debt as a result of the acquisition of CEC Group on 28 December 2001.

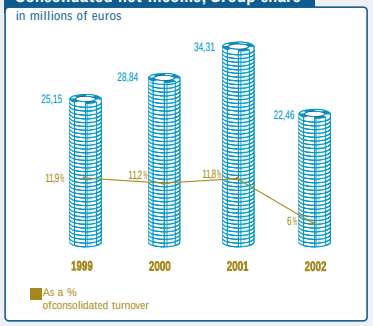
Net income before tax amounts to €60.4 million, down 15.1%.

Exceptional items total €4.4 million. We note a reversal of provisions in the amount of €4 million with respect to the GJ Diffusion dispute.

Goodwill amortisation charges amount to €13.8 million, mainly as a result of the acquisition of the CEC Group.

The net income for all consolidated companies amounts to €25.2 million, compared to €37.4 million for the previous fiscal year. The Group's share of net income is €22.5 million.

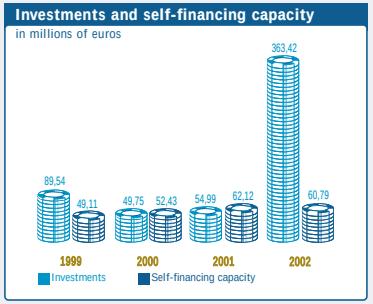
Consolidated net income, Group share



Investment and financing

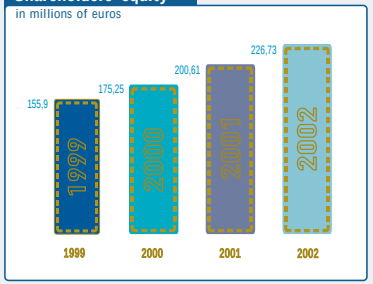
Apart from the acquisition of the Contrexéville business unit at the start of the period, the acquisition of CEC Group certainly constitutes the major highlight of the 2002 fiscal year for GROUPE PARTOUCHE.
The Group's self-financing capacity came to €60.8 million, close to that of the previous fiscal year.

Investments and self-financing capacity

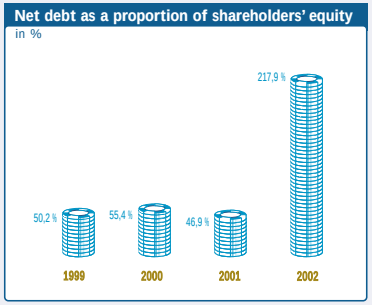


Working capital requirements rose by €3.8 million, essentially as a result of the first-time consolidation of the former CEC Group.
Investments generate an exceptionally high cash flow requirement of €363.4 million, which includes external growth (CEC and the Contrexéville business unit) and refurbishment projects for various different sites. The total amount of dividends paid for the period came to €7.6 million.
These funding requirements necessitated substantial bank borrowings: a €463.5 million revolving credit facility was arranged. These transactions resulted in a net positive cash flow of €4.4 million.

Shareholders' equity



Net debt as a proportion of shareholders' equity



Outlook

During fiscal year 2003, the Group will put the finishing touches to its successful integration of casinos formerly owned by Compagnie Européenne de Casinos.
We are also actively pursuing expansion projects such as the completion of the Meyrin casino in Switzerland, and by participating in the competitive tender procedure for the creation of new casinos, such as those underway in Le Havre and Toulouse, to name but two.
In order to reconcile our expansion strategy with the principles of prudent financial management, we are exploring various options including recapitalisation, refinancing our short term debt, and the sale of certain non-strategic casinos, such as La Bourboule and Le Mont-Dore which were sold in November 2002. This process is expected to come to fruition during the 2003 fiscal year, allowing us to recover a vital measure of financial flexibility.

Casino operations in France will bear the impact for a full fiscal period of the change in taxation implemented on 1 May 2002. Fiscal year 2003 will also see the opening of the Meyrin casino near Geneva (Switzerland) and the arrival of slot machines in Belgium where the Group now operates four casinos.

Significant post balance sheet events

On 29 November 2002, Groupe Partouche sold the casinos of La Bourboule and Le Mont-Dore as well as the company responsible for pursuing a project for the development of a casino in Alvignac, to a local operator. The two existing establishments achieved a GGR of €4.2 million for fiscal year 2002.

New slot machines have now been installed as follows:
• mid-January 2003: a first batch of 50 machines at Plombières,
• early February 2003: 20 additional machines at Hyères.
Furthermore, in March 2003, an additional 80 machines were installed in the Aix-en-Provence casino, bringing the total number of units in this establishment to 280.

1.2 Activity of consolidated companies

Activity of consolidated companies

Information on the activity of consolidated companies is set forth in the list of subsidiaries and equity affiliates. Additional information on the activity of subsidiaries and equity affiliates for the year ended 31 October 2002 is also provided in the chart of consolidated companies (in the front section of this report) as well as in the section which follows. All references to the national ranking of casinos relate to the classification drawn up by the Interior Ministry's gaming board.

France

Saint-Amand-les-Eaux
(Société du Casino de Saint-Amand):

The leading casino in the Nord-Pas-de-Calais region (northeastern France) and the 14th largest casino nationally, Saint-Amand-les-Eaux has continued to post increased casino revenue, notably in table games, with an increase in gross gaming revenue (GGR) of more than 16%.
In April 2002, the operating concession was renewed for a further 18 years and the site plan for the new casino site has now been developed. This will allow Saint-Amand to launch a new concept, restructure its gaming activities, which include its 170 slot machines with an average daily GGR per machine of €572, and offer enhanced service for patrons.

Calais (Le Touquet's):

Calais reported another year of increased turnover, with a 23% climb in table game revenue. It continues to host major entertainment and cultural events in the city.

Boulogne-sur-Mer (NUMA):

A new table gaming floor and restaurant were inaugurated at Boulogne-sur-Mer in February 2002.
The casino is a venue for a wide range of cultural and entertainment events organised each year in the town.
Discussions are in progress with the local municipality to transfer the casino to a more suitable site for development.

Le Touquet (Société du Casino du Touquet):

Casino revenue at Le Touquet rose significantly during the season, with a 13% increase in GGR, and a 30% jump in restaurant revenue which further confirms Le Touquet's reputation as a quality dining venue.
The casino has focused on enhancing services for patrons, notably by developing an exciting line-up of entertainment events, and has opened a new theme bar.
Profitability has risen substantially thanks to the rigorous management policy in place.

Berck-sur-Mer (Jean Metz):

Berck-sur-Mer rose three places in the national casino ranking and achieved solid growth in GGR, with a 10% increase in slot machine revenue. The casino has continued to build on the success of its two-Michelin-star restaurant, La Verrière, which generated a 12% increase in turnover. The casino bar, Luna's Bar, continues to attract a growing clientele.

Forges-les-Eaux (Forges Thermal):

Ranked eighth nationally, Forges-les-Eaux is among the top casinos in France. Casino revenue has held up well since the arrival of slot machines in Enghien-les-Bains and the casino has obtained an authorisation to install an additional 30 slot machines, thus taking its total to 260 machines generating an average daily GGR per machine of €542.
As the leading casino in the Haute-Normandie region (northern France), its operating concession was renewed for 18 months in June 2002.
The casino resort complex offers high-quality facilities at a variety of sites, including a luxury hotel, Folie du Bois des Fontaines, a golf course at Saint-Saëns, and a leisure centre operated by Club Med.
A sustained calendar of entertainment shows and events make the casino one of the leading entertainment venues in the region.

Dieppe (SA du Casino et des Bains-de-Mer):

Dieppe's buccaneer-themed casino moved up five places in the national ranking of casinos, achieving solid growth in GGR, led by a 4% increase in slot machine revenue.
The casino's gourmet restaurant, L'Horizon, enjoys an excellent reputation in the area as a quality dining destination.
Efforts to develop the casino as a venue for entertainment and events have paid off handsomely with a significant increase in utilisation of the casino's entertainment facilities which include a 600-seat showroom.
During the year, the majority of the hotel's rooms were refurbished, thus fuelling an 11% rise in room revenue, and the new "short-break" package introduced is expected to sustain this trend.

Le Havre:

Housed in a magnificent late 19th century seafront villa, the Casino restaurant La Villa, which is rated 18/20 by Gault Millau, is managed by Jean-Luc Tartarin and enjoys excellent business.

Cabourg
(Société du Grand Casino de Cabourg):

Cabourg achieved operating profit in spite of sluggish revenue growth which remains dependent upon the casino's ability to increase the number of slot machines so that it can exploit its significant potential, notably during weekends and holiday periods.
Table game revenue surged 45%, reflecting Cabourg's popularity with patrons, and the casino has moved up four places in the national ranking.
Substantial increases in restaurant revenue were also recorded during the year.
The casino continues to host leading cultural events organised in Cabourg, including the Romantic Film Festival, Epona, the Adami Festival, and more.

Agon-Coutainville
(Société du Casino de Coutainville):

In contrast to restaurant and piano bar revenue, which was up on the prior year, gross gaming revenue at Agon-Coutainville did not increase during the year under review.

Pleneuf-Val André
(Société d'exploitation du Casino de La Rotonde):

A refurbishment of the slot machine floor will enable this casino, which enjoys an excellent location in the sea resort of Val-André (Brittany), to realise its full development potential.
The casino restaurant, which has a location overlooking the bay and provides a high-quality dining offering, increased revenue by nearly 5% during the year.
The showroom achieved a 43% leap in revenue, reflecting the popularity of its programme of live shows and films.

Plouescat (SA Développement de La Baie de Kernic):

Plouescat posted sustained growth in slot machine revenue with an 8% increase on the prior year. Attendance has climbed since the extension to the casino facility and the development of non-gaming activities.
An authorisation to increase the number of slot machines has been requested in order to meet the growth in visitor numbers.
The newly refurbished restaurant had a resounding success, recording a 22% climb in turnover.
Revenue from the bar and entertainment centre surged 11%, driven by a lively and expanded programme of entertainment events and themed evenings.

Pornichet (Casino de Pornichet):

Pornichet, which has 175 slot machines, is the leading casino in the Pays de la Loire region (western France) and continues to expand casino revenue by more than 4% each year. The restaurant has generated increased business since its refurbishment and is one of the leading dining destinations in the area, particularly during the peak summer period.

Pornic (Casino du Mole):

Pornic posted strong growth in table game and slot machine revenue, achieving a 6.4% increase in GGR. In June 2002, the casino's operating concession was extended through to the end of the 2018 season.
Once again this year, the casino hosted the third edition of the "Pornic Blues Festival" as well as other entertainment events.

La Roche-Posay
(Complexe Commercial de La Roche-Posay):

The only casino in the Vienne region (western France), La Roche-Posay, which is located near the city of Poitiers, gained three places in the national ranking during the year. Gross gaming revenue rose by an impressive 17%, reflecting the success of its recent refurbishment. At €538 per day, average GGR per slot machine is at a satisfactory level.
The new slot machine floor inaugurated in February 2002, which has boosted attendance and non-gaming revenue, has been extremely positive for the casino.
The casino restaurant has been extended and has increased the number of covers served by 42%.
La Roche-Posay has stepped up its efforts to develop its casino resort as a premier leisure destination and has requested an authorisation to increase the number of slot machines in order to meet the growth in attendance.

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

Saint-Honoré posted casino revenue in line with the prior year in spite of a poor start to the season due to unfavourable weather.
Restructuring is planned to consolidate the casino's position as the leading entertainment attraction in the resort and enhance facilities for patrons.

Contrexéville (Société d'exploitation du Casino et des Hôtels de Contrexéville):

Operations were disrupted over several months by refurbishment which includes a new slot machine floor and will enable the casino to enhance facilities for patrons.
The casino is the main attraction among a range of facilities managed by Group Partouche at the Contrexéville and Vittel spa resorts which include a luxury hotel and a thermal spring.
The casino's Cosmos hotel and spa provides a range of thermal treatments along with a fitness and beauty centre.
The Contrexéville spa resort, which is renowned for the quality of its thermal pools, offers traditional spa treatments, a health and beauty centre, and a complete range of leisure facilities.

The Vittel spa complex, which specialises in hot spring treatments, accommodates a 34°C hot mineral water swimming pool, a sauna and hammam.

Plombières-les-Bains (Plombinoise de Casino):
With the installation of 50 new slot machines in January 2003, Plombières is fully positioned to leverage the potential of its prestigious casino facility, the originality of its décor, and superior amenities for patrons. It is now ready to play a leading role in the resort

Lyons (Grand Casino de Lyon):
Le Pharaon is poised to join the ranks of France's ten-largest casinos as from the upcoming season.
With a location in the heart of the city in the prestigious Cité Internationale complex, Le Pharaon draws patrons from the Hilton Hotel as well as from other tenants of the complex which is well served by transport links and is fast becoming the leading resort destination in the city.
Table game revenue rose 23%, notably thanks to the increased number of slot machines which now stands at 200, and to refinements to the casino's hospitality services.
Le Pharaon hosts a regular calendar of shows and entertainment events, making it one of the leading venues in the city.

Hotel revenue at the Hilton Hotel, which has 201 rooms and is located beside Lyons' Tête d'Or park, was affected by the impact of the events of September 11.

Hôtel Méridien Part Dieu has 245 rooms and is situated at the summit of Lyons' highest tower, making it the highest hotel in Europe. Hotel revenue held up well in spite of the impact of September 11 and occupancy levels were maintained.

La Tour-de-Salvagny (Sathel):
Le Lyon Vert was handicapped by a three-month limitation on opening hours of the slot machine floor which caused the casino to shed its number-one place in the national ranking. It nevertheless remains the leading casino in the Rhône region with 400 slot machines.
This setback has not diminished the casino's potential. Action has been taken to ensure that it achieves a position that reflects the high standard of amenities offered by this flagship casino.
The construction of a luxury hotel in the immediate vicinity of the casino will be one of the main capital investments planned over the coming year and will enable the Lyon Vert to enhance its amenities for patrons. The hotel will offer an excellent complement to La Rotonde, the casino's two-Michelin-star restaurant which is managed by its chef, Philippe Gauvreau.

Saint-Galmier (Le Lion Blanc):
Slot machine revenue climbed by nearly 6% and table game revenue by more than 7%.
The casino has consolidated its position as a leading entertainment venue and includes a Michelin-two"fourchettes" restaurant, La Paillote, which is recognised as one of the top dining options in the region.

Évaux-les-Bains (SA du Casino d'Évaux-les-Bains):
Évaux-les-Bains, the only casino in the Limousin region (central France), had a particularly rewarding year – its first season operating the 30 slot machines installed in January 2002. The casino has moved up eleven places in the national casino ranking.
Restaurant revenue, which rose 43%, was lifted substantially by the take-off in gaming activities.
The new showroom, which was opened in June 2002, will boost attendance and increase the profile of this casino resort.

Vichy (Casino du Grand Café et Casino de Vichy):
The leading casino in the Allier département (central France), the Casino du Grand Café posted continued growth in casino revenue. Restaurant revenue climbed by nearly 27% thanks to a vigorous promotional campaign and a new entertainment line-up.
This performance should be further sustained once refurbishments to the slot machine floor and night club are completed.
The casino was granted an 18 year extension to its operating concession in July 2002.

Casino de l'Elysée once again recorded increased GGR with growth of more than 4% as it prepared to transfer to a new site which will enable the casino to rejuvenate its appeal.
The new site, which includes a large multi-purpose hall and a cinema multiplex, will enable the casino to enhance its entertainment value and remain complementary with the other Vichy casino.
A request to extend the number of slot machines will be filed once the casino is transferred to its new site.

Châtelguyon (Châtel casino):
The success of the reorganisation completed at Châtelguyon during the year fuelled a 16% rise in casino revenue.
Growth was by further spurred by a successful redecoration which has increased restaurant revenue.
The boost to tourism provided by the family park, Parc Vulcania, is expected to increase attendance for the casino.

The casino's hotel, Le Splendid, is located in an expansive parkland setting close to the casino.

Royat (Société du Casino Municipal de Royat):
Royat held on to its top ranking in the Auvergne region (central France) despite lower attendance and limited growth in gross gaming revenue. Operating profits were maintained thanks to aggressive action by management.
Pariou, the casino's dancehall, continued to generate increased revenue. Its restaurant, Lucullus, will be refurbished in the coming season in order to revamp its concept.

Saint-Nectaire (Casino de Saint-Nectaire):
The introduction of a Boule 2000 table in July 2002 gave a significant boost to table game revenue. The casino restaurant turned in strong results with an increase in revenue of over 13%.

La Bourboule – Le Mont Dore (Seca):
These casinos, which experienced weak growth in business, were divested after the close of the reporting period.

Andernos (le Miami):
Andernos reported a sharp decline in GGR following the introduction of slot machines at the Bordeaux casino in May 2002.
This shortfall was partially offset by a more moderate decline in non-gaming revenue, which contracted by less than 5%.
The casino's entertainment programme remains focused on jazz music festivals and concerts.
Renovation and redecoration work, which is due to be completed before the end of the summer, will enhance the casino's appeal with patrons.

Arcachon (Société du Casino d'Arcachon):
Arcachon continued to benefit from its location in the heart of the Bordeaux wine country, albeit to a lesser extent than in prior years. The casino's restaurant and night club nevertheless achieved good growth, thereby further confirming the quality of its facilities.
The casino is a leading entertainment venue and hosts a full line-up of events during the summer season.

Cazaubon-Barbotan (Société du Casino de Cazaubon-Barbotan-les-Thermes):
Cazaubon posted excellent growth in casino revenue and a 9% increase in slot machine revenue, chiefly due to the installation of 20 new slot machines in December 2001. This performance has enabled it to move up three places in the national ranking.

Salies-de-Béarn (Société du Casino de Salies-de-Béarn):
Results were boosted by the first full-year's operation of the slot machine floor which has provided a significant spur to casino revenue. Restaurant revenue surged by an encouraging 21.5%.
The hotel will be refurbished and extended in the upcoming season, and 54 new guest rooms and two suites will be added.

Port-Barcarès (Lydia):
A request is being filed so that this facility can operate casino gaming and realise its promising development potential.

Gruissan (Centre d'Animation Le Phoëbus):
As the leading casino in the Aude département (southwestern France), the Le Phoëbus casino moved up two places in the national ranking in 2001–02 and achieved an increase of over 8% in slot machine revenue. In March 2002, the casino's operating concession was extended for a further 15 years.
The casino's hotel, which offers a variety of themed guest rooms, posted excellent growth of nearly 18%.

Palavas-les-Flots (Casino de Palavas):
Restaurant and night club revenue rose by more than 9% while slot machine revenue expanded by 6%. As a result, average daily GGR per machine now stands at €529.
The new restaurant being opened will enable Palavas to further enhance its value offering for patrons.

La Grande-Motte (Casino de La Grande-Motte):
Casino de La Grande-Motte reinforced its position as the leading casino in the Languedoc-Roussillon region (southwestern France) in 2001–02 and now stands 18th in the national ranking of casinos. It operates 130 slot machines with an average daily GGR of €611 per machine.
Night club revenue surged 36%, and the casino remains a premier entertainment destination in the resort.

Gréoux-les-Bains
(Société du Grand Casino de Gréoux-les-Bains):
The only casino in the Alpes de Haute-Provence region (southeastern France), Gréoux-les-Bains acquired its first 30 slot machines in November 2001, and has had an encouraging first season. Thanks to this performance, the casino moved up 23 places in the national ranking of casinos.

Aix-en-Provence
(Société du Casino Municipal d'Aix Thermal):
Already the leading casino in the Bouches-du-Rhône département (southeastern France), Pasino gained two places to become the seventh-largest casino nationally in 2002. Slot machine revenue rose 19% while table game revenue almost doubled.
This performance, which included an average daily GGR per slot machine of €693, enabled the casino to install a further 80 slot machines, thus taking its total to 280 in March 2003.
Entertainment events hosted during the year featured several leading international performers and have helped to establish the casino's showroom as one of the leading venues in the region while generating increased trade for the casino.
The casino's four themed restaurants provide a varied and high-quality dining offering and are attracting growing numbers of customers.
The Pasino concept has demonstrated its worth and will serve as a blueprint for future projects. It is now ready to be deployed at the Saint-Amand-les-Eaux casino.
The casino's 110-room hotel, Aquabella, will enable this casino resort to take full advantage of its proximity to the thermal springs at Sextius. A swimming pool will be added in order to complete the facilities of the balneotherapy centre which achieved a spectacular

33% increase in revenue.
With its distinctive steel and glass structure, the casino's Michelin two "fourchettes" restaurant, L'Orangerie, is one of the most popular dining destinations in the area.

La Ciotat
(Société des Brasseries et Casino Les Flots Bleus):

La Ciotat installed 15 new slot machines in September 2002, after opening a new table game floor at the end of February 2002. The casino rose by 15 places in the national casino ranking and achieved an 18% increase in GGR. The restaurant also recorded substantial growth, in line with the increase in gaming revenue.
The casino has also contributed to the renovation of the L'Eden cinema in La Ciotat, which was the first cinema theatre in the world.

Bandol (Grand Casino de Bandol):

Bandol, the leading casino in the Var region (southeastern France), was affected by the temporary withdrawal of its authorisation to operate high-denomination slot machines. The casino, which is ranked 23rd in France, has a very satisfactory average daily GGR per slot machine of €587.

Hyères
(Compagnie pour le Développement du Tourisme Hyèrois):

The refurbishment to Hyères' slot machine floor has been a resounding success, with an increase of more than 9% in slot machine revenue, which enabled the casino to move up two places in the national ranking to 24th position. This performance enabled the casino to obtain 20 extra slot machines in February 2003, which is unlikely to diminish the already satisfactory average GGR per slot machine of €565 per day.
Table games recorded a 17.4% increase in GGR, largely thanks to the casino's high standards of hospitality.
Restaurant revenue rose by nearly 11%, thus further consolidating the growth in hotel revenue and growing success of the casino's night club, Le Fou du Roy.
The casino continues to host quality entertainment events in its showroom.

Grasse (Casino de Grasse):

Grasse once again recorded an increase of more than 5% in slot machine revenue.

Cannes (LCLP France "Casino Palm Beach"):

The transfer of the casino to the Palm Beach, which was completed in August 2002, augurs well for the casino's continued growth and development.
The casino is number two in France in terms of table gaming revenue with a 40% increase. However, it needs to install additional slot machines in order to meet the expectations of its patrons. A request has been filed to increase the number of machines, which currently stands at 50.
Restaurant revenue has expanded as menu selections have been refined and service enhanced.
The casino continues to position itself as a leading entertainment venue in the city of Cannes. In 2001–02, it hosted and co-produced the 23rd edition of the "Performance d'acteurs" festival as well as the popular TV show, Star Academy.

With 106 guest rooms decorated in Art Deco style, the casino's hotel, Savoy, provides strong complementarities with the Palm Beach casino and features a rooftop swimming pool with a panoramic view.

Juan-les-Pins (Eden Beach Casino):

Juan-les-Pins moved up three places in the national ranking of casinos to 22nd position. The casino turned in a 7.4% increase in slot machine revenue and operates a total of 150 machines. The redecoration of the slot machine floor with its new "goldmine" theme also helped to increase gaming revenue.
An authorisation has been requested to extend the number of slot machines in order to better satisfy customer demand.
Restaurant revenue was consolidated and casino operating profits increased thanks to aggressive action by management.

In spite of a moderate fall-off in occupancy, the casino's 175-room hotel, the Méridien Garden Beach, which was recently refurbished, still operates as an excellent adjunct to the casino by drawing VIP guests to the resort.
Its Michelin two"fourchettes" restaurant, La Plage, perfectly rounds out the casino's value offering with its secluded location on a private beach.

Beaulieu-sur-Mer (Grand Casino de Beaulieu):

Attendance dropped at Beaulieu-sur-Mer as high-spending visitors and overseas visitors who have traditionally patronised the casino stayed away in 2001–02.

Casinos outside France

Belgium:

The Belgian casinos in Knokke, Ostend, Chaudfontaine and Spa will soon benefit from the application of new legislation authorising them to operate slot machines. Pending this, however, Knokke remains hampered by a high cost structure which impedes profitability. Chaudfontaine and Spa continue to operate at break-even, while Ostend is generating satisfactory profits, in spite of the difficult playing field for slot machine operation.

Switzerland:

The Meyrin casino, which is located close to Geneva, an extremely promising catchment area, will open for business in the early part of the second half of the coming season.
Operating conditions remained difficult at Hôtel du Parc, which is located in Martigny.

Spain:

Efforts to rein in the decline in gross gaming revenue are paying off for Casino de San Roque which posted increased operating profit in 2001–02.

Tunisie:

Jerba is still affected by an unfavourable international climate which has depressed tourism in the region.
Despite this, operations remain profitable and the high standard of the casino's facilities is a strong gauge of success.

Morocco:

Agadir continues to suffer from a difficult operating environment, notably due to regulatory constraints. The very high cost of its gaming licence required the casino to take drastic management measures.

Other information

Investments made by GROUPE PARTOUCHE SA

COMPAGNIE EUROPÉENNE DE CASINOS	100 %
Casino de Contrexéville	100 %

Divestments

As previously indicated, the Le Mont-Dore and La Bourboule casinos were divested as from November 2002.

List of subsidiaries and equity affiliates

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

Research and development

No R&D activities were engaged during the period under review.

Changes to accounting policies, procedures and methods

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

1.3 The share capital of GROUPE PARTOUCHE SA

1.3.1 Shareholding information (L. 233-13)

We present the identity of persons holding directly or indirectly at 31 October 2002 more than 5%, 10%, 20%, 33.33%, 50%, and 66.66% of the share capital or voting rights to the Annual General Meetings.
This list has changed as follows for the financial year under review:
Mr. Lucien Wilms, who owned 5.89% of the share capital, now owns less than 5% of the share capital.
Moreover, the FMR Corp and Fidelity International Limited (FIL), who own 0.38% and 4.67% of the share capital respectively, represent a combined ownership interest of 5.05% of the share capital, and the company EEM (Belgium) owns 8% of the share capital.

Identity of the main shareholder groups	at 31 October (n-1)	(n)
	2001	2002
FINANCIÈRE PARTOUCHE SA	62,30 %	62,30 %
SOGESIC SARL	4,62 %	4,62 %
PARTOUCHE FAMILY	4,23 %	3,71 %
Subtotal	71,15 %	70,62 %
PUBLIC	28,85 %	29,38 %
TOTAL	**100,00 %**	**100,00 %**

1.3.2 Self-held shares under the share buy-back procedure

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

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

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

The Extraordinary General Meetings held on 2 April 2001 and 9 April 2002 authorised the Executive Board to buy the Company's own shares on the market, pursuant to the provisions of Article L. 225-209 of the Commercial Code, mainly for the purposes of regulating the share price, the delivery of shares by way of exchange for external growth operations or for any other purpose that is in the company's interest.
The maximum purchase price was fixed at €100 per share and the minimum sale price at €50 per share. This authorisation, granted for 18 months, was never applied.

1.3.3 Approval of a procedure enabling the company to buy back its own shares

We propose to grant the Executive Board, for a period of 18 months and pursuant to the provisions of Articles L. 225-209 et seq. of the Commercial Code, the authorisation to acquire, in one or several times and at the periods it deems it fit, a number of Company's shares representing 0.5% of the share capital, that is to say 30,783 shares.

This authorisation hereby cancels the previous one granted by the General Meeting held on 9 April 2002.

These acquisitions can be achieved by all possible means, for the purpose of:
- regulating the share price against any adverse trend.
- share purchases or sales based on prevailing market conditions.

The maximum purchase price is fixed at €70 per share and the minimum sale price is fixed at €40 per share. In the event of a change in the structure of the Company's share capital, for example via a standard or reverse stock-split or bonus issue, the abovementioned amounts shall be adjusted commensurately. The total amount of this programme should not exceed €3,078,300.

1.4 Net income appropriation

Review of the financial statements and net income of the holding company, GROUPE PARTOUCHE SA

GROUPE PARTOUCHE SA generated net income of €45.039 million, chiefly attributable to financial income and dividends paid by subsidiaries.

The increase in financial income stems mainly from the fact that dividends paid by the subsidiaries to the holding company totalled €49.878 million, rising €17.911 million from the previous year, combined with an increase in interest on current accounts of €1.878 million and remuneration on bonds of €1.500 million. Moreover, no debt was forgiven in 2002, in contrast with €2.515 million which was forgiven in the previous year. All of these factors lessen the net impact of the €15.003 million loan interest increase.

Moreover, the increase in net income is impacted by a corporate income tax charge of €14.665 million, mainly comprising professional fees incurred in connection with the takeover transaction.

Total assets consist mainly of financial investments and related receivables, totalling €788.624 million. Shareholders' equity totals €247.786 million compared with €207.670 million for the prior year, representing an increase of €40.116 million increase from prior year.

Proposed appropriation of net income

We invite you to approve these annual financial statements (balance sheet, income statement and notes), as submitted to you and showing a net income of €45,039,480 which we propose be appropriated as follows:

Net income for the year	45 039 480 Euros
5% to the legal reserve	2 251 974 Euros
Balance	42 787 506 Euros
To "Retained earnings" an amount	42 787 506 Euros
which, after appropriation, totals	90 080 799 Euros.

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

Financial year ending:	Net dividend in FRF and in Euros	Tax credit in FRF and in Euros
31 October 1999	67 724 514,00 F	33 862 257,00 F
	10 324 535,60 €	5 162 267,80 €
31 October 2000	67 724 514,00 F	33 862 257,00 F
	10 324 535,60 €	5 162 267,80 €
31 October 2001	4 925 419,20 €	2 462 709,60 €

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

Pursuant to the provisions of Article 233 quater of the French General Tax Code ("CGI"), we hereby inform you that the financial statements for the period under review include an amount of €11,226.28 which corresponds to expenses that may not be deducted for tax purposes in light of the provisions of Article 39-4 of the CGI.

Income for the last five fiscal periods

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

Review of the consolidated financial statements

Pursuant to Article L. 225-100 of the Commercial Code and after having heard the report of the Executive Board, we hereby submit for your approval the consolidated financial statements for the fiscal year ended 31 October 2002.

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

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

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

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

(cf. executive and supervisory bodies section, page 87).

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

(cf. executive and supervisory bodies section, pages 84-87).

1.8 Company management and control

Renewals

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

Directors' fees

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

EXECUTIVE BOARD REPORT TO THE EXTRAORDINARY GENERAL MEETING

First, we would like to remind you that the provisions of Article L. 225-129-VII of the Commercial Code, established within the framework of Law No. 2001-152 of 19 February 2001 on Employee Savings Schemes, require that upon proposal of any resolution to increase the Company's share capital, the decision on whether or not to carry out a capital increase reserved for employees must also be considered.

Therefore, we propose in the ninth resolution that Article 8 of the Articles of Associations pertaining to "Changes in share capital" be amended to include the new provisions pertaining to Employee Savings Schemes.

An amendment to Article 15 of the Articles of Association is proposed in the tenth resolution so as to correct references to certain of the Articles of Association.

In addition we remind you that the New Economic Regulations Law No. 2001-420 of 15 May 2001 amended several provisions applicable to Société Anonymes and that it is appropriate that the Articles of Association of the Company be brought in line with these new provisions.

Therefore, we propose as follows:

- In the eleventh resolution, to amend Article 19 of the Articles of Associations pertaining to "Powers and obligations of the Executive Board" changing the title of the company officer currently known as "Directeur Général" (Managing Director) to "Directeur Général Délégué" (Deputy General Manager).

- In the twelfth resolution, to amend Article 20 of the Articles of Association pertaining to the "Supervisory Board" in order to bring the total number of members serving on the Supervisory Board from twenty-four to eighteen, subject to the dispensation prescribed by law in the event of a merger.

- In the thirteenth resolution, to amend Article 22 of the Articles of Association pertaining to "Powers granted to the Supervisory Board" changing the title of the company officer currently known as Directeur Général" (Managing Director) to "Directeur Général Délégué" (Deputy General Manager).

- In the fourteenth resolution, to change the title of Article 24 of the Articles of Association from "Transactions between the Company and members of the Executive Board or the Supervisory Board" to "Regulated and routine transactions" and to amend Article 24 in order to extend regulated transactions to a shareholder holding a portion of voting rights greater than 5%, or if the shareholder is a company, to its controlling company as defined in Article L. 233-3 of the Commercial Code.

- In the fifteenth resolution, to amend Article 25 of the Articles of Association entitled "Appointments - Powers - Remuneration" and in the sixteenth resolution to amend Article 27 of the Articles of Association entitled "Notice of meeting procedures - Announcements to shareholders" so as to confer certain rights on shareholders holding at least one-twentieth of the share capital, instead of one-tenth as currently stated.

- In the seventeenth resolution, to amend Article 31 of the Articles of Association so as to eliminate the provisions of this Article pertaining to meetings the purpose of which would be to create rights or status, which are without merit today.

- In the eighteenth resolution, to amend Article 32 of the Articles of Association pertaining to "Powers granted to the Supervisory Board" changing the title of the company officer currently known as "Directeur Général" (Managing Director) to "Directeur Général Délégué" (Deputy General Manager).

- In the nineteenth resolution, to amend Article 37 of the Articles of Association entitled "Powers of the Extraordinary Shareholders' Meeting" so as to eliminate the provisions of this Article pertaining to meetings the purpose of which would be to create rights or status, which are without merit today.

Consequently, following the presentation of the reports of the Statutory Auditors, we invite you to determine the agenda and the text of the resolutions which follow.

The Executive Board

OBSERVATIONS OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

The Executive Board of our Company convened you to the Combined Annual and Extraordinary General Meeting in compliance with the law and the Articles of Association, in order to report to you on the position and activities of our company and of the Group during the year ended 31 October 2002 and to invite you to approve the financial statements for the said year and the appropriation of earnings.

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

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

We note once again the significant growth in the Group, which reflects in particular the quality of the strategic initiatives implemented by the Executive Board under the leadership of its Chairman.

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

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

The Supervisory Board

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CONSOLIDATED BALANCE SHEET

Assets (net values)

€ '000	Notes	Years ended 31 October 2002	2001	2000
Set-up costs		665	1071	1648
Capitalised research and development costs		102	14	19
Franchises, patents, licences and trademarks		604	854	977
Internally generated goodwill		7353	5708	5995
Goodwill on acquisition		393621	72562	77687
Other intangible assets		1145	764	881
INTANGIBLE ASSETS		403492	80973	87208
Land		18769	12322	11802
Buildings		240228	144555	120186
Machinery and equipment		35578	27579	23484
Other tangible fixed assets		53673	29465	29244
Assets under construction		3607	8596	6502
Deposits and downpayments		897	1064	10233
TANGIBLE FIXED ASSETS		352752	223581	201451
Investments in associates		43180	48448	36193
Investments in securities		60	6	2
Loans		1188	1090	978
Other long-term investments		1578	1033	983
FINANCIAL INVESTMENTS		46006	50577	38157
Fixed assets		**802 250**	**355131**	**326815**
Raw materials		2385	1890	1686
Semi-finished and finished goods		470	170	138
Goods held for resale		4372	840	770
Downpayments to suppliers		378	400	803
Trade receivables		9828	8141	10350
Deferred tax		1940	2903	3310
Other receivables		51280	28993	26175
Treasury shares		169	168	-
Other marketable securities		3388	20670	7184
Cash at bank and in hand		46698	25743	31770
Deferred charges		7297	5929	5783
Current assets		**128 206**	**95847**	**87968**
Prepayments and accrued income		2564	1138	1343
TOTAL ASSETS		**933 019**	**452116**	**416126**

Shareholders' Equity and Liabilities

€ '000	Notes	Years ended 31 October 2002	2001	2000
Share capital		86195	86195	85412
Share premium		9411	9411	9411
Consolidated reserves		86637	56681	38755
Group revaluation reserve		122	81	(94)
Group net income for the year		22459	34314	28842
Statutory reserves		-	-	-
Shareholders' equity		**204824**	**186682**	**162326**
Minority interests		19154	10823	9492
Net income attributable to minority interests		2752	3108	3439
Minority interests		**21905**	**13931**	**12931**
Contingency provisions		5242	2163	1989
Loss provisions		4710	1679	2075
Contingency and loss provisions		**9953**	**3842**	**4064**
Bank loans and overdrafts		527017	132755	119225
Other borrowings		17333	7966	16871
Downpayments from clients		2284	997	772
Trade notes and accounts payable		19012	13392	14300
Tax and social charges		80265	58482	48095
Deferred tax liability*		15047	1082	713
Liabilities to fixed assets suppliers		11334	13823	16091
Other liabilities		14352	10513	10830
Deferred income		9614	8651	8652
Liabilities		**696259**	**247 661**	**235549**
Accruals		78	0	1254
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**933 019**	**452116**	**416126**

** In prior years, this amount formed part of provisions for contingencies and losses.*

CONSOLIDATED INCOME STATEMENT

Income statement

€ '000	Notes	Years ended 31 October 2002	2001	2000
Sales of goods held for resale		1 386	1 269	830
Sales of services		370 599	289 274	257 931
NET TURNOVER		371 985	290 543	258 761
Goods capitalised		322	530	539
Operating subsidies		215	276	213
Reversals of depreciation, amortisation, provisions and expense transfers		9 809	5 419	5 499
Other income		287	351	237
Operating income		**382 619**	**297 119**	**265 249**
Purchases and change in inventories		23 125	17 456	16 803
Other purchases and external expenses		81 155	58 711	55 576
Tax		18 699	14 048	12 913
Personnel costs*		135 118	95 917	87 840
Depreciation and amortisation charges on fixed assets		28 041	20 059	17 740
Impairment of current assets		3 261	3 127	1 320
Contingency and loss provisions		1 244	690	1 163
Other expenses		9 125	8 326	7 648
Operating expenses		**299 768**	**218 334**	**201 004**
Operating income		**82 850**	**78 785**	**64 246**
FINANCIAL INCOME		2 617	1 927	1 713
FINANCIAL COST		25 040	9 492	8 151
Financial items		**(22 423)**	**(7 565)**	**(6 438)**
Income on ordinary activities before tax		**60 427**	**71 220**	**57 808**
EXCEPTIONAL INCOME		16 783	5 979	15 807
EXCEPTIONAL EXPENSE		12 397	5 938	8 588
Exceptional items		**4 386**	**41**	**7 219**
Amortisation of goodwill on acquisition		13 815	5 137	4 918
Corporate income tax		22 995	27 926	26 708
Deferred tax		2 793	775	1 119
Total income		**402 019**	**305 024**	**282 770**
Total expenses		**376 808**	**267 602**	**246 093**
Net income attributable to consolidated companies		25 211	37 422	36 676
Group income		**22 459**	**34 314**	**28 842**
Net income attributable to minority interest		**2 752**	**3 108**	**3 440**
Net earnings per share		**4,09**	**6,08**	**5,24**

Total number of shares: 6,156,774.

** Includes employee profit sharing.*

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement

€ '000	Years ended 31 October 2002	2001
Operating activities		
Net income attributable to consolidated companies	25 211	37 422
Depreciation and amortisation	42 175	25 196
Provisions	(5 080)	(1 310)
Change in deferred tax	2 793	775
Gain on sale of fixed assets	(4 314)	37
SELF-FINANCING CAPACITY	60 786	62 120
Change in working capital requirements	3 845	8 000
NET CASH INFLOW FROM OPERATING ACTIVITIES	64 630	70 120
Investment activities		
Purchase of intangible and tangible fixed assets	(28 819)	(40 234)
Purchase of financial investments	(5 923)	(12 716)
Liabilities payable to suppliers of fixed assets*	(5 524)	(2 268)
Disposal of fixed assets	3 486	675
Impact of change in Group structure and others	(326 642)	(450)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(363 422)	(54 993)
Financing activities		
Change in borrowings	312 382	7 713
Capitalised expenses	(1 488)	(101)
Dividends paid	(7 631)	(11 859)
NET CASH INFLOW FROM FINANCING ACTIVITIES	303 263	(4 247)
Impact of currency fluctuations	(57)	(117)
Increase (decrease) in bank balances and cash	**4 413**	**10 763**
Opening cash position	44 813	34 050
Closing cash position	49 226	44 813

Consolidated change in operating working capital requirements

€ '000	Years ended 31 October 2002	2001
ASSETS		
Trade receivables	(543)	2 380
Inventories and semi-finished goods	(182)	(306)
Other receivables	6 885	(3 094)
Prepaid expenses	598	(162)
Advances and downpayments	271	402
Subtotal	**7 028**	**(780)**
LIABILITIES		
Trade payables	(843)	(808)
Tax and social security liabilities	(1 790)	10 452
Other operating liabilities	(1 154)	(1 089)
Advances and downpayments	603	225
Subtotal	**(3 183)**	**8 780**
CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS	**3 845**	**8 000**

Changes in consolidated shareholders' equity Group share and minority interests

€ '000	Share capital	Share premium	Translation reserve	Consolidated Group reserves	Consolidated Group income	Shareholders' equity Group	Minority interests
Position at 31 October 2000	**85 412**	**9 411**	**(94)**	**38 755**	**28 842**	**162 326**	**12 931**
Translation adjustment	-	-	175	-	-	175	-
Distribution of GP SA dividends	-	-	-	(10 324)	-	(10 324)	-
Distribution of subsidiaries' dividends	-	-	-	-	-	-	(1 534)
Change in the scope of consolidation	-	-	-	-	-	-	-
Other movements	783	-	-	(592)	-	190	(575)
Appropriation of 2000 earnings	-	-	-	28 842	(28 842)	-	-
Net income for 2001 fiscal year	-	-	-	-	34 314	34 314	3 108
Position at 31 October 2001	**86 195**	**9 411**	**81**	**56 681**	**34 314**	**186 682**	**13 931**
Translation adjustment	-	-	41	-	-	41	8
Distribution of GP SA dividends	-	-	-	(4 923)	-	(4 923)	-
Distribution of subsidiaries' dividends	-	-	-	-	-	-	(2 708)
Change in the scope of consolidation	-	-	-	-	-	-	7 891
Other movements	-	-	-	565	-	565	32
Appropriation of 2001 earnings	-	-	-	34 314	(34 314)	-	-
Net income for 2002 fiscal year	-	-	-		22 459	22 459	2 752
Position at 31 October 2002	**86 195**	**9 411**	**122**	**86 637**	**22 459**	**204 824**	**21 905**

KEY EVENTS OF THE FISCAL YEAR

The main events that occurred during the financial year were as follows:

- Purchase of the Casino de Contrexéville, together with the premises and business of three hotels based at Contrexéville, the Contrexéville thermal spa and that of Vittel.
- The successful conclusion of the public tender offer for Compagnie Européenne de Casinos, and the buy-out offer ("offre publique de retrait") immediately followed by a squeeze-out procedure ("retrait obligatoire"), following which GROUPE PARTOUCHE owns all of the company's shares.
- The shares and convertible bonds of Compagnie Européenne de Casinos were withdrawn from the Euronext Paris Second Marché on 9 October 1992.
  Groupe Partouche subscribed to a syndicated loan in order to finance this acquisition and refinance some of its subsidiaries' borrowings.
- Modification of levies on gaming revenue commencing 1 May 2002. This had the impact of limiting the slide to 15% of the real GGR of slot machines and leads to an increased tax burden.
- Transfer of the Cannes casino to the Palm Beach, in August 2002, which means that a certain number of activities may be developed in this new environment.

ACCOUNTING PRINCIPLES AND POLICIES

Statutory and regulatory framework

The Group's consolidated financial statements comply with French GAAP (generally accepted accounting principles), as defined by the Comité de la Réglementation Comptable, CRC 99-02.

The financial statements of foreign companies which comply with the regulations in force in their respective countries are restated to comply with the Group's accounting policies.

Consolidation methods

All subsidiaries over which the Group exercises directly or indirectly exclusive control are fully consolidated.

Those companies over which the Group exercises joint control with other partners are consolidated by the proportional method. This method is applied to SA Casino de Grasse and SC Casino de Grasse

Changes in presentation and accounting policies

The Group made the following changes in presentation and accounting policies:

Employee profit sharing:

Employee profit sharing is classified as from 31 October 2002, under period operating expenses in accordance with CRC Regulation 99-02, whereas it was previously presented at the foot of the income statement until 31 October 2001.

Deferred tax – liabilities:

Commencing in fiscal year 2001–02, deferred tax liabilities are classified under operating liabilities, whereas they had been previously recognised as provisions until 31 October 2001.

With regard to employee profit sharing and deferred tax liabilities, the balance sheets and income statements for the years ended 31 October 2001 and 2000 were presented in the same manner as for the year ended 31 October 2002 in order to facilitate comparability.

Capital lease contracts:

Commencing in fiscal year 2001–02, property capital lease contracts which had a significant impact on the consolidated balance sheet were restated pursuant to CRC Regulation 99-02 (cf. note on accounting policies). Capital lease contracts existing at the beginning of the fiscal year which only concerned movable property were not restated given their insignificant amount at 31 October 2002 as a proportion of "Other tangible fixed assets" (gross value of €1.307 million and accumulated depreciation of €0,578 million) and on consolidated net worth (€ 0.232 million).

Foreign currency translation methods

1. Foreign companies' financial statements

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

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

2. Translation of foreign currency transactions

Receivables and payables expressed in foreign currencies are translated on the basis of the exchange rate prevailing at 31 October 2002. Income, expenses and transaction flows are translated on the basis of the exchange rate prevailing at the date they were posted. The gains and losses resulting from the translation of the assets and liabilities are listed in the income statement, as provided by the preferential method of Regulation 99-02.

Intangible assets

1. Goodwill on acquisition

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

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

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

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

When the above criteria are not met, due to failure in obtaining licences to operate slot machines or, if their earning capacity proves to be lower than the initial forecast over a period of three consecutive years following the granting of said licences, the Groupe Partouche undertakes to review its position regarding the remaining amortisation period for said goodwill.

2. Internally generated goodwill

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

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

3. Other intangible assets

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

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

Tangible fixed assets

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

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

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

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

Long-term investments

Long-term investments are recognised in the balance sheet at acquisition cost net of any transaction-related expenses, or at contribution value.

When their fair value falls below gross value, a provision for impairment is recognised for the difference. The fair value of the investments is based on their value-in-use or market value. This value may be determined by:

- calculating the net asset value based on the subsidiaries' latest annual financial statements, adjusted for any unrealised capital gains (internally generated goodwill, buildings, deferred tax, etc.),
- forward-looking data such as profitability prospects,
- stock market prices.

Inventories

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

Receivables

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

Marketable securities

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

Deferred tax

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

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

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

Contingency and loss provisions

Contingency and loss provision mainly comprise:

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

Capital leases

Property leases

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

Other capital leases

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

Retirement benefit commitments

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

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

The Group did not use its option of recognising these commitments as provisions in the consolidated financial statements for the year ended 31 October 2002. Within the Group, retirement benefit commitments are entirely contracted in France and relate solely to retirement bonuses. The amount of the commitments related to these contracts is disclosed under off balance sheet commitments given.

Retirement benefit commitments relating to companies that joined the Group's consolidation scope since the application of CRC Regulation 99-02 are subject to a provision for losses based on an assessment of the fair value of the assets and liabilities of the companies in question at their date of acquisition. The provisions are not updated at the fiscal year-end. Any valuation difference is recognised under off balance sheet commitments given.

Specific observations concerning accounting standards

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

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

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

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

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

Distinction between ordinary income and extraordinary income

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

SEGMENTAL INFORMATION

Segmental information

€ million	Years ended 31 October 2002	2001	2000
Turnover			
Games	270,2	209,2	186,5
Restaurants	46,3	38,2	31,5
Hotels	29,2	25,6	22
Other	26,2	17,5	18,8
Consolidated total	**371,9**	**290,5**	**258,8**

€ million	Years ended 31 October 2002	2001	Years ended 1st October 2000
Turnover			
France	353,6	277,6	245,1
Europe (excluding France)	14,3	7,8	8,8
Other	4	5,1	4,9
Consolidated total	**371,9**	**290,5**	**258,8**

NOTES TO THE BALANCE SHEET

Note 1 – Intangible assets

Changes in gross values

€ '000	at 31 October 2001*	Newly acquired companies	Increase	Decrease	at 31 October 2002
Internally generated goodwill	8 264	2 089	26	-	10 379
Goodwill on acquisition	100 617	-	334 874	-	435 491
Other	6 168	2 439	1 834	1 846	8 595
Total	**115 049**	**4 528**	**336 734**	**1 846**	**454 465**

Amortisation

€ '000	at 31 October 2001*	Newly acquired companies	Increase	Decrease	at 31 October 2002
Internally generated goodwill	2 556	8	462	-	3 026
Goodwill on acquisition	28 054	-	13 815	-	41 869
Other	3 472	1 684	1 225	303	6 078
Total	**34 082**	**1 692**	**15 502**	**303**	**50 973**

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

Net values

€ '000	Years ended 31 October 2001	2002
Internally generated goodwill	5 708	7 353
Goodwill on acquisition	72 562	393 621
Other	2 703	2 517
Total	**80 973**	**403 492**

Note 2 – Goodwill on acquisition

Summary of goodwill on acquisition

€ '000	Goodwill on acquisition Gross	Amortisation	31 October 2002 Net	31 October 2001 Net
Holding companies				
GROUPE PARTOUCHE SA	378 090	23 158	354 932	38 181
FORGES THERMAL	231	173	58	63
ÉLYSÉE PALACE EXPANSION	2 904	1 143	1 761	1 906
SFC	7 833	1 043	6 790	7 182
SIHCT	542	81	461	488
SCI THERMES	865	111	754	798
SEMCG	942	118	824	871
GROUPE PARTOUCHE INTERNATIONAL	8 141	2 266	5 875	6 282
SIKB	119	48	71	77
SATHEL	18 382	8 063	10 319	11 260
SEK	8 705	4 778	3 927	4 405
AIX THERMAL	1 676	710	966	1 049
CEC	7 060	177	6 883	-
Consolidated total	**435 490**	**41 869**	**393 621**	**72 562**

Breakdown of changes

€ '000	
Net value 2001	**72 562**
Increase	
GP	
Acquisition of CEC Group	322 283
Acquisition of Contrexéville business unit	5 649
Acquisition of Hôtel SAVOY	6 670
Acquisition of an additional stake in SFC	272
Amortisation charge	(13 815)
Net value 2002	**393 621**

Data used to calculate CEC goodwill on acquisition

Cost of shares:

Value of investments in associates:	247.6 M€
Other long-term investments (convertible bond* acquired):	68.8 M€
Acquisition-related expenses net of tax:	12.7 M€

Revalued Assets and Liabilities:

Revalued Assets and Liabilities taken into account in the net worth of CEC Group at 1 May 2002: (amount net of tax)

Revaluation of fixed assets:	29.1 M€
Quiberon investment securities*:	5 M€
Bond*:	45.9 M€
Provision for restructuring:	915 K€
Provision for retirement benefits:	272 K€

*Please note:

- The Group intends to convert the bonds that it has acquired into shares during fiscal year 2002–03. The value of these bonds will then be definitively added to the value of the shares acquired.
- Société du Casino de Quiberon, a CEC subsidiary, was not consolidated as it was sold in June 2002. The shares have been revalued in CEC's net assets in order to neutralise the capital gain on the sale.

Methods of allocating goodwill on acquisition:

Goodwill on acquisition has been allocated between CEC casino companies in proportion to their gross gaming revenue.

Note 3 – Tangible fixed assets

Change in gross values

€ '000	at 31 October	Newly acquired companies	Increase	Decrease	at 31 October
	2001*				**2002**
Land	12 709	6 913	602	85	20 138
Buildings	191 673	118723	8 302	1 763	316 935
Machinery and equipment	72 931	28 714	10 929	6 182	106 393
Other	53 712	28 424	20 181	6 078	96 239
Assets under construction	8 596	605	3 113	8 706	3 607
Advances and downpayments	1 064	5	1 023	1 195	897
Total	**340 684**	**183 384**	**44 150**	**24 009**	**544 210**

Depreciation

€ '000	at 31 October	Newly acquired companies	Increase	Decrease	at 31 October
	2001*				**2002**
Land	386	832	152	1	1 369
Buildings	47 118	21 401	8 711	523	76 707
Machinery and equipment	45 352	18 707	11 527	4 771	70 815
Other	24 247	14 731	8 270	4 682	42 566
Total	**117 103**	**55 671**	**28 661**	**9 977**	**191 458**

Net book values

€ '000	Years ended 31 October	
	2001	**2002**
Land	12 322	18 769
Buildings	144 555	240 228
Machinery and equipment	27 579	35 578
Other	29 465	53 673
Assets under construction	8 596	3 607
Advances and downpayments	1 064	897
Total	**223 581**	**352 752**

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

"Other" tangible fixed assets break down as follows at 31 October 2002:

€ '000	Gross values	Depreciation
Technical and office equipment	15 020	9 441
Vehicles	2 209	1 443
Other	79 011	31 682
Total	**96 239**	**42 566**

Comments:

Buildings

- The amount of fixed assets resulting from the restatement of capital leases has an impact of 8.6 € million on buildings of newly acquired companies.
- The increase in buildings includes variances of 2.9 € million and 1 € million for Sociétés SCI Foncière de Vittel et Contrexéville and the Aix-en-Provence casino.

Technical equipment

Variations in this item are spread over all consolidated entities.

Other tangible fixed assets

Changes in this item are mainly attributable to the refurbishment work at the Palm Beach (10.1 € million).

Note 4 – Non-consolidated investments in associates

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

€ '000	Gross amounts	Provisions	Net amounts	Percentage owned	Shareholders' equity at 31/10/02 excluding net income	Net income for the year ended 31/10/2002	Loss and advances	Guarantees and sureties	Turnover for the year ended 31/10/02	Reason for non-consolidation
Companies										
SA CASINO ALVIGNAC	129	-	129	99,68 %	(9)	(63)	583		-	Dormant
SA CASINO MORSBRONN	75	75	0	99,72 %	(84)	(8)	92	-	-	Dormant
SA CASINO TRINITÉ	76	-	76	99,84 %	(74)	(124)	-	-	-	Dormant
SOCIÉTÉ FERMIÈRE DU CASINO MUNICIPAL DE CANNES (10/2001 figures)	35 308	-	35 308	15,76 %	40 123	(10 768)	-	-	32 274	Less than 20% owned
CASINO du HAVRE	150	-	150	100,00 %	-	-	-	-	-	Dormant or insignificant ownership
KERMESSE WAGRAM	913	913	0	99,83 %	(208)	(3)	-	-	-	Dormant or insignificant ownership
LAJET	545	545	0	99,60 %	-	-	-	-	-	In liquidation
CASINO DE BUDAPEST	200	200	0	100,00 %	(412)	-	2 051	-	-	Dormant or insignificant ownership
CASINO DE BOURBON LANCY	38	38	0	99.72 %	(65)	8	204	-	-	Dormant or insignificant ownership
CASINO DE LA TESTE DE BUCH	30	30	0	77,76 %	(92)	(73)	678	-	-	Dormant or insignificant ownership
BOURBONNAISE DE CASINO	38	38	0	99.72 %	24	(2)	-	-	-	Dormant or insignificant ownership
COMPAGNIE DES CASINOS HOLDING	321	0	321	99,60 %	(17)	(354)	273	-	-	Dormant or insignificant ownership
CASINO DE SAINT CAST LE GUILDO	38	38	0	99.76 %	(32)	(55)	55	-	-	Dormant or insignificant ownership
VISTALEASING	6 026	0	6 026	100,00 %	(3 926)	-	-	-	-	Proximity of balance sheet date
CASINO REAL ESTATE	149	149	0	100,00 %	(1 339)	(5)	-	-	-	In liquidation
CASINO RÉGIONAL DE BRUXELLES	74	74	0	100,00 %	(137)	(3)	-	-	-	Dormant or insignificant ownership
DYN SA	668	522	146	-	183	16	-	-	25	Dormant or insignificant ownership
SA EXPLOITATION CASINO DE SAXON	33	0	33	5,00 %	-	(153)	-	-	-	Dormant or insignificant ownership
SCI LES SOURCES DES BAINS	809	424	385	-	124	1	-	-	9	Dormant or insignificant ownership
OTHER	995	389	606	-	-	-	-	-	-	Dormant or insignificant ownership
TOTAL	**46 615**	**3 435**	**43 180**							

The stock market price of SFCMC shares on 31 October 2002 was € 380.
Vistaleasing will be consolidated commencing 1 November 2002.

Note 5 – Loans

Loans fall due as follows:

€ '000	TOTAL	- 1 yr	1 to 5 yrs	+ 5 yrs
Gross	1 446	191	861	394
Provision	258	-	-	-
Net	**1 188**			

The loan provision is mainly for the Aix-en-Provence casino €234.7 million.

Note 6 – Inventories

€ '000	Years ended 31 October	
	2001	**2002**
Gross	2 900	7 234
Provision	0	7
Net	**2 900**	**7 227**

Newly acquired companies contribute €4.4 million in increases in inventories.

Note 7 – Trade receivables

€ '000	Years ended 31 October		- 1 yr	1 to 5 yrs	+ 5 yrs
	2001	**2002**			
Gross	12 783	16 821	14 617	2 204	-
Provision	(4 642)	(6 993)	(6 993)	-	-
Net	**8 141**	**9 828**	**7 624**	**2 204**	**-**

Newly acquired companies impact the "Gross" and "Provision" figures by €2.8 million and €1.1 million respectively.
Trade receivables of the Carlton casino represent €5.167 million of the gross total of this line item.

The provision for impairment of trade receivables essentially covers cheques or credit card payments made by casino patrons that are not honoured, representing €6.090 million for casino games and including €2.677 million recorded at the Carlton.

Note 8 – Other receivables

€ '000	Years ended 31 October 2001	2002
Corporate Income Tax	1361	19104
VAT	13242	8724
Other taxes	1337	2133
Debit balances on supplier accounts	1018	-
Employee advances and downpayments	191	338
Social benefits	425	201
Sundry receivables	18485	35355
Gross total	**36059**	**65855**
Provision	(7066)	(14575)
Net total	**28993**	**51280**

Breakdown	- 1 yr	1 to 5 yrs	+ 5 yrs
Net	**51280**	**-**	**-**

The increase in the gross total mainly results from the following:
– increases: :
- the addition of newly acquired subsidiaries of €18.313 million including a big impact on "Sundry receivables" of €13.693 million,
- the tax receivable of the Groupe Partouche SA tax consolidation group which contributes €14.690 million to the change in Corporate Income Tax,

– decreases, due to:
- the reimbursement of a VAT receivable in respect of Aix-en-Provence: €4.9 million.

The provision for impairment of other receivables chiefly comprises €5.3 million in respect of SOGEA's provision for the HIL receivable and€ 4.7 million recognised in the books of CEC, of which €2 million relates to the Budapest current account.

Note 9 – Cash and cash equivalents

€ '000	Years ended 31 October 2002
Listed securities	1
SICAV-type mutual fund units	1241
FCP-type mutual fund units	1432
Certificates of deposit	425
Unlisted shares and share equivalents	295
Treasury shares*	169
Accrued interest on marketable securities	2
Provision for impairment	(7)
Marketable securities (net)	**3557**
Positive cash balances	**46698**
Negative cash balances	**50255**

** Stock market price at 31 October 2002: €66.6.*

Note 10 – Prepaid expenses

€ '000	Years ended 31 October 2001	2002
Net amount	**5929**	**7297**

The components of this accounting heading are essentially related to operations. We note in particular the commune licence fee payable in respect of the Cabourg casino of €1.4 million.

Note 11 – Breakdown of change in shareholders' equity and minority interests

11.1 Composition of the share capital

At 31 October 2002, the issued share capital was €86,194,836 divided into 6,156,774 fully-paid shares with a nominal value of €14 each. The shares are either classified as nominative or bearer shares at the choice of the shareholder. In accordance with the Articles of Association, each registered share grants the right to a single voting right.

11.2 Shareholders' equity – Group share

Please see the synoptic table at the beginning of the section dealing with the consolidated financial statements..

11.3 Change in minority interests

Minority interests totalled €21.905 million at 31 October 2002 compared with €13.931 million at 31 October 2001.
This movement is primarily attributable to changes in the scope of consolidation of €7.923 million, with the following main components:
• full consolidation of CEC Group: €7.508 million,
• change in the scope of consolidation relating to the purchase of securities from SFC minority shareholders: €0.382 million,
• the impact of other changes in group structure: €33 thousand.
Net income attributable to minority interests comes to €2.752 million, with the corresponding share of the dividend payout being €2.708 million.
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Note 12 – Contingency and loss provisions

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

Provision for contingencies

€ '000	Years ended 31 October 2001	2002
Tax and social security re-assessments	573	303
Employee arbitration	939	2616
Other provisions for contingencies	651	2323
Total	**2163**	**5242**

Changes in the employee arbitration account heading mainly comprise €1.014 million in respect of Compagnie Européenne de Casinos . The provision for legal claims recognised in the accounts of Holding European Gaming Casino in the amount of €3.970 million relating to the GJ Diffusion claim, was reversed on consolidation in the second half of the fiscal year in light of our assessment of the unjustified nature of this claim in respect of which criminal proceedings are pending.

Changes in other provisions for contingencies are due mainly to the addition of CEC Group to the scope of consolidation, which represent €1.1 million of the balance.

Provision for losses

€ '000	Years ended 31 October 2001	2002
Jackpots	231	483
Retirement benefit provisions	-	282
Tax and social security re-assessments	1094	3420
Employee arbitration	90	
Other provisions for losses	264	525
Total	**1679**	**4710**

Tax re-assessments of €2.311 million represent the lion's share of tax and social security re-assessments which increased by €2.326 million during the fiscal year. We should note the impact of additions to the Group scope of consolidation, particularly €1.179 million for the Saxon-les-Bains casino and €0.900 million for SCI Leriche Rostagne.

Provisions for losses relating to tax re-assessments made in respect of Groupe Partouche SA and Saint-Amand total €0.407 million and €0.298 million, respectively.

Provisions for retirement benefits relate to the recognition of retirement indemnity payments relating to acquired companies pursuant to CRC Regulation 99-02.

Note 13 – Borrowings

Bank borrowings

€ '000	Years ended 31 October 2001	2002	-1 yr	1 to 5 yrs	+ 5 yrs
Bank loans	130986	520019	59148	313629	147242
Accrued interest on borrowings	206	327	327		
Restated capital lease	-	5969	589	2958	2432
Bank overdrafts	1563	702	702		
Total	**132755**	**527017**	**60766**	**316587**	**149674**

In connection with the acquisition of Compagnie Européenne de Casinos, Groupe Partouche used a syndicated loan facility to finance the acquisition of the company and to restructure a portion of the existing debt of both Groupe Partouche and CEC. This loan now represents the lion's share of the Group's total bank borrowings, and has the following characteristics:
Initial principal amount: €463,497,953.25.
Principal due at the end of the fiscal year: €444,822,971.84.
Term of the loan: 7 years.
Rate: variable rate based on 3-month Euribor, with a progressively increasing margin (25 basis points for years 4 and 5, and 25 additional basis points for years 6 and 7).
Guaranties:
• pledging of 3,835,500 Groupe Partouche shares held by Financière Partouche,
• pledging of 51% of the shares of Compagnie Européenne de Casinos held by Groupe Partouche,
• compliance with financial ratios relating to the Group's profitability, financial structure and investments.

Other loans

€ '000	Years ending 31 October		- 1 yr	1 to 5 yrs	+ 5 yrs
	2001	2002			
Other borrowings		9 247	1 285	7	7 955
Employee profit-sharing	6 010	6 390	529	5 861	
Deposits and guarantees	615	693	500	20	173
Liabilities on shareholdings	1 341	1 002	43	960	
Total	**7 966**	**17 333**	**2 357**	**6 848**	**8 128**

Breakdown by interest rate at the year-end

€ million, excluding accrued interest	Fiscal years ended 31 October	
	2001	2002
Fixed rate financial debt	47,90	27,42
Variable rate financial debt	83,08	492,60
Financial debt at year-end	**130,98**	**520,02**
Average interest rate – fixed –	6,03 %	5,70 %
Average interest rate – variable –	4,74 %	5,66 %
Average interest rate at the year-end	**5,21 %**	**5,66 %**

At the fiscal year-end, the outstanding principal of variable-rate loans represented 95% of total borrowings. We have therefore hedging a portion of the interest-rate fluctuation risk that this implies.

Two contracts for exchanging variable rate into fixed rate loans (5.275% and 5.145%) cover the total amount of the debt for an amount of €10.526 million at the balance sheet date. Various zero-premium collars were subscribed to hedge at least 50% of the syndicated loan for a period of three years and to limit the potential impact of a rise in the reference interest rate (3-month Euribor) to a maximum of 5.25%. The total amount of syndicated loan principal in respect of which hedging has been obtained comes to €229 million at 31 October 2002, an amount which will gradually decrease as the capital is repaid.

Off balance sheet financial commitments

Commitments given

€ '000	Years ended 31 October		- 1 yr	1 to 5 yrs	+ 5 yrs
	2001	2002			
Guarantees	12 227	11 588	9 097	2 491	
Secured bank loans	72 031	490 903	51 980	293 768	145 155
Pledges	347	1 753	1 753		
Total	**84 605**	**504 244**	**62 830**	**296 259**	**145 155**

Commitments received

€ '000	Years ended 31 October		- 1 yr	1 to 5 yrs	+ 5 yrs
	2001	2002			
Guarantees	37	93	91	2	
Total	**37**	**93**	**91**	**2**	

Note 14 – Tax and social security liabilities

€ '000	Years ended 31 October	
	2001	2002
Personnel costs	3 441	4 029
Employee profit sharing	4 732	7 572
Social security	5 372	7 931
Accrued vacation	6 779	11 948
Gaming levies		
Other tax	28 145	45 000
Corporate income tax	3 662	713
VAT	6 349	3 072
Total	**58 482**	**80 265**

The movement in this account heading is mainly due to:
- the rise due to the addition of new subsidiaries to the scope of consolidation of €25.7 million,
- the decrease on a like-for-like basis of the accounts of €4 million.

Note 15 – Liabilities in respect of fixed assets

€ '000	Years ended 31 October	
	2001	2002
Liabilities in respect of fixed assets	13 823	11 334

Note 16 – Other liabilities

€ '000	Years ended 31 October	
	2001	2002
Current accounts of associates	2 893	3 799
Other	7 620	10 553
Total	**10 513**	**14 352**

"Other" mainly comprises deferred charges and sundry operating liabilities of €7.004 million and €3.410 million, respectively, allocated between all of the Group's companies.

Note 17 – Deferred tax assets and liabilities

In relation to the recognition of the bases used for the computation of deferred tax assets, we should note the temporary recognition of deferred tax assets of newly acquired Group companies.

€ '000	Years ended 31 October	
	2001	2002
Deferred tax asset	**2 903**	**1 940**
Deferred tax liability	**1 082**	**15 047**

The impact of newly acquired companies on deferred tax assets and liabilities is €0.739 million and €14.048 million, respectively.

Tax losses and depreciation to be deferred

Since no deferred taxes were accounted for the tax losses and depreciation to be deferred reached:

€ '000	Years ended 31 October
	2002
Tax losses	**97 832**
Depreciation treated as deferred	**20 906**

Note 18 – Commitments

Capital lease commitments

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

€ '000	Years ended 31 October
	2002
Other tangible fixed assets	958
Gross value	**958**
Depreciation charge for the year	175
Accumulated depreciation carried forward	317
Accumulated theoretical depreciation	**492**
Net value	**466**

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

€ '000	Years ended 31 October
	2002
Less than one year	149
One to five years	106
More than five years	-
Lease payments outstanding	**255**
Residual purchase price	18
Subtotal	273
Of which interest	23
Liabilities in respect of capital leases	**250**

Restating capital leases on current assets would have had an impact on consolidated net worth of €0.157 million and €57 thousand on consolidated net income.

Retirement benefit commitments

As provided by the regulations and law of each country, the Group's companies have mandatory commitments in respect of retirement bonuses.
These commitments have been subject to an actuarial valuation using the prospective method. The entire amount of the expense corresponding to the rights acquired by employees is determined on the basis of agreements in place at each company. This valuation takes into account probabilities that employees will remain in Group employment until retirement, mortality rates based on gender, expected change in salary levels and financial discounting. An individual set of assumptions is applied by each subsidiary. A 5.5% discount rate is applied.
The Group did not use its option of recognising these commitments as provisions in the consolidated financial statements for the year ended 31 October 2002. Within the Group, retirement benefit commitments are entirely contracted in France and relate solely to retirement bonuses. The amount of the commitments at 31 October 2002 is €0.783 million.

Note 19 – Average workforce at 31 October

	at 31 October	
	2002	**2001**
Executive staff	465	296
Non-executive staff	4872	3361
Total average workforce	**5337**	**3657**

A total of 579 employees work outside France and 2,292 work in the gaming segment.
Newly acquired companies represent a total average workforce of 1,607.

Note 20 – Directors' remuneration

Total compensation (including benefits in kind) granted to members of the Executive Board and Supervisory Board of Groupe Partouche SA in respect of services rendered in fiscal year 2001–02 for controlled entities, amounts to €1.070 million.

NOTES TO THE INCOME STATEMENT (€'000)

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

€ '000	Years ended 31 October	
	2001	**2002**
Reversals of depreciation and provisions	2080	2691
Expense transfers	3339	7118
Total	**5419**	**9809**

Newly acquired companies had an impact on Depreciation, amortisation and provision reversals and Expense transfers of €1.5 million and €3.3 million respectively.

Note 3 – Personnel costs

€ '000	Years ended 31 October	
	2001	**2002**
Wages and salaries	65210	93204
Social security costs	26346	36013
Employee profit sharing*	4361	5901
Total	**95917**	**135118**

**Commencing this fiscal year, Employee profit sharing is now treated as an operating expense under personnel costs.*
In the 2001 annual report Employee profit sharing was presented under a distinct category at the foot of the income statement.
Newly acquired companies contribute €29.6 million to the increase in this account heading.

Note 2 – Other purchases and external expenses

€ '000	Years ended 31 October	
	2001	**2002**
Raw materials	9096	12599
lease payments on current assets	385	348
lease payments on fixed assets*	182	110
Fixed assets leases	6737	8366
Current assets leases	1803	2642
Maintenance	5305	8842
Insurance premiums	1304	2084
External staff	1901	2098
Professional fees	6846	10841
Advertising	12110	16310
Entertainment	1910	2163
Post and telecoms	1364	1997
Banking fees	2064	2917
Other	7705	9838
Total	**58712**	**81155**

Comments:
Movements in this account heading are chiefly attributable to the rise in expenses on the consolidation of newly acquired companies: €17.8 million.

Note 4 – Financial items

€ '000		**2002**	
	Expense	Income	Total
Income from marketable securities		17	
Other interest income (1)		1321	
Provision reversals		31	
Positive exchange differences		564	
Net gain on the sale of marketable securities (2)		671	
Transfer of expenses		13	
TOTAL FINANCIAL INCOME		**2617**	
Amortisation and provisions in respect of financial items	28		
Interest and equivalent expenses (3)	23809		
Negative foreign exchange differences	1186		
Net expenses on the sale of marketable securities	17		
TOTAL FINANCE COSTS	**25040**		
FINANCIAL ITEMS			**(22423)**

Comments:
(1) Other interest income relates to revenue generated by receivables apportioned over all consolidated companies.
(2) €0.343 million of which relates to the capital gains generated by Groupe Partouche SA from FCP and SICAV-type money market mutual funds.
(3) This account comprises the interest expense on Group borrowings, including €18.372 million in interest on borrowings recognised in the accounts of Groupe Partouche SA.

Note 5 – Exceptional items

€ '000		**2002**	
	Expense	Income	Total
Exceptional income on management transactions			**3530**
Other (1)		3530	
Exceptional income on capital transactions			**5466**
Asset disposals		3524	
Subsidies		1506	
Other income on capital transactions		436	
Provision reversals and expense transfers			**7787**
Provision reversals (2)		7787	
TOTAL EXCEPTIONAL INCOME			**16783**
Exceptional expenses on management transactions			**6854**
Fines, tax and social security re-assessments	2090		
Other expenses on management transactions	4764		
Exceptional expenses on capital transactions			**3864**
Exceptional depreciation, amortisation and provision charges			**1680**
Provisions for tax and social security claims	1098		
Other provision charges	582		
TOTAL EXCEPTIONAL EXPENSES			**12397**
EXCEPTIONAL ITEMS			**4386**

Comments:
(1) Of which €1.752 million is attributable to newly acquired subsidiaries.
(2) Of which €3.970 million relates to a reversal of the provision allocated for the GJ Diffusion claim

Note 6 – Corporate income tax and deferred tax

Analysis of the tax expense

€ '000	2002	2001
Income before tax	**64 813**	**71 261**
Current tax	22 995	27 926
Deferred tax	2 793	775
Total tax expense	**25 788**	**28 701**
Effective tax rate	39,79 %	40,28 %

Tax proof

€ '000	Years ended 31 October
	2002
Income from ordinary operations (including employee profit sharing)	60 427
Exceptional items	4 386
Amortisation of goodwill on acquisition	(13 815)
Income before tax	**50 998**
Total consolidation adjustments	**75 286**
Losses	**42 710**
Income taxable at the current rate of corporate income tax	**168 994**
French corporate income tax rate	35,33 %
Tax charge based on current corporate income tax rate (theoretical)	**(59 711)**
Temporary timing differences	412
Permanent differences	31907
Adjustments with no tax impact	1 905
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	1 016
Utilisation of tax losses carried forward and depreciation treated as deferred (ARD)	1 666
Tax credit and other	(3 395)
Impact of tax variation	414
Group tax charge	**(25 788)**
Consolidated net income before tax and the amortisation of goodwill on acquisition	**64 813**
Reconstituted Group tax rate	39,79 %

In France, Groupe Partouche has set up five tax consolidation groups with the following subconsolidation group heads: Groupe Partouche SA (17 Companies), Européenne de Casinos (16 Companies), Société Française de Casinos (13 Companies), SEMCG (4 Companies), Hôtel International de Lyon (2 Companies).

Breakdown of corporate income tax

€ '000	2001			2002		
	Before tax	Tax	After Tax	Before Tax	Tax	After Tax
Income from ordinary operations	71 220	(28 104)	43 116	60 427	(25 578)	34 849
Exceptional items	41	(124)	(83)	4 386	515	4 901
Amortisation of goodwill on acquisition	(5 137)	-	(5 137)	(13 815)	-	(5 137)
Deferred tax	-	(775)	(775)	-	(2 793)	(2 793)
Tax credits	-	302	302	-	2 068	2 068
Total	**66 123**	**(28 701)**	**37 422**	**50 998**	**(25 787)**	**25 211**

Note 1 – List of consolidated entities

The following companies are consolidated by GROUPE PARTOUCHE SA:

COMPANY NAME	HEADQUARTERS	PERCENTAGE		CONSOLIDATION
		CONTROL	INTEREST	METHOD
GROUPE PARTOUCHE CASINOS				
SA CASINO DE SAINT-AMAND	FRANCE	99,99	99,99	FC
SA GRAND CASINO DE CABOURG	FRANCE	99,95	99,95	FC
SA CASINO DU GRAND CAFÉ	FRANCE	61,95	61,83	FC
SA GRAND CASINO DE BEAULIEU	FRANCE	99,90	99,90	FC
SA FORGES THERMAL	FRANCE	58,75	58,75	FC
SA CASINO & BAINS DE MER DE DIEPPE	FRANCE	97,58	97,58	FC
SA JEAN METZ	FRANCE	99,20	99,20	FC
SA LE TOUQUET'S	FRANCE	90,05	90,05	FC
SA CASINOS DU TOUQUET	FRANCE	96,53	96,53	FC
SA CASINOS DE VICHY	FRANCE	99,92	91,67	FC
SA NUMA	FRANCE	98,60	98,60	FC
SA ECK	BELGIUM	100,00	99,90	FC
SA CASINO LE MIRAGE	MOROCCO	99,70	55,39	FC
SA LE GRAND CASINO DE DJERBA	TUNISIA	85,00	84,91	FC
CASINO NUEVO DE SAN ROQUE	SPAIN	75,00	74,93	FC
SA SATHEL	FRANCE	99,80	99,80	FC
SA CASINO MUNICIPAL DE ROYAT	FRANCE	98,00	97,81	FC
SA CASINO LE LION BLANC	FRANCE	99,79	99,59	FC
SA EDEN BEACH CASINO	FRANCE	99,74	99,55	FC
SA CASINO MUNICIPAL D'AIX THERMAL	FRANCE	99,45	99,33	FC
SA CASINO LES FLOTS BLEUS	FRANCE	99,96	99,29	FC
SA CASINO DE PALAVAS	FRANCE	99,97	99,79	FC
SA CASINO DE GRASSE	FRANCE	49,96	49,70	PC
SA GRAND CASINO DE LYON	FRANCE	99,98	93,98	FC
SA LCL France & Cie (CASINO CARLTON)	FRANCE	100,00	99,97	FC
SA PHOEBUS CASINO GRUISSAN	FRANCE	99,89	55,49	FC
SA CASINO MONTDORE	FRANCE	99,70	55,39	FC
SA CASINO BOURBOULE	FRANCE	99,72	55,40	FC
CASINO DE CONTREXÉVILLE	FRANCE	100,00	100,00	FC
SA CASINO CHÂTELGUYON	FRANCE	99,78	55,43	FC
GROUPE PARTOUCHE HOTELS				
SA ÉLYSÉE PALACE HÔTEL	FRANCE	99,80	91,55	FC
SA HÔTEL INTERNATIONAL DE LYON	FRANCE	94,00	94,00	FC
SNC GARDEN BEACH HÔTEL	FRANCE	100,00	99,55	FC
SNC EGH - LA PART DIEU	FRANCE	100,00	99,80	FC
SNC HÔTEL DU GOLF	FRANCE	100,00	99,80	FC
SARL AQUABELLA	FRANCE	99,80	99,80	FC
HÔTEL CASINO PHOEBUS	FRANCE	99,99	55,49	FC
IMMOBILIÈRE CANNOSTA SAVOY*	FRANCE	99,97	99,97	FC
HÔTEL COSMOS*	FRANCE	100,00	100,00	FC
SPLENDID HÔTEL	FRANCE	100,00	33,99	FC

COMPANY NAME	HEADQUARTERS	PERCENTAGE		CONSOLIDATION
		CONTROL	INTEREST	METHOD
OTHER GROUPE PARTOUCHE COMPANIES				
SA CANNES BALNÉAIRES (PALM BEACH)	FRANCE	99,97	99,97	FC
SA CHM	FRANCE	93,31	86,20	FC
SARL SOCIÉTÉ IMMOBILIÈRE DE LA TOUR	FRANCE	98,00	98,00	FC
SA BARATEM	FRANCE	99,72	96,26	FC
SA HOLDING GARDEN PINÈDE	FRANCE	100,00	100,00	FC
SCI HÔTEL GARDEN PINÈDE	FRANCE	100,00	100,00	FC
SCI RUE ROYALE	FRANCE	99,99	99,99	FC
ÉLYSÉE PALACE EXPANSION	FRANCE	99,84	91,59	FC
ÉLYSÉE PALACE SA	FRANCE	99,97	91,57	FC
SA GROUPE PARTOUCHE BELGIQUE	BELGIUM	99,90	99,90	FC
SA SIKB	BELGIUM	100,00	99,90	FC
SPRL CASKNO	BELGIUM	70,00	69,93	FC
SPRLARTMUSIC	BELGIUM	99,50	99,40	FC
SARL SEK	FRANCE	100,00	99,80	FC
SCI DE L'EDEN BEACH CASINO	FRANCE	100,00	99,80	FC
SCI PALAVAS INVESTISSEMENT	FRANCE	100,00	99,82	FC
SC DU CASINO DE GRASSE	FRANCE	50,00	49,74	PC
SA LYDIA	FRANCE	97,30	97,30	FC
SCI LYDIA INVESTISSEMENT	FRANCE	97,00	97,00	FC
SCI LES THERMES	FRANCE	100,00	100,00	FC
SARL THERM'PARK	FRANCE	100,00	100,00	FC
PORT LA NOUVELLE	FRANCE	99,88	55,49	FC
SA GCJB	FRANCE	98,80	54,89	FC
SARL SED	FRANCE	99,90	55,50	FC
SARL SF2D	FRANCE	99,90	55,50	FC
SA SFC	FRANCE	55,56	55,56	FC
SARL SIHCT	FRANCE	97,54	54,19	FC
SCI MONTDORE	FRANCE	99,00	53,65	FC
SCI PHOEBUS	FRANCE	99,98	54,18	FC
SCI AZT	FRANCE	99,00	54,94	FC
SA SEMCG	FRANCE	61,22	34,01	FC
SCI FONCIÈRE GRANDS HÔTELS	FRANCE	100,00	34,08	FC
Cie THERMALE	FRANCE	96,62	33,20	FC
CAFÉ CARMEN	FRANCE	99,95	55,53	FC
CBAP CENTRE BALNÉOTHÉRAPIE	FRANCE	100,00	100,00	FC
GRANDS HÔTELS DU PARC*	FRANCE	100,00	100,00	FC
ÉTABLISSEMENT THERMAL VITTEL*	FRANCE	100,00	100,00	FC
ÉTABLISSEMENT THERMAL CONTREX*	FRANCE	100,00	100,00	FC
SCI FONCIÈRE DE VITTEL ET CONTREX*	FRANCE	100,00	100,00	FC
VILLA du HAVRE	FRANCE	100,00	100,00	FC
A.D.NOR TECHNOLOGIE	FRANCE	51,00	35,66	FC

** Represents newly acquired companies entering the scope of consolidation during the fiscal year.*
(FC) Full consolidation.
(PC) Proportional consolidation.

COMPANY NAME	HEADQUARTERS	PERCENTAGE		CONSOLIDATION
		CONTROL	INTEREST	METHOD
CASINOS EUROPÉENNE DE CASINOS				
CASINO DE PORNICHET*	FRANCE	99,79	99,79	FC
CASINO DE PORNIC*	FRANCE	99,89	99,89	FC
CASINO D'ANDERNOS*	FRANCE	99,79	99,79	FC
CASINO D'ARCACHON*	FRANCE	98,80	98,80	FC
CASINO DE CAZAUBON*	FRANCE	99,65	99,65	FC
CASINO DE SALIES-DE-BÉARN*	FRANCE	99,99	99,99	FC
CASINO DE LA GRANDE-MOTTE*	FRANCE	99,81	99,80	FC
CASINO DE GRÉOUX*	FRANCE	99,99	99,99	FC
CASINO DE SAINT-NECTAIRE*	FRANCE	99,98	99,98	FC
CASINO DE EVAUX-LES-BAINS*	FRANCE	99,99	99,99	FC
CASINO DE SAINT-HONORÉ*	FRANCE	94,87	94,87	FC
CASINO DE PLOMBIÈRES*	FRANCE	99,72	99,72	FC
CASINO DE LA ROCHE-POSAY*	FRANCE	89,70	89,70	FC
CASINO DE AGON-COUTAINVILLE*	FRANCE	89,46	89,46	FC
CASINO DE HYÈRES*	FRANCE	98,80	98,80	FC
CASINO DE VAL-ANDRÉ*	FRANCE	99,55	99,55	FC
CASINO DE PLOUESCAT*	FRANCE	96,96	96,95	FC
CASINO DE BANDOL*	FRANCE	99,99	99,98	FC
CASINO DE SPA*	BELGIUM	99,97	59,98	FC
CASINO D'OSTENDE*	BELGIUM	99,98	59,99	FC
CASINO DE CHAUDFONTAINE*	BELGIUM	100,00	59,99	FC
OTHER E.D.C COMPANIES				
EUROPÉENNE DE CASINOS HOLDING*	FRANCE	100,00	100,00	FC
SCI GAFA*	FRANCE	99,00	88,80	FC
SCI AZUR BANDOL*	FRANCE	100,00	99,99	FC
SCI MIAMI*	FRANCE	70,00	69,85	FC
SCI LES MOUETTES*	FRANCE	99,00	98,89	FC
SCI LES JARRES*	FRANCE	99,99	99,99	FC
HOLDING SONECAR*	FRANCE	99,99	99,99	FC
HOLDING LUDICA*	FRANCE	99,99	99,99	FC
GIE EUROP. GESTION COMPANY*	FRANCE	100,00	100,00	FC
SCI LERICHE ROSTAGNE*	FRANCE	100,00	100,00	FC
HOLDING EUROPÉENNE GAMING COMP.*	FRANCE	100,00	100,00	FC
SARL SINOCA*	FRANCE	100,00	99,55	FC
SCI JMB*	FRANCE	100,00	99,55	FC
CASINO DE LA SEYNE-SUR-MER*	FRANCE	87,78	87,74	FC
VZW*	FRANCE	100,00	60,00	FC
CASINO VIRGINIAN DE RENO*	U.S.A	100,00	100,00	FC
HÔTEL DU PARC*	SWITZERLAND	99,83	99,83	FC
BELCASINOS*	BELGIUM	60,00	60,00	FC
SA CHAUDFONTAINE LOISIRS*	BELGIUM	100,00	59,99	FC
CASINO DE SAXON-LES-BAINS*	BELGIUM	100,00	100,00	FC

** Represents newly acquired companies entering the scope of consolidation during the fiscal year.*
(FC) Full consolidation.
(PC) Proportional consolidation.

Note 2 – Changes in ownership interests

	PERCENTAGES FY 2000–2001		PERCENTAGES FY 2001–2002	
	Control	interest	Control	interest
SARL CHM	93,29	86,18	93,31	86,20
SA LCL FRANCE & CIE (CASINO CARLTON)	100,00	100,00	100,00	99,97
SFC HOLDING	50,00	50,00	55,56	55,56
SA CASINO MONTDORE	99,70	49,85	99,70	55,39
CASINO BOURBOULE	99,72	49,86	99,72	55,40
SA CASINO CHÂTELGUYON	99,78	49,89	99,78	55,43
HÔTEL CASINO PHOEBUS	99,99	49,94	99,99	55,49
HÔTEL SPLENDID	100,00	30,59	100,00	33,99
SA GCJB	98,80	49,40	98,80	54,89
SARL SF2D	99,90	49,95	99,90	55,50
SARL SIHCT	97,54	48,77	97,54	54,19
CIE THERMALE	96,62	29,88	96,62	33,20
SA CASINO LE MIRAGE	99,73	49,87	99,70	55,39
SA PHOEBUS CASINO GRUISSAN	99,89	49,94	99,89	55,49
SARL SED	99,90	49,95	99,90	55,50
SCI MONTDORE	99,00	48,28	99,00	53,65
SCI AZT	99,00	49,45	99,00	54,94
SCI FONCIÈRE GRANDS HÔTELS	100,00	30,67	100,00	34,08
CAFÉ CARMEN	99,95	49,98	99,95	55,53
PORT-LA-NOUVELLE	99,88	49,94	99,88	55,49
SCI PHOEBUS	99,98	48,76	99,98	54,18
SA SEMCG	61,22	30,61	61,22	34,01

The percentages of control and interest of newly acquired companies entering the scope of consolidation during the fiscal year are indicated in the table of consolidated entities presented above.

Note 3 – Principal changes in the scope of consolidation

a) Additions to the scope of consolidation:

The consolidated financial statements for the fiscal year ended 31 October 2002 include the full consolidation:

- over a 12-month period of the six companies comprising the Contrexéville business unit, Société d'exploitation de l'hôtel SAVOY de Cannes,
- over a 6-month period of the companies of CEC Group acquired via the public tender offer.

b) Purchase of minority interests

During fiscal year 2002, Groupe Partouche SA acquired the minority interests in SFC thereby increasing the Group's interest from 50% to 55.56%.

c) Exit from the scope of consolidation – Disposal

In November 2001, Groupe Partouche International disposed of its 99% shareholding in Groupe Partouche Roumanie, the operating company of the Bucharest Casino. This company was deconsolidated from 1 November 2001 and no intercalary result was recognised.

Note 4 – Impact of changes in the scope of consolidation

The impact of changes in the scope of consolidation during the period under review on the principal financial aggregates of the income statement for the year ended 31 October 2002 is as follows:

€ '000	Turnover	Operating income
Groupe CEC	59 348	13 717
Contrexéville business unit	9 830	370
Hôtel Savoy	4 541	900
TOTAL	**73 719**	**14 987**

Note 5 – Audit and consulting services

€ '000	KPMG				José DAVID			
Audit	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
Statutory Auditors and Certification of the holding company consolidated financial statements								
Parent company	65 K€	48 K€	30 %	28 %	46 K€	34 K€	27 %	26 %
French subsidiaries	77 K€	63 K€	35 %	36 %	127 K€	97 K€	73 %	74 %
Belgian subsidiaries	16 K€	15 K€	7 %	9 %				
Spanish subsidiary	30 K€	32 K€	14 %	18 %				
Moroccan subsidiary	17 K€	15 K€	8 %	8 %				
Other assignments (1)	14 K€		7 %					
Total	**219 K€**	**172 K€**	**100 %**	**100 %**	**173 K€**	**131 K€**	**100 %**	**100 %**

(1) Work performed on the public tender offer for Européenne de Casinos.

Post balance sheet events

Post balance sheet events are now presented in the Group's Management Report.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2002

Dear Sir, Dear Madam,

In accordance with the terms of the assignment with which we were entrusted by your Annual General Meeting, we have audited the consolidated financial statements of Groupe Partouche SA as of 31 October 2002.

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

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

In our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of the Group as of 31 October 2002 and the results of the Group's operations included in the consolidation for the year then ended, in accordance with French accounting principles.

Without prejudice to our unqualified audit opinion, we should bring to your attention the notes regarding the "Changes to accounting policies, procedures and methods" which presents the details of changes of the presentation of employee profit sharing in the income statement and deferred tax liabilities in the balance sheet together with a change in accounting policy relating to capital lease contracts.

We have also reviewed the information relating to the Group contained in the Management Report. We have nothing to report with respect to the fairness of such information and its consistency with the consolidated financial statements.

Paris La Défense and Sceaux, 31 March 2003.

The statutory auditors

José David

KPMG Audit
A unit of KPMG SA

Maïr Fereres
Partner

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BALANCE SHEET

Assets (net values)

€ '000	Notes	Years ended 31 October 2002	2001	2000
Fixed assets				
INTANGIBLE FIXED ASSETS	2.1 / 2.2			
Concessions and similar rights		43	7	3
Internally generated goodwill		1837	1906	1982
TANGIBLE FIXED ASSETS	2.1 / 2.2			
Land		145	145	145
Buildings		6236	6569	4935
Technical equipment		0	1	0
Other tangible fixed assets		154	125	113
Assets under construction		229	0	318
FINANCIAL INVESTMENTS				
Other investments in associates	2.3 / 2.4	472658	222106	209820
Other investments	2.3	70369	0	0
Loans	2.5	757	749	747
Other financial investments	2.4 / 2.5	75	155	144
Total fixed assets		**552503**	**231763**	**218207**
Current assets				
Advances and downpayments to suppliers	2.5	12	15	16
Trade receivables	2.5	125	6595	5876
Other receivables	2.4 / 2.5	216881	109364	112663
Marketable securities		1504	5885	5337
Cash and equivalents		617	328	578
Prepaid expenses	2.5 / 2.10	206	101	70
Total current assets		**219345**	**122288**	**124540**
REGULARISATION ACCOUNTS				
Capitalised expenses		16761	0	0
Translation adjustment - asset		14	3	3
TOTAL ASSETS		**788623**	**354054**	**342750**

Shareholders' equity and liabilities

€ '000	Notes	Years ended 31 October 2002	2001	2000
Share capital (o/w fully paid: 86,195) (1)	2.13	86195	86195	85412
Share premium, merger and contribution reserves		54285	54285	54285
Revaluation reserve (2)		0	0	294
Legal reserve		6354	4965	3510
Statutory reserve (3)		5566	5566	5566
Other reserves		3054	3054	3542
Retained earnings		47293	25827	8500
Net income for the year		**45039**	**27778**	**29107**
Shareholders' equity	2.12	**247786**	**207670**	**190216**
Provisions for contingencies	2.4			0
Provisions for losses	2.4	407	407	230
Provisions for contingencies and losses		**407**	**407**	**230**
Bank loans (5)	2.6	467121	65772	40876
Other borrowings	2.6	1002	1382	10484
Advances and deposits on outstanding orders		0	0	116
Trade creditors	2.6	518	228	136
Tax and social security liabilities	2.6	290	1511	1128
Liabilities in respect of fixed assets	2.6	45	77	0
Other	2.6	71134	76717	99086
Deferred income	2.6 / 2.11	29	20	27
Total (4)		**540139**	**145707**	**151853**
Translation adjustment – liability		291	270	451
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**788623**	**354054**	**342750**
(1) Revaluation reserve capitalised.		294	294	0
(2) Includes a special revaluation reserve (1959).		0	0	294
(3) Includes a statutory reserve for long-term capital gains.		5566	5566	5566
(4) Liabilities and deferred income due falling due or to be released to the income statement in less than one year.		127144	109127	120347
(5) Includes current account banking balances and bank overdrafts.		5142	2474	791

Income statement

€ '000	Notes	Years ended 31 October 2002	2001	2000
Sales of goods held for resale		0	336	68
Sales of services		5084	6054	5390
Net turnover	2.14	**5084**	**6390**	**5458**
Reversals of depreciation, amortisation, provisions and expense transfers (9)	2.15	19788	68	66
Total operating revenue (2)		**24872**	**6458**	**5524**
Purchases of goods		6	335	65
Other purchases and external expenses (6 a)		21848	1740	2054
Tax		301	392	303
Personnel costs		1541	1255	957
Social security expenses		646	527	392
Depreciation and amortisation charges on fixed assets		3414	419	407
Impairment of current assets		98	1032	168
Other expenses		24	0	0
Total operating expenses		**27878**	**5700**	**4345**
Operating income		**(3006)**	**758**	**1179**
Income from associates (5)	2.16	49878	31966	36580
Income from other marketable securities and receivables (5)		1559	55	0
Other interest income (5)		4717	3173	2371
Provision reversals and expense transfers		0	0	404
Positive foreign exchange differences		197	0	0
Net gains on the disposal of marketable securities		343	319	296
Total financial income		**56694**	**35513**	**39650**
Depreciation, amortisation and provision charges		51	222	1208
Interest expense (6)		22579	10082	11629
Negative foreign exchange differences		138	6	0
Total finance costs		**22768**	**10310**	**12838**
Financial items		**33926**	**25203**	**26812**
Income on ordinary activities before tax		**30920**	**25961**	**27991**
Exceptional income on management transactions		14	26	29
Exceptional income on capital transactions		4474	96	0
Provision reversals and expense transfers		0	320	0
Total exceptional income		**4488**	**442**	**29**
Exceptional expense on management transactions		584	606	236
Exceptional expense on capital transactions		4475	100	595
Exceptional depreciation, amortisation and provision charges		0	178	0
Total exceptional expense		**5059**	**884**	**831**
Exceptional items	2.17	**(571)**	**(442)**	**(802)**
Employee profit sharing		0	0	0
Corporate income tax		(14690)	(2258)	(1917)
Total income		**86054**	**42413**	**45203**
Total expense		**41015**	**14635**	**16097**
Net income		**45039**	**27778**	**29107**
(2) Includes property rental income.		679	635	583
(5) Includes income from associated entities.		55880	35137	38693
(6) Includes interest from associated entities.		3342	6516	7896
(6 a) Includes contributions made to organisations deemed to be in the public interest.		21	38	0
(9) Includes expense transfers.		19768	68	66

Notes to the balance sheet presented prior to earnings appropriation for the fiscal year ended 31 October 2002, showing total assets of €788.623 million and to the income statement showing total revenue of €86.054 and net income of €45,039 million.

The fiscal year under review is the 12-month period commencing on 1 November 2001 and ending on 31 October 2002.

This fiscal year has particularly been marked by the following events:

• Success of the public tender offer for the shares of Compagnie Européenne de Casinos, and of the buy-out offer followed immediately by a squeeze-out procedure, as a result of which Groupe Partouche now holds all of the company's shares. Compagnie Européenne de Casinos' shares and convertible bonds were delisted from the Euronext Paris Second Marché on 9 October 2002.

• A syndicated loan was obtained by Group Partouche in order to fund this acquisition and to refinance certain borrowings by Group subsidiaries.

• Buy-out of the Contrexéville casino, together with the buildings and assets of three hotels in Contrexéville as well as the spa centres of Contrexéville and Vittel.

Major post balance sheet events comprise the disposal, at the end of November, of the Alvignac casino, which was under development.

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

There have been no changes in the accounting policies or presentation.

ACCOUNTING POLICIES AND PRESENTATION

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

• the new 1999 chart of accounts adopted by the CRC on 29 April 1999 (Regulation 99-03),

• Law 83-353 of 30 April 1983,

• Decree 83-1020 of 29 November 1983.

The main applied accounting policies are as follows:

1.1 Intangible assets

Intangible assets related to software licences are written off over a period of 1 to 3 years.
A long lease charge is written off over a period of 30 years.

1.2 Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at their historical acquisition costs (supplemented by acquisition expenses), at their production cost or at their contribution value in respect of SIHB SA fixed assets contributed as part of the merger-renunciation agreement.
We use a straight-line method of depreciation over the expected useful lives of the assets.

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

1.3 Long-term investments

Long-term investments are stated in the balance sheet at acquisition cost (excluding incidental expenses) or at contribution cost.
When their inventory value falls below their gross value, a provision for impairment is established for the amount of the difference.
The inventory value of investments is based on their value-in-use or fair value.
This value can notably be determined through:
• the calculation of their net asset value in the most recent financial statements of the subsidiary that owns them, adjusted for unrealised capital gains (internally generated goodwill, buildings, deferred tax, etc.),
• forward-looking data such as profitability prospects,
• stock market prices.
The securities brought by SIHB SA are valued at their contribution value at the time of the merger.

1.4 Receivables

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

1.5 Receivables and debts denominated in foreign currencies

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

1.6 Cash and cash equivalents

Marketable securities are recorded in the balance sheet at their acquisition cost.
Where the acquisition cost is less than their net realisable value at the end of the fiscal year, a provision for impairment is established for the amount of the difference.

1.7 Deferred charges

Deferred charges consist of costs incurred in the acquisition of shares.
These charges are spread over a period of five years.

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 fiscal year.

1.10 Distinction between income from ordinary activities and exceptional items

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

ADDITIONAL INFORMATION IN RESPECT OF THE BALANCE SHEET AND THE INCOME STATEMENT (€'000)

2.1 Note on the intangible and tangible fixed assets

	Gross value of fixed assets beginning of fiscal year	Increase Acquisition
Other intangible assets	2328	51
Land	145	0
Buildings on own land	7771	5
Machinery and equipment	1	
Other equipment, fixtures and fittings	65	55
Vehicles	74	
Office and computer equipment, furniture	112	12
Fixed assets under construction	0	229
Total	**10496**	**352**

	Decrease by sale or withdrawal from use	Gross value of fixed assets End of the fiscal year
Other intangible assets	2	2377
Land		145
Buildings on own land		7776
Machinery and equipment	1	0
Other equipment, fixtures and fittings		120
Vehicles		74
Office and computer equipment, furniture	39	85
Fixed assets under construction		229
Total	**42**	**10806**

The movements in fixed assets under construction relate to a project in Andorra.

2.2 Amortisation

	Positions and movements during the fiscal year			
	Beginning of the fiscal year	Appropriation during the fiscal year	Decrease during the fiscal year	End of the fiscal year
Other intangible assets	416	83	2	497
Land				
Buildings on own land	1202	338		1540
Machinery and equipment	0	0	0	0
Other equipment, fixtures and fittings	16	9		25
Vehicles	23	15		38
Office and computer equipment, furniture	87	11	36	62
Grand Total	**1744**	**456**	**38**	**2162**

2.3 Investments in associates

	Gross value beginning of the fiscal year	Acquisition, Inter-account transfer
Other investments in associates	223467	254987
Other long-term investment securities		70369
Loans and other long-term investments	996	46
Total	**224463**	**325402**

	Decrease: inter-account transfer	Decrease: sale or withdrawal from use	Gross value of fixed assets at the end of the fiscal year
Equity-accounted investments in associates			
Other investments in associates	12	4421	474021
Other long-term investment securities			70369
Loans and other long-term investments		119	923
Total	**12**	**4540**	**545313**

The main movements of the year are explained by the following factors:
• The Group took control, as a result of a public tender offer, of Compagnie Européenne de Casinos, acquiring 100% of its capital (shares and convertible bonds). This transaction was followed by a buy-out offer immediately succeeded by a squeeze-out procedure.
• The Group acquired the Contrexéville casino. The buildings and assets of three hotels in Contrexéville and of the spas of both this resort and Vittel were acquired by ad hoc structures.
• The reorganisation of the Cannes business unit led to the spin-off of the Casino Palm Beach by Cannes Balnéaire.

2.4 Provisions

	Beginning of the fiscal year	Increase Allocation	Decrease Recovery	End of the fiscal year
Provisions for tax	408			408
Total	**408**	**0**	**0**	**408**
Provisions for investments in associates	1361	2		1363
Provisions on financial investments	91			91
Other provisions for impairment	1147	147	21	1273
Total	**2599**	**149**	**21**	**2727**
Grand Total	**3007**	**149**	**21**	**3135**
Operating allocations and recoveries		98	20	
Including: Financial allocations and recoveries		51	1	

The tax provisions mainly concern the tax re-assessments for the years 1981 to 1984.
The provisions for financial investments relate to our 79.80% participating interest in the Elysée Palace Hotel SA, fully provided for in the amount of €1.240 million, in light of its net worth.
This is also the case in respect of our 99.72% participating interest in Casino de Morsbronn-les-Bains SA, provided for in the amount of €75 thousand.
Receivables in current account related to these two subsidiaries are provided for in the amounts of €52 thousand (EPH) and €92 thousand (Morsbronn).
Our provisions for receivables in the current account related to Groupe Partouche Roumanie are recovered in the amount of €20 thousand, following the disposal of this company.
The other provisions concern third party receivables.

2.5 Maturities of receivables

	Gross amount	1 year maximum	More than 1 year
Loans	757	1	756
Other long-term investments	166	166	
Downpayments to suppliers	12	12	
Other trade receivables	125	125	
Employee accounts payable	3	3	
State: Corporate income tax	17216	16810	406
State: VAT	1538	1538	
State: Other taxes	32	32	
Subsidiaries and associates	185705	185705	
Sundry receivables	13660	13660	
Prepaid expenses	206	206	
Grand Total	**219420**	**218258**	**1162**
Loans granted during the fiscal year	9		
Repayment of loans during the fiscal year	1		

Management fees , the calculation method of which has been modified since 2000–01, are now included under Sundry receivables as opposed to Other trade receivables at 31 October 2001.

2.6 Maturities of debts

	Gross amount	1 year maximum	More than 1 year 5 years maximum	More than 5 years
Bank loans and overdrafts	467121	54167	279630	133324
Sundry loans and debts	1002	960		42
Trade accounts payable	518	518		
Liabilities to personnel	74	74		
Social security and other social benefits	116	116		
State and other public authorities:				
Corporate income tax	16	16		
VAT	4	4		
Other taxes	80	80		
Liabilities to fixed assets suppliers	45	45		
Subsidiaries and associates	70897	70897		
Other liabilities	238	238		
Deferred income	28	28		
Grand Total	**540139**	**127143**	**279630**	**133366**
Bank loans contracted during the fiscal year	463498			
Bank loan repayments during the fiscal year	65029			

A syndicated loan was obtained by the Group in order to fund the acquisition of Compagnie Européenne de Casinos and to refinance certain borrowings by Group subsidiaries.

2.7 Elements related to more than one balance sheet item

In respect of associated undertakings (participating interests)	**Amount**
Fixed assets	
Participating interests	460657
Other long-term investment securities	70331
Current assets	
Trade receivables, accounts payable	20
Other receivables	183331
Debts	
Loans, sundry financial debts	25
Trade accounts payable	95
Other liabilities	70496

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

2.8 Accrued income

As included in the following balance sheet items	Amount
Other long-term investments	
Accrued interest	5
Other receivables	
Accrued income	4390
Total	**4395**

2.9 Accrued expenses included in the following balance sheet items

	Amount
Bank loans and overdrafts	113
Trade notes and accounts payable	8
Tax and social charges	160
Other liabilities	202
Accrued interest on overdrafts	31
Total	**514**

2.10 Prepaid expenses

	Amount
Prepaid operating expenses	206
Total	**206**

2.11 Deferred income

	Amount
Deferred operating income	29
Total	**29**

2.12 Statement of changes in shareholders' equity

Shareholders' equity items	Position at 31/10/01	Appropriation income 2001	Position after appropriation	Fiscal year movements	Position at 31/10/02
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	4 965	1 389	6 354		6 354
Statutory reserve	5 566		5 566		5 566
Other reserves	3 054		3 054		3 054
Retained earnings	25 827	21 466	47 293		47 293
Net income for the year	27 778	- 27 778	0	45 039	45 039
Net shareholders equity carried forward	**207 670**	**- 4 923**	**202 747**	**45 039**	**247 786**

A total of €4.925 million was distributed to shareholders.

2.13 Breakdown of share capital

Category of shares	At fiscal year-end	Number of shares issued during the fiscal year	Nominal value	Total
Ordinary shares	6 156 774	-	14	86 194 836

2,738 shares are self-held by the Company.
These shares are presented under marketable securities.

2.14 Breakdown of net turnover

	France	Rest of the world	Total
Group management fees	4 243	142	4 385
Rent	679	15	694
Sundry sales	5		5
Total	**4 927**	**157**	**5 084**

2.15 Expense transfers

	Amount
Recharged personnel	31
Insurance coverage for losses	12
Other recharges	6
Share acquisition costs	19 719
Total	**19 768**

2.16 Financial income from associates

	Amount
Dividends received from subsidiaries	49 878
Total	**49 878**

2.17 Breakdown of exceptional items

	Exceptional expense	Exceptional income
Sales of long-term investments	4 471	4 471
Penalties for early repayment of borrowings	313	
Other penalties	191	
Bad debt expense	32	
Statutory auditors' fees	25	
Guarantees and sureties	8	
Accrued interest on receivables	5	
Assistance in respect of prior construction	4	
Intangible and tangible asset sales.	4	4
Other	7	
Payroll-based taxes		5
Other		9
Total	**5 060**	**4 489**

2.18 Breakdown of corporate income tax

€'000	Income before tax	Tax due	Net income after tax
Income from ordinary activities	30 920	- 14 488	45 408
Exceptional items	- 571	- 202	- 369
Accounting income	**30 349**	**- 14 690**	**45 039**

2.19 Financial commitments

Commitments given	Amount
Collateral	20 906
Guaranteed bank debt	457 980
Total	**478 886**
Of which, related to subsidiaries	27 935
Commitments received	
Financial recovery commitments	8 184
Total	**8 184**
Of which, related to subsidiaries	8 184

2.20 Other information

At the closing of the fiscal year, there were 3,835,500 outstanding Groupe Partouche shares pledged as collateral.
This pledge serves as the guarantee for the syndicated loan contracted during the fiscal year for the acquisition of Compagnie Européenne de Casinos.

2.21 Average workforce

	Staff
Executives	16
Non-executives	13
Total	**29**

2.22 Management remuneration

The total remuneration paid to the Executive and Supervisory Boards amounted to €0.587 million.

2.23 Commitments for pensions and other retirement costs

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

2.24 Sundry information

At the end of the fiscal year, outstanding variable rate borrowings represent 98% of total borrowings.

Accordingly, partial coverage against the risk associated with variable rate borrowings has been established.
Two swap contracts fixing the interest rates on variable rate debt (at 5.275% and 5.145%, respectively) cover a total debt amount of €10.526 million at the balance sheet date.

Various zero-premium collars are used to hedge at least 50% of the syndicated loan for a period of three years, and to limit any rise in the reference rate (3-month Euribor) to a maximum of 5.25%. The total value of financial instruments used to hedge the drawdown of the syndicated loan is €229 million at 31 October 2002, and this amount will be reduced as the loan is repaid.

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

2.25 Deferred tax

	Amount
Tax to be paid on:	
Pre-deducted expenses	5 944
Prepaid tax on:	
Temporarily non-deductible expenses (to be deducted on the following fiscal year)	5
Taxed income to be deducted at a later date	8
Net deferred tax	**5 957**

Subsidiaries and associated entities

€'000

Name (month and year of closing if other than 10/2002)	Head office	Share capital	Shareholders' equity	% of share capital held	Dividends received	Value of investments Gross	Value of investments Net	Loans and advances	Guarantees and sureties	Turnover	Net income
Subsidiaries (more than 50% of share capital)											
CENTRE FORMATION PROFESSIONNEL CASINOS (12/01)	Forges-les-Eaux	8	30	100,00 %		8	8	33		206	(26)
Cie EUROPÉENNE DE CASINOS	Paris	19538	38602	100,00 %		247673	247673	30915		103	17146
HOLDING GARDEN PINÈDE	Paris	15417	(1793)	100,00 %		336	336	2779		0	(78)
HÔTEL COSMOS	Contrexéville	50	0	100,00 %		50	50	238		1403	(207)
SANDTON TRADING LIMITED (12/01)	Dublin	0	(60)	100,00 %		12348	12348	95		441	291
SCI LES THERMES	Aix-en-Provence	150	(2990)	100,00 %		0	0	10982		933	(184)
SOC. EXPLOITATION CASINO ET HÔTELS CONTREXÉVILLE	Contrexéville	76	369	100,00 %		6821	6821			3871	747
THERMES DE CONTREXÉVILLE	Contrexéville	50	0	100,00 %		50	50	34		1328	(265)
THERMES DE VITTEL	Vittel	50	0	100,00 %		50	50	102		3335	(191)
VILLA DU HAVRE	Le Havre	40	(97)	100,00 %		40	40	409		626	(255)
SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	Contrexéville	50	0	100,00 %		50	50	3556		353	(74)
GRAND CASINO DU HAVRE	Le Havre	150	0	100,00 %		150	150			0	0
SCI DE LA RUE ROYALE	Paris	134	2	99,99 %		534	534			43	(17)
SOCIÉTÉ DU CASINO DE ST-AMAND-LES-EAUX	St-Amand-les-Eaux	17786	9042	99,99 %	2092	18371	18371	83		17775	7763
SOCIÉTÉ CANNES BALNÉAIRE	Cannes	35707	(23385)	99,97 %		35673	35673	5645		2679	(4455)
SOCIÉTÉ DU GRAND CASINO DE CABOURG	Cabourg	300	151	99,96 %		564	564	1288		4213	59
GRAND CASINO DE BEAULIEU	Beaulieu	150	11	99,90 %		152	152	900		5420	0
GROUPE PARTOUCHE INTERNATIONAL	Bruxelles	144	(4704)	99,90 %		153	153	37158		4	(262)
GRAND CASINO DE LA TRINITÉ-SUR-MER	La Trinité-sur-Mer	75	(149)	99,84 %		76	76	978		0	(124)
SATHEL	La-Tour-de-Salvagny	323	24050	99,80 %	41045	93522	93522	5651		33161	18724
CASINO DE MORSBRONN-LES-BAINS	Paris	38	(122)	99,72 %		75	0	92		0	(8)
CASINO D'ALVIGNAC	Gramat	38	(47)	99,68 %		129	129	583		0	(63)
JEAN METZ	Berck-sur-Mer	80	272	99,20 %	1305	3025	3025	31		4647	1194
NUMA	Boulogne-sur-Mer	80	715	98,60 %	1183	3457	3457	12		3757	1335
SOCIÉTÉ IMMOBILIÈRE DE LA TOUR	La-Tour-de-Salvagny	8	4320	98,00 %		7	7		2041	344	168
SA DU CASINO ET DES BAINS DE MER	Dieppe	396	440	97,58 %	580	4587	4587	273		6662	323
LYDIA INVEST	Port-Barcarès	152	(725)	97,30 %		443	443	1225	147	661	(565)
LYDIA INVESTISSEMENTS	Port-Barcarès	2	(363)	97,00 %		991	991	846		115	(19)
CASINO DES 4 SAISONS	Le Touquet	392	1039	96,53 %	1183	5513	5513	83		4813	1283
HÔTEL INTERNATIONAL DE LYON	Lyon	300	(1887)	94,00 %		287	287	14593	12196	11972	128
LE TOUQUET'S	Calais	92	223	90,05 %	1225	4668	4668			5525	1096
CASINOS DE VICHY	Vichy	240	808	79,92 %		371	371	365		3602	70
ÉLYSÉE PALACE EXPANSION	Vichy	40	(162)	79,84 %		1310	1310	3711		0	(60)
ÉLYSÉE PALACE HÔTEL	Vichy	40	(51)	79,80 %		1240	0	118		0	(55)
SOC. CHEMINS DE FER ET HÔTELS MONTAGNE PYRÉNÉES	Vichy	701	99	76,07 %		599	599			71	49
FORGES THERMAL	Forges-les-Eaux	15600	14469	58,75 %	1022	11207	11207			31151	6023
SOCIÉTÉ FRANÇAISE DE CASINOS	Paris	2304	13	55,56 %		4573	4573	2913	4215	387	677
Associated entities (10 to 50% of share capital)											
SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL	Aix-en-Provence	2160	10710	38,59 %		2772	2772	18875		27783	3667
SOCIETAT DE L'OCI DELS PYRENEUS	Escaldes Engordany	38	NC	33,00 %		13	13			NC	NC
BASTIDE II RICHTAVERN	Montpellier	46	ND	25,00 %		46	0			ND	ND
PALAVAS INVESTISSEMENT	Palavas-les-Flots	8	(1094)	10,00 %		122	122	993		160	31
Other interests											
CASINO DE PALAVAS	Palavas-les-Flots	330	2726	9,06 %	243	183	183			9413	2576
FERMIÈRE DU CASINO MUNICIPAL DE CANNES (10/01)	Cannes	2157	37966	5,17 %		11415	11415			32274	(10768)
EDEN BEACH CASINO	Juan-les-Pins	1056	4711	1,40 %		155	155	1143		14896	2518
HÔTEL DU GOLF	La-Tour-de-Salvagny	0	35	1,00 %		0	0	0		1839	0
SOCIÉTÉ THERMALE DE PLOMBIÈRES-LES-BAINS (09/02)	Plombières-les-Bains	186	NC	0,10 %		2	0			NC	NC
SEMTEE (12/01)	Escaldes Engordany	25242	(4822)	0,71 %		181	181			10564	2568
ROYATONIC	Royat	NC	0	NC		31	31			0	0

CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€'000)

Contributing company:	SIHB Company absorbed by Compagnie Fermière des Eaux (now Groupe Partouche)
Beneficiary company:	GROUPE PARTOUCHE 141 bis, rue de Saussure – 75017 Paris
Nature of the operation:	Merger
Date of the operation:	Extraordinary General Meeting of 29 July 1994 which authorised the merger with retroactive effect as of 1 November 1993

Capital gains on non-depreciable assets

LAND

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

INVESTMENTS IN ASSOCIATES

Name	Number of shares	Tax and book value	Contribution value	Capital gains for which tax is deferred
SA CASINO DES 4 SAISONS 26, rue St-Jean – 62520 Le Touquet	22 050	1 210	5 488	4 278
SA EDEN BEACH CASINO Bd Édouard-Baudouin – 06160 Juan-Les-Pins	924	305	155	- 150
SA FORGES THERMAL Av. des Sources – 76440 Forges-Les-Eaux	6 210	2 310	9 072	6 762
SA JEAN METZ Av. du Gén. 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 La Tour-De-Salvagny	10 008	10 965	29 104	18 139
SA LE TOUQUET'S 59, rue Royale – 62100 Calais	1 801	210	4 668	4 458
Subtotal		**16 131**	**58 794**	**42 663**

RECEIVABLES

Designation	Tax and book value	Contribution value	Capital gains for which tax is deferred
JATEK	778	778	0

Capital gains on depreciable assets*

BUILDINGS

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

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

NET INCOME OF THE LAST FIVE FISCAL YEARS (IN €)

Description	Fiscal year ended 31/10/98 (12 months)	Fiscal year ended 31/10/99 (12 months)	Fiscal year ended 31/10/00 (12 months)	Fiscal year ended 31/10/01 (12 months)	Fiscal year ended 31/10/02 (12 months) before approval by A.G.M
I- Share capital at the end of the fiscal year					
Share capital	85 412 067	85 412 067	85 412 067	85 412 067	86 194 836
Number of existing ordinary shares	6 156 774	6 156 774	6 156 774	6 156 774	6 156 774
II- Results for the fiscal year					
Turnover excluding tax	3 824 148	4 652 215	5 458 286	6 389 823	5 083 989
Income before tax, employee profit-sharing, depreciation, amortisation and regulated provisions	15 309 873	14 472 008	28 568 608	27 050 690	33 890 441
Corporate income tax	0	10 671	- 1 917 269	- 2 258 379	- 14 690 152
Employee profit-sharing for the fiscal year	0	0	0	0	0
Net income	15 340 302	14 354 595	29 106 885	27 778 435	45 039 480
Distributed income	9 385 941	10 324 536	10 324 536	4 925 419	0
III- Earnings per share					
Income after tax and employee profit sharing, but before depreciation, amortisation and regulated provisions	2,44	2,35	4,95	4,76	7,89
Income after tax, employee profit sharing, depreciation, amortisation and regulated provisions	2,44	2,33	4,73	4,51	7,32
Dividend per share	1,52	1,68	1,68	0,80	0,00
IV- Personnel costs					
Average workforce during the fiscal year	22	19	23	29	29
Payroll for the fiscal year	930 692	965 246	957 194	1 255 243	1 541 005
Social benefits paid for the fiscal year	372 008	394 882	391 610	526 781	645 656

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

FISCAL YEAR ENDED 31 OCTOBER 2002

Ladies and Gentlemen,

In accordance with the terms of the assignment with which we were entrusted by your Annual General Meeting, we submit to you our report for the fiscal year ended 31 October 2002 on:
• our audit of the annual financial statements of Groupe Partouche SA, as attached to this report;
• specific legally-required verifications and information disclosures.
The financial statements are prepared under the responsibility of your Executive Board. Our responsibility is to express an opinion on these accounts based on our audit.

I- Our opinion on the annual financial statements

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

In our opinion, the annual financial statements present fairly, in all material aspects, the financial position of the Group as of 31 October 2002 and the results of the Company's operations included in the consolidation for the year then ended, in accordance with French accounting principles.

II- Specific verifications and information disclosures

We have also carried out, in accordance with the professional standards that are applicable in France, specific legally-required verifications.
We have no comment to make as to their good faith and their consistency with the annual financial statements, of the information provided in the Management report and in the documents addressed to the shareholders in respect of the Company's annual financial statements.
As provided by the Law, we ensured that the various information related to the acquisition of investments in associates and subsidiaries and to takeover agreements as well as those related to shareholder identification, have been included in the Management report.

Paris - La Défense and Sceaux, 31 March 2003.

José David

KPMG Audit,
a unit of KPMG SA

Maïr FERERES
Partner

SPECIAL STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

FISCAL YEAR ENDED 31 OCTOBER 2002

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

Approved agreements concluded during the fiscal year

According to the provisions of Article L. 225-88 of the Commercial Code, we have been informed about agreements that have been authorised by your Supervisory Board.
We are not responsible for identifying the potential existence of other agreements, but simply for presenting you with their key terms and conditions of the agreements about which we have been informed, on the basis of the information we received, without expressing our opinion on their utility and validity. It is your responsibility, as provided by Article 117 of the Decree of 23 March 1967, to assess the beneficial nature of these transactions with a view to approving them.

Disposal of investment in LCLP (France) SA et Cie

• Individuals involved:
Isidore Partouche
Patrick Partouche
Hubert Benhamou
Ari Sebag.

• Nature and purpose:
Your company has sold the entirety of its holdings in LCLP (France) SA et Cie to Cannes Balnéaire SA.

• Terms and conditions:
This disposal was carried out on 1 September 2002 and concerned 733,998 shares (representing 99.99% of the total share capital of LCLP France SA et Cie). The sale price amounted to €4,421,015, corresponding to the value of the acquisition of these shares as recorded in the balance sheet of Groupe Partouche SA.

Disposal of investment in Grands Hôtels du Parc SARL

• Individuals involved:
Isidore Partouche;
Patrick Partouche.

• Nature and purpose:
Your company has sold the entirety of its holdings in Grands Hôtels du Parc SARL to Société d'Exploitation du Casino et d'Hôtels de Contrexéville SA.

• Terms and conditions:
This disposal was carried out on 2 April 2002 and concerned 50,000 shares (representing 100% of the total share capital of Grands Hôtels du Parc SARL). The sale price amounted to €50,000, corresponding to the value of this investment as recorded in the balance sheet of Groupe Partouche SA

Agreements approved in prior fiscal years and still in effect in fiscal year 2001–02

Furthermore, and as provided by the Decree of 23 March 1967, we have been informed that the following agreements, approved in prior fiscal years, were still in effect during fiscal year 2001–02.

Debt forgiveness - Lydia Invest SA

• Nature and purpose:
During the fiscal year ended 31 October 2001, your company granted the company Lydia Invest SA a write-off in the amount of €457,347 (FF 3,000,000). This agreement includes a financial recovery clause and was recorded in the current account that your company holds on Lydia Invest SA.

• Terms and conditions:
As at 31 October 2002, since the required conditions for the application of said clause were not met, no repayment occurred during this fiscal year.

Debt forgiveness - H.I.L. SA

• Nature and purpose:
During the fiscal year ended 31 October 2001, your company granted the company H.I.L. SA a write-off in the amount of €2,058,062 (FF 13,500,000). This agreement includes a financial recovery clause and was recorded in the current account that your company holds on H.I.L. SA.

• Terms and conditions:
As at 31 October 2002, since the required conditions for the application of said clause were not met, no repayment occurred during this fiscal year.

Tax consolidation agreement

• Nature and purpose:
Your Company resolved to incorporate the following companies in the tax consolidation group that it heads: Sathel SA, Société de Casino Municipal d'Aix Thermal SA, Eden Beach Casino SA, Société du Casino Municipal de Royat SA, Casino de Palavas SA, Casino Le Lion Blanc SA, Société Anonyme du Casino et des Bains de Mers SA, Grand Casino de Beaulieu SA, Jean Metz SA, Numa SA, Société de Brasseries et Casinos "Les Flots Bleus" SA, and SEK SARL, within the existing group comprising Baratem SA, Société du Casino de Saint-Amand SA, and Cannes Balnéaire SA.
For the fiscal year beginning 1 November 2002, this tax consolidation agreement was extended to include the following companies: Société d'exploitation du Casino et d'Hôtels de Contrexéville SA, Hôtel Cosmos SARL, Grands Hôtels du Parc SARL, Les Thermes de Contrexéville SARL, Les Thermes de Vittel SARL, and Villa du Havre SA.
This tax consolidation agreement is performed as provided by the Article 223 A of the General Tax Code and is in force until 31 October 2004.

• Terms and conditions:
The agreement applied is that generally accepted by the French tax authorities.

Current accounts of partners

- Nature and purpose:
  Various partners (natural persons) have kept or increased their capital outlay in current accounts.

- Terms and conditions:
  These amounts are not remunerated during the fiscal year.

Debt forgiveness - Grand Casino de Cabourg SA

- Nature and purpose:
  During the fiscal year ended 31 October 1999, your company granted the company Grand Casino de Cabourg SA two write-offs in the amounts of €2,286,735 (FF 15,000,000) and €678,379 (FF 4,449,876), respectively. Both agreements include a financial recovery clause and were recorded in the current account that your company holds on Grand Casino de Cabourg SA.
  PFurthermore, during the fiscal year ended 31 October 2000, your Company granted the company Grand Casino de Cabourg SA a write-off in the amount of €167,085 (FF 1,096,007). This agreement includes a financial recovery clause and was recorded in the current account that your company holds on Grand Casino de Cabourg SA.

- Terms and conditions:
  Since the required conditions for the application of said clauses were not met, no repayment occurred during this fiscal year.

Debt forgiveness - Grand Casino de Beaulieu SA

- Nature and purpose:
  During the fiscal year ended 31 October 2000, your company granted the company Grand Casino de Beaulieu SA a write-off in the amount of €2,606,878 (FF 17,100,000). This agreement includes a financial recovery clause and was recorded in the current account that your company holds on Grand Casino de Beaulieu SA.

- Terms and conditions:
  During this fiscal year, as the required conditions for the application of said clause were met, financial income of €492,150 was recorded, thus allowing the reconstitution of the current account accordingly. Consequently, the total of payments carried out with respect to this agreement at 31 October 2002 amounts to €1,762,120.

With Financière Partouche SA

- Nature and purpose:
  Financière Partouche SA has been authorised to enter into the centralised cash pooling agreement of Group companies with Groupe Partouche SA, under the same terms and conditions as your Company's subsidiaries.
  Furthermore, during the fiscal year ended 31 October 1998, your Company entered into a lease agreement with Financière Partouche SA. This lease covers the letting of your company's head office that is located 141 bis, rue de Saussure – 75017 Paris. An endorsement to this agreement was signed on 1 August 2002 in consideration of the enlargement of the surface area occupied by Groupe Partouche SA.

- Terms and conditions:
  This lease agreement is valid for a period of nine years, commencing on 1 August 2002 and ending on 31 July 2011. The annual rent for these premises is set at €160,000.

We have performed our audit in accordance with the professional standards, such standards require the necessary steps be taken in order to ascertain that the information we received is in compliance with the documents in which it is stated.

Paris - La Défense and Sceaux, 31 March 2003.

José David

KPMG Audit
A unit of KPMG SA

Maïr Fereres
Partner

DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED ANNUAL AND EXTRAORDINARY GENERAL MEETING OF 15 APRIL 2003

I- Within the jurisdiction of the Annual General Meeting

First resolution: Approval of the financial statements - Final Discharge

The Annual General Meeting, having examined the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, approves the annual financial statements, namely the balance sheet, the income statement and the notes to the accounts for the year ended 31 October 2002, as submitted to them, as well as the transactions reflected in these statements and summarised in these reports. The Annual General Meeting therefore grants final discharge to the members of the Executive Board in respect of the performance of their duties for the said fiscal year.

Second resolution: Appropriation of earnings

The General Meeting resolves that the net income for the fiscal year of €45,039,480 be appropriated as follows:

Net income for the year	45 039 480 Euros
5% to the legal reserve	2 251 974 Euros
Balance	42 787 506 Euros
The balance is appropriated in full to Retained earnings, which thus amounts to	42 787 506 Euros 90 080 799 Euros.

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

In euros

Fiscal year ended	Net dividend	Tax credit
31 octobre 1999	10 324 535,60	5 162 267,80
31 octobre 2000	10 324 535,60	5 162 267,80
31 octobre 2001	4 925 419,00	2 462 709,50

Third resolution: Approval of the consolidated financial statements

The Annual General Meeting, having examined the report of the Executive Board and the Statutory Auditors approves the consolidated financial statements, i.e. the balance sheet, the income statement and the notes for the year ended 31 October 2002, as well as the transactions stated in these statements and summarised in these reports.

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

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

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

The General Meeting having heard the report of the Executive Board, authorises the Executive Board for a period of eighteen months, pursuant to the provisions of Article L. 225-209 and following of the Commercial Code, to acquire a number of shares representing 0.5 % of the number of shares comprising the share capital, that is to say, based on the current issued share capital of 30,783 shares.
This authorisation puts an end to the procedure granted by the Annual General Meeting of 9 April 2002.
The General Meeting resolves that these acquisitions may be used, inter alia, for the purposes of:
- systematically regulating the share price against any adverse trend,
- share purchases and sales based on prevailing market conditions.

Purchases, sales and transfers of shares may be carried out by any means.
The Annual General Meeting resolves to fix the maximum purchase price at €70 and the minimum sale price at €40. These prices shall be fixed subject to adjustments relating to any adjustments in the structure of the company's share capital.
The total amount of the transaction shall not exceed €3,078,300.
The Annual General Meeting grants full powers to the Executive Board to carry out these transactions, set up the necessary terms and conditions, enter into any agreements and complete any legal formalities.

Sixteenth resolution: Setting of directors' fees

The Annual General Meeting decides not to allot any directors' fees to members of the Supervisory Board.

Seventh resolution: Bond issue

The Annual General Meeting, having examined the report of the Executive Board and observing that the share capital of the Company is fully paid-up, hereby authorises the Executive Board, pursuant to the provisions of Article L. 228-40 et seq. of the Commercial Code, to proceed with the issue, in one or more stages, at its own discretion, whether in France or abroad, or in the international bond market, of bonds or similar notes (notably subordinated notes, of fixed maturity or not) which may or may not bear interest at a fixed or variable rate, or of any other notes or securities with an equity component and which may or may not include detachable warrants conferring entitlement to, or the right to subscribe to, debt instruments and/or securities with an equity component.

The total maximum par value amount of issues of notes as described above may not exceed €500,000,000, or its foreign currency equivalent, or its equivalent in any other monetary unit determined by reference to a basket of currencies.
The Annual General Meeting hereby grants, pursuant to the provisions of Article L. 228-41 of the Commercial Code, full powers to the Executive Board, which may sub-delegate these powers to its Chairman subject to the terms and conditions laid down by law, with a view to (I) proceed with this or these issues, (II) determine their nature, forms, conditions, and rates, (III) determine all characteristics of the notes to be issued, notably their conditions of exercise, their mode of repayment, including through exchange, refund, or dation in payment of portfolio securities, and in a general manner all their terms and conditions, and (IV) perform all formalities necessary to finalise the issue or issues.

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

II- Within the jurisdiction of the Extraordinary General Meeting

Ninth resolution: Amendment of Article 8 of the Articles of Association, concerned with share capital increases, to include a provision with respect to employee savings schemes
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to amend Item I of Article 8 of the Articles of Association, entitled "Share capital increases", to include the following provision with respect to Employee Savings Schemes:

Article 8 – Changes in share capital
I- Share capital increase
(…)
In conjunction with any submission of a decision to increase the Company's share capital, the Extraordinary General Meeting must also consider a draft resolution intended to authorise a capital increase reserved for employees. Moreover, a draft resolution of this kind must be submitted, once every five years, to an Extraordinary General Meeting convened for this purpose, as long as the shares held by the employees of the Company and of any affiliated companies as understood under Article L. 225-180 of the Commercial Code represent less than 3% of the total share capital.
The remainder of the Article shall not be modified

Tenth resolution: Amendment of Article 15 of the Articles of Association, entitled "Rights and obligations associated with shares"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to replace Item I of Article 15 of the Articles of Association, with the following text:

Article 15 – Rights and obligations associated with shares
I- Each share confers entitlement, with regard to income and to Company assets, to a share proportional to the number of shares issued, as stipulated in Articles 40 and 43 hereafter.
The remainder of the Article shall not be modified.

Eleventh resolution: Amendment of Article 19 of the Articles of Association, entitled "Powers and obligations of the Executive Board"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to replace Item III of Article 19 of the Articles of Association, with the following text:

Article 19 – Powers and obligations of the Executive Board
III- The Chairman of the Executive Board represents the Company in its relationships with third parties.
The Supervisory Board may grant the same power of representation to one or more members of the Executive Board, who shall then be accorded the title of "Directeur general délégué" (Deputy General Manager).
Any legal instruments binding the Company with respect to third parties must bear the signature of the Chairman of the Executive Board or of one of the Deputy General Managers, or of any agent duly authorised to represent the Company.
The remainder of the Article shall not be modified.

Twelfth resolution: Amendment of Article 20 of the Articles of Association, entitled "Supervisory Board"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to replace Item I of Article 20 of the Articles of Association, with the following text:

Article 20 – Supervisory Board
I- The Supervisory Board is composed of at least three and no more than eighteen members subject to the dispensation laid down by law in the event of a merger.
The remainder of the Article shall not be modified.

Thirteenth resolution: Amendment of Article 22 of the Articles of Association, entitled "Powers and authorisations granted to the Supervisory Board"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to amend Article 22 of the Articles of Association as follows:

Article 22 – Powers and authorisations granted to the Supervisory Board
(…)
The Supervisory Board appoints the members of the Executive Board, designates its Chairman and, if required, the Deputy General Managers. It is also responsible for proposing any dismissing of these members to the Annual General Meeting, and for setting their compensation.
The remainder of the Article shall not be modified.

Fourteenth resolution: Amendment of Article 24 of the Articles of Association, entitled "Agreements between the Company and members of the Executive or Supervisory Boards"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to change the title of Article 24 of the Articles of Association to "Regulated and routine agreements", and to amend the text of Article 24 as follows:

Article 24 – Regulated and routine agreements
I.- Regulated agreements :
Any transaction, contract, or agreement to be concluded, either directly or through an ostensible intermediary, between the Company and a member of its Executive or Supervisory Boards, one of its shareholders holding more than 5% of voting rights or, in the case of a shareholding company, the company controlling said company as defined under Article L. 233-3 of the Commercial Code, shall be subject to the prior authorisation of the Supervisory Board.
The same is true for all transactions, contracts, and agreements that might indirectly benefit these same parties or those to be concluded between the Company and another firm, if a member of the Company's Executive or Supervisory Board is its owner, unlimited liability partner, corporation manager, a director, a member of its Supervisory Board or, generally speaking, the manager of this firm.
The individual involved is required to inform the Supervisory Board as soon as he or she becomes aware of an agreement subject to its authorisation. He or she may not participate in the vote on the authorisation requested.
These agreements are submitted for the approval of the Annual General Meeting subject to the terms and conditions laid down by law.

II.- Routine agreements:
The provisions of Item I above are not applicable to transactions, contracts, or agreements pertaining to routine business of the Company and concluded under normal circumstances. However, all transactions, contracts, and agreements of this type shall be announced by the individual involved to the Chairman of the Supervisory Board, who will forward the list and pertinent details of these agreements to the other members of the Supervisory Board and to the Statutory Auditors. Shareholders may also obtain a copy of this list including the pertinent details of the agreements in question.

Fifteenth resolution: Amendment of Article 25 of the Articles of Association, entitled "Appointments – Powers – Remuneration"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to amend Items 2 and 4 of Article 25 of the Articles of Association as follows:

Article 25 – Appointments – Powers – Remuneration
(…)
One or more shareholders representing at least one-twentieth of the share capital may, upon presentation of a well-founded request within a period of thirty days following a designation contested to the President of the Commercial Court of the locality in which the Company has its head office, who has rendered a decision under a summary procedure, challenge the designation of one or more Statutory Auditors by the Annual General Meeting and demand the designation of one or more Statutory Auditors who will serve in their stead.
(…)

One or more shareholders representing at least one-twentieth of the share capital may request that the President of the Commercial Court nominate an expert to investigate one or more management operations.
(…)
The remainder of the Article shall not be modified.

Sixteenth resolution: Amendment of Article 27 of the Articles of Association, entitled "Notice of meeting procedures – Announcements to shareholders"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to amend Item I of Article 27 of the Articles of Association as follows:

Article 27 – "Notice of meeting procedures – Announcements to shareholders"
I- Annual General Meetings may be convened by the Executive Board, or failing this, by the Supervisory Board or the Statutory Auditors, as provided by Article 194 of the Decree, or by a proxy designated by the President of the Commercial Court rendering a decision under a summary procedure, upon the request of one or more shareholders together holding at least one-twentieth of the share capital, or by the official liquidator.
(…)
The remainder of the Article shall not be modified.

Seventeenth resolution: Amendment of Article 31 of the Articles of Association, entitled "Voting rights"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to amend Article 31 of the Articles of Association as follows:

Article 31 – Voting rights
Each shareholder present or represented by proxy at a Shareholders' Meeting has as many votes as the number of shares held or represented, without limitation.

Eighteenth resolution: Amendment of Article 32 of the Articles of Association, entitled "Minutes of Shareholders' Meetings"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to amend Article 32 of the Articles of Association as follows:

Article 32 – Minutes of Shareholders' Meetings
The proceedings of Shareholders' Meetings are recorded in the form of minutes containing all particulars as prescribed by Article 149 of the Decree and are entered in a special register which is then signed by the officers. Copies or extracts of these minutes are duly certified as such by the Chairman or Vice-Chairman of the Supervisory Board, by a member of the Executive Board, or by a Deputy General Manager. They may also be certified by the Secretary of the Shareholders' Meeting.

Nineteenth resolution: Amendment of Article 37 of the Articles of Association, entitled "Powers of the Extraordinary General Meeting"
The Extraordinary General Meeting, having examined the report of the Executive Board, hereby decides to amend Article 37 of the Articles of Association as follows:

Article 37 – Powers of the Extraordinary General Meeting
I- Extraordinary General Meetings may amend any provisions of the Articles of Association, and notably may decide upon the transformation of the Company into a Company having a different civil or commercial status. However, these Meetings are not authorised to increase the commitments of shareholders, with the exception of operations resulting from regularly performed groupings of shares.

II- As a legal exception to the preceding provisions, the Extraordinary General Meeting which approves a capital increase to be performed through the incorporation of reserves, unappropriated retained earnings, or share premiums, may render its decision subject to the quorum and majority requirements for Annual General Meetings.

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

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IDENTIFICATION OF THE EXECUTIVE AND SUPERVISORY BOARDS

Members of the Executive Board

Executive Board member	Positions held	Date of birth	Date of first appointment	Date of last renewed appointment	Expiration of appointment	Number of shares held	Other positions held outside the Group
M. Hubert BENHAMOU	Chairman of the Executive Board	15 December 1948	Supervisory Board meeting held on 20 June 1996	Supervisory Board meeting held on 9 April 2002	31 October 2007	4,300 shares	None
Ms Katy Zenou	Member of the Executive Board General Manager	6 August 1961	Supervisory Board meeting held on 20 June 1996	Supervisory Board meeting held on 9 April 2002	31 October 2007	5 000 shares	None
Mr Patrick PARTOUCHE	Member of the Executive Board General Manager	13 June 1964	Supervisory Board meeting held on 20 June 1996	Supervisory Board meeting held on 9 April 2002	31 October 2007	3 998 shares	None
Mr Ari SEBAG	Member of the Executive Board General Manager	25 September 1961	Supervisory Board meeting held on 20 June 1996	Supervisory Board meeting held on 9 April 2002	31 October 2007	623 shares	None
Mr Richard PARTOUCHE	Member of the Executive Board General Manager	7 December 1946	Supervisory Board meeting held on 20 June 1996	Supervisory Board meeting held on 9 April 2002	31 October 2007	2 400 shares	None

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

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

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

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

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

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

Members of the Supervisory Board

Supervisory Board member	Position held	Date of birth	Date of first appointment	Date of last renewed appointment	Expiration of appointment*	Number of shares held	Other positions held outside the Group
Mr Isidore PARTOUCHE	Chairman of the Supervisory Board	21 April 1931 TREZEL (Algeria)	AGM 20 June 1996	AGM held on 9 April 2002	31 October 2007	165 845 shares	None
Mr Marcel PARTOUCHE	Vice-Chairman of the Supervisory Board	24 February 1920 TIARET (Algeria)	AGM 20 June 1996	AGM held on 9 April 2002	31 October 2007	1 share	None
Mr Maurice PARTOUCHE	Member of the Supervisory Board	22 June 1921 TREZEL (Algeria)	AGM 20 June 1996	AGM held on 9 April 2002	31 October 2007	1 share	None
Mr Maurice SEBAG	Member of the Supervisory Board	1 December 1926 TIARET (Algeria)	AGM 20 June 1996	AGM held on 9 April 2002	31 October 2007	1 share	None
Mr Gaston GHRENASSIA aka Enrico MACIAS	Member of the Supervisory Board	11 December 1938 CONSTANTINE (Algeria)	Co-opted to replace Mr Jacques BENHAMOU by decision of the Supervisory Board meeting held on 11 December 1998	AGM held on 9 April 2002	31 October 2007	10 shares	Singer, actor, member of UNESCO

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

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

Mr Isidore Partouche, Chairman of the Supervisory Board of Groupe Partouche SA,
also serves as Chairman and General Manager of Financière Partouche SA, of Compagnie Européenne de Casinos (CEC) SA and of Société d'Exploitation du Casino de Contrexéville SA. He is a Member of the Executive Committee of Société Française de Casinos SAS. He also serves as a director within the following companies: Société du Casino de Saint-Amand SA (Saint-Amand), Casino du Touquet SA (Le Touquet), SA du Grand Casino et des Bains de Mer (Dieppe), Forges Thermal SA (Forges-les-Eaux), Grand Casino de Cabourg SA (Cabourg), Grand Casino De La Trinité-Sur-Mer SA (La Trinité-sur-Mer), Sathel SA (La Tour-de-Salvagny), Hôtel International De Lyon SA (Lyons), Société Du Casino Municipal De Royat SA (Royat), Casino De Vichy SA (Vichy), Société Du Casino Municipal d'Aix Thermal SA (Aix-en-Provence), Société De Brasserie Et Casinos "Les flots bleus" SA (La Ciotat), Société Cannes Balnéaire – Palm Beach Casino SA (Cannes), Eden Beach Casino SA (Juan-les-Pins), Grand Casino De Beaulieu SA (Beaulieu), Casino De Palavas SA (Palavas), Lydia Invest SA (Port-Barcarès), Bourbonnaise De Casino SA (Bourbonne-les-Bains), and as Permanent Representative of Européenne De Casinos SA, and as a director of Bourbonnaise De Casinos SA, Européenne De Gestion Hôtelière – EGH SA (Paris), and Les Américains SA (Nancy). He also serves as Corporation Manager of the following companies: Société Foncière De Vittel Et Contrexéville SCI, Société Civile Immobilière Les Thermes SCI, Therm' Park SARL, and Artmusic SPRL. He serves as a Deputy Administrator within the following companies: Groupe Partouche International SA (Brussels), SIKB SA (Knokke-le-Zoute), ECK SA (Knokke-le-Zoute).

Mr Marcel Partouche, Vice-Chairman of the Supervisory Board of Groupe Partouche SA,
also serves as Chairman and General Manager of Casino D'evaux-Les-Bains SA (Evaux-les-Bains) and of Casino Du Val-André SA (Val-André). He is General Manager and Director of Jean Metz SA. He also serves as a director within the following companies: NUMA SA (Boulogne-sur- Mer), Casino Du Touquet SA (Le Touquet), Baratem SA (Le Touquet), Plombinoise De Casinos SA (Plombières-les-Bains).

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

Mr Maurice Partouche, Member of the Supervisory Board of Groupe Partouche SA,
also serves as Chairman and General Manager of Le Touquet's SA (Calais). He also serves as a director of the following companies: Casino Du Touquet SA (Le Touquet), Société Du Casino De Saint-Amand-Les-Eaux SA (Saint-Amand-les-Eaux), and Plombinoise De Casino SA (Plombières-les-Bains).

Mr Gaston Ghrenassia, Member of the Supervisory Board of Groupe Partouche SA,
also serves as Chairman and General Manager of Casino D'Arcachon SA.

Mission of the Supervisory Board

The Supervisory Board met sixteen times during fiscal year 2002 and continues to divide its work among three bodies – the Audit, Finance, and Remuneration Committees.

In accordance with corporate governance procedures, following the change in the management mode of our Group to that of a Société Anonyme with Executive and Supervisory Boards by decision of the Extraordinary General Meeting of 20 June 1996, we established three committees: an Audit Committee, a Finance Committee, and a Remuneration Committee. The Remuneration Committee generally meets once a year, in order to determine, in line with budget restrictions, all remunerations for the fiscal year to come. The Finance Committee and the Audit Committee each met as often as necessary, with an average of four meetings each quarter of the fiscal year.
The various committees meet under the chairmanship of Mr Isidore Partouche, who co-ordinates and runs them with the collaboration of Mr Hubert Benhamou, Chairman of the Executive Board, together with Mr Patrick Partouche and Mr Ari Sebag, both General Managers and Members of the Executive Board.
The committees can rely, through the members of the Executive Board, on the collaboration and involvement of the various staff departments of the Group. In connection with their tasks, they may use or bring in, as authorised by the Supervisory Board, the outside specialists or advisors they deem necessary. The rules of procedure of the Supervisory Board have not been laid down in any official internal document

Audit Committee

The Audit Committee effects an annual and half-yearly examination of the company and consolidated financial statements and periodically examines internal control procedures and more generally all the procedures for auditing accounting or management that are in force within the Group.
It also acts as an intermediary between the Supervisory Board and the Statutory Auditors of the Group.

Finance Committee

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

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.

Remuneration allotted to the Executive and Supervisory Boards

The total remuneration paid to the Executive and Supervisory bodies during the fiscal year ended 31 October 2002 amounted to €1.070 million. The Annual General Meeting of 9 April 2002 decided to allot directors' fees to the Members of the Supervisory Board in the amount of €24,500.

Remuneration of company officers

All remunerations received by individual company officers during the fiscal year ended 31 October 2002 within Groupe Partouche SA and all its subsidiaries, whether directly or indirectly controlled, are presented in the table below.

List of company officers of Groupe Partouche SA		Total remuneration in euros
Mr	Hubert BENHAMOU	133 063
Mr	Patrick PARTOUCHE	164 797
Mr	Ari SEBAG	137 469
Mr	Richard PARTOUCHE	131 130
Ms	Katy ZENOU	85 981
Mr	Isidore PARTOUCHE	186 744
Mr	Marcel PARTOUCHE	83 731
Mr	Maurice PARTOUCHE	146 745
Mr	Maurice SEBAG	0
Mr	Gaston GHRENASSIA	0

Breakdown of turnover by main activities and by geographical areas (in euros)

Company	Total	Net Gaming Revenue	Hotels	Restaurants	Other
SATHEL	33 149 128	28 235 823	114 202	3 932 912	866 191
FORGES	31 117 745	22 557 810	3 507 043	3 667 980	1 384 912
AIX THERMAL	27 768 020	23 500 405	-	2 657 023	1 610 591
GCL	19 709 767	18 775 229	-	685 007	249 532
ST-AMAND	17 775 049	16 747 059	-	733 833	294 157
EDEN BEACH	13 931 371	12 001 395	-	1 657 876	272 100
CARLTON	11 416 648	10 186 650	-	552 510	677 488
HIL	10 106 396	-	4 846 830	4 350 254	909 312
GARDEN	9 730 394	-	7 145 883	1 852 574	731 937
ROYAT	9 489 759	8 777 590	-	430 372	281 797
PALAVAS	9 412 999	8 960 417	-	336 501	116 081
PART DIEU	8 735 769	-	4 882 652	3 494 512	358 605
LA GRANDE-MOTTE	7 114 994	6 418 382	-	157 304	539 308
LION BLANC	6 962 612	5 854 226	-	422 364	686 022
SACBM	6 660 468	5 365 304	137 368	941 787	216 009
GRAND CAFÉ	6 458 223	4 957 491	-	1 451 698	49 033
GRUISSAN	6 135 245	4 955 922	427 392	639 403	112 528
HYÈRES	5 988 931	5 400 099	92 337	158 012	338 482
PORNICHET	5 840 030	5 109 223	-	712 149	18 658
BANDOL	5 788 953	5 524 906	-	210 465	53 582
CALAIS	5 525 437	5 041 262	-	395 472	88 703
BEAULIEU	5 420 062	4 812 969	-	440 695	166 398
4 SAISONS	4 795 414	3 948 614	-	842 736	4 064
JEAN METZ	4 646 849	4 132 641	-	514 208	-
CANNOSTA	4 541 420	-	3 165 164	1 180 809	195 447
PORNIC	4 257 323	3 649 989	-	538 609	68 725
CABOURG	4 213 277	3 372 008	-	696 871	144 397
SA ECK	4 077 485	1 867 818	-	1 377 923	831 743
LA ROCHE-POSAY	3 934 144	3 669 830	27 522	226 453	10 338
LA CIOTAT	3 830 344	3 615 720	-	146 481	68 143
NUMA	3 754 981	3 666 660	-	43 600	44 722
CAS CONTREX	3 682 569	3 339 764	-	313 971	28 834
CAS VICHY	3 596 254	3 466 870	-	77 497	51 887
CHÂTELGUYON	3 331 091	2 922 076	-	370 301	38 714
OOSTENDE	3 232 637	2 095 912	-	360 888	775 837
ARCACHON	3 213 176	2 895 319	-	133 749	184 108
THERM VITTEL	3 143 849	-	-	-	3 143 849
PLOUESCAT	3 072 127	2 752 371	-	258 527	61 228
AQUABELLA	2 832 085	-	1 893 270	726 089	212 726
SEMCG	2 780 605	-	-	-	2 780 605
DJERBA	2 271 553	1 831 946	-	377 933	61 674
PALM BEACH	2 228 047	-	-	1 507 434	720 613
ANDERNOS	2 080 814	1 800 358	-	188 577	91 879
VAL-ANDRÉ	2 033 702	1 401 469	-	540 837	91 396
HÔTEL GOLF	1 833 563	-	868 050	899 261	66 252
SAN ROQUE	1 813 773	1 362 770	-	215 184	235 819
BOURBOULE	1 600 695	1 373 412	-	200 871	26 412
MONT DORE	1 562 448	1 236 776	-	311 506	14 166
AGON-COUTAINVILLE	1 533 280	1 436 971	-	51 857	44 452

Breakdown of turnover by main activities and by geographical areas (in €) continued

Company	Total	Net Gaming Revenue	Hotels	Restaurants	Other
AGADIR	1 524 870	1 449 513	-	75 357	0
CHAUDF. LOISIRS	1 508 778	972 011	-	-	536 767
SAINT-HONORÉ	1 449 419	1 398 451	-	50 967	0
CAZAUBON	1 343 624	1 238 437	-	105 184	3
GRASSE	1 336 102	1 208 906	-	124 911	2 285
HÔTEL COSMOS	1 297 683	-	568 850	666 570	62 263
HÔTEL DU PARC	1 288 687	-	529 106	588 607	170 974
THERM CONTREX	1 274 960	-	-	-	1 274 960
SA SIKB	1 243 823	1 228 819	-	15 004	-
SA SPLENDID	1 207 246	-	744 490	251 070	211 687
CBAP	1 152 136	-	-	-	1 152 136
GRÉOUX	1 124 922	996 655	-	125 688	2 579
ÉVAUX-LES-BAINS	980 135	791 615	-	182 980	5 540
SAINT- NECTAIRE	875 187	774 884	-	83 277	17 026
SPA	697 435	507 343	-	34 734	155 359
SALIES-DE-BÉARN	693 047	574 265	-	106 796	11 987
SA LE LYDIA	658 873	-	-	510 195	148 677
VILLA HAVRE	626 371	-	-	626 371	-
SF2D	454 304	-	-	331 918	122 386
SAXON	427 288	-	-	121 196	306 092
GRANDS HÔTELS DU PARC	407 928	-	208 315	193 096	6 518
RÉNO	295 526	-	-	-	295 526
CAFÉ CARMEN	265 787	-	-	-	265 787
SIHTC	228 959	-	-	-	228 959
PLOMBIÈRES	191 876	71 993	-	98 518	21 366
L. ROSTAGNE	185 630	-	-	-	185 630
TERM'PARK	179 961	-	-	-	179 961
SCI THERMES	150 896	-	-	-	150 896
SINOCA	143 400	-	143 345	-	55
EPSA	139 327	-	-	25 042	114 285
PORLANOUV	128 196	-	-	-	128 197
GP	107 123	-	-	-	107 123
BARATEM	86 945	-	-	83 972	2 973
GIE EGC	51 616	-	-	-	51 616
CASKNO	37 132	-	-	-	37 132
SCI ROYALE	34 365	-	-	-	34 365
SCI VITTEL	23 254	-	-	-	23 254
CHM	20 582	-	-	-	20 582
SCI MONT DORE	5 001	-	-	-	5 001
SED	3 964	-	-	-	3 964
AZUR BANDOL	1 082	-	-	-	1 082
SEYNE-SUR-MER	293	-	-	-	293
CEC HOLDING	1	-	-	-	1
TOTAL	**371 985 236**	**270 234 350**	**29 301 820**	**46 384 325**	**26 064 742**

Description of the competitive environment

The casinos sector in France has shown a relatively recent move towards concentration.
Of the 176 licensed casinos in France, more than two-thirds are operated by groups and the remainder by individuals.
The main groups are as follows:

Name of Group	Number of casinos operated in France	2002 Real Net Gaming (NGR) in euros
GROUPE PARTOUCHE	44	687 066 633
GROUPE BARRIÈRE	13	403 334 295
ACCOR CASINOS	16	304 321 602
MOLIFLOR LOISIRS	17	218 636 459
GROUPE TRANCHANT	16	194 874 838
GROUPE DIDOT BOTTIN	3	110 278 676
COGIT	5	63 785 533
GROUPE ÉMERAUDE	7	53 385 868

Source: Syndicat des Casinos Modernes de France; figures as at 31/10/2002.

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.
The clientele over 50 and retirees now constitutes the main segment. The steady growth in this slice of the population seems to be a guarantee of further expansion in the business.

Suppliers

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

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

Breakdown of human resources by category (average workforce)

Category	as at 31 October 2000 (n-2)	2001 (n-1)	2002 (n)
Management and Executives	242	296	465
Supervisors and technicians	137	142	182
Other	2 849	3 110	4 524
Manual workers	113	109	166
TOTAL	**3 341**	**3 657**	**5 337**

Reduction in labour time

All the group's establishments have complied with the legal obligations in respect of labour time reductions.

Work reorganisation was performed in a serene social context, thus confirming the Group's change management proficiency.

Reorganising our human resources and streamlining our work schedules both helped to drive forward growth in casino revenue.

ANALYSIS OF COMPANY RISKS

Foreign exchange risks

The group's activities outside France are carried out by subsidiaries operating locally. The consolidated financial statements thus include sixteen foreign companies. Ten companies are located in Belgium, one company in Morocco, one company in Tunisia, one company in Spain, two companies in Switzerland, and one company in the United States. These foreign subsidiaries represent only 4.92% of total turnover and the Group is not subject to any material foreign exchange risk given that since the introduction of the single European currency this type of risk only concerns two of the casinos operated (in Tunisia and in Morocco). The Group therefore does not hedge foreign exchange risks.

Legal risks

The Group has not, during the last fiscal year or since, been the subject of any legal proceeding that is likely to have a material impact on its financial position.

Insurance

The Group has acquired insurance coverage in the form of contracts between Group companies and independent insurers known to be financially solvent providing damage and general liability protection for ordinary business operations, in amounts and of natures that the Management of the Group deems appropriate.

INVESTMENT POLICY

The principal highlight of fiscal year 2002 is the Group's exceptional expansion as a result of the acquisition of Compagnie Européenne de Casinos. This transaction is perfectly in keeping with the sustained investment policy unceasingly promoted by the Group enabling us to consolidate our leadership position in the French market for which we have consistently demonstrated our devotion.
This policy will be maintained for the coming fiscal years. Groupe Partouche intends to continue to invest in the upkeep and refurbishment of casinos so as to improve or revitalise the conditions of the reception offered to its clientele. The Group will pursue ongoing projects through to completion, such as the refurbishment of the Saint-Amand-les-Eaux casino begun in fiscal year 2002–03 and the construction of the Meyrin casino in Switzerland. The Group will also participate in invitations to tender, including notably those of large cities such as Le Havre and Toulouse, which offer the greatest potential.
Expansion abroad remains on the table, but we shall proceed with considerable caution.
The planned annual budget for investments in the coming fiscal years is set at €40 million.

EXTRAORDINARY EVENTS AND DISPUTES

- The dispute over the ownership of the long-lease land of which Cannes Balnéaire SA is tenant until 2027, has just undergone a significant development: on 20 February 2003, the Court of Appeal of Aix-en-Provence, setting aside an earlier decision, held in favour of the Syndicat des Propriétaires de la Pointe Croisette determining that it has been the owner of this property from its founding in 1858. This decision definitively confirms, barring any appeal to the Court of Cassation of the city of Cannes, the right of Cannes Balnéaire to occupy the premises, which are sublet to LCLP France SA et Cie who has operated its casino in this location since August 2002 upon its transfer from the Hotel Carlton.
- The dispute that arose between our subsidiary HIL and SOGEA with respect to penalties to be received for the delay in the delivery of the Hilton Hotel in Lyons, still pending before the Court of Appeal of Lyons, has not undergone any developments during the fiscal year just ended.
- An out-of-court settlement has been reached with the tax authorities in regard to lease payments made to the Group by its subsidiaries. Risks related to other tax-related disputes are estimated on the basis of the elements available at the end of the fiscal year.
- The dispute between GJ Diffusion and the CEC Group is currently pending before the criminal subdivision of the Court of Cassation subsequent to the contested discharge ruling in favour of Mr G.J. As a result of this ruling, an adjournment is still pending for the civil case brought by him. The examination of this matter by Groupe Partouche confirms the original opinion by CEC that the demands of Mr G.J. are completely unfounded.
- The dispute between CEC and Birlen Finance, Inc. with respect to the commission due on the purchase of the Virginian Hotel Casino in Reno (United States), is still pending before the Commercial Court of Nanterre.
- The dispute between the CDTH and the original owner of the casino still remains. An adjournment of proceedings judgement was delivered in July 2002. The Group confirms its position which is not to set aside any sums as provisions for the completely unfounded claims at issue.

Generally, there is no dispute or arbitration that is likely to have an appreciable impact on the financial position, the business, the net assets or the income of the Company or of the Group.

GENERAL INFORMATION ON THE GROUP

Description of the Group

As of 21 March 2003, Groupe Partouche, through its direct and indirect subsidiaries, operates a total of 49 casinos: 42 establishments in France and 7 abroad.

72.7% of Group's turnover is achieved from Gaming, which remains the dominant activity.

Groupe Partouche's 49 casinos are distributed in France and abroad in the following manner:

France

regions	Locality of establishment
Nord-Pas-de-Calais	Saint-Amand-les-Eaux, Calais, Boulogne-sur-Mer, Le Touquet Paris Plage, Berck-sur-Mer
Haute-Normandie	Forges-les-Eaux, Dieppe
Basse-Normandie	Cabourg, Agon-Coutainville
Bretagne	Pleneuf-Val-André, Plouescat,
Pays de la Loire	Pornichet, Pornic
Poitou-Charentes	La Roche-Posay
Bourgogne	Saint-Honoré-les-Bains
Lorraine	Contrexéville, Plombières-les-Bains
Rhône-Alpes	Lyon, La Tour-de-Salvagny, Saint-Galmier
Auvergne	Evaux-les-Bains, Vichy (Élysée Palace et Grand Café) Châtelguyon, Royat, Saint-Nectaire.
Aquitaine	Andernos, Arcachon, Cazaubon-Barbotan, Salies-de-Béarn
Languedoc-Roussillon	Gruissan, Palavas-les-Flots, La Grande-Motte
Provence – Alpes – Côte d'Azur	Gréoux-les-Bains, Aix-en-Provence, La Ciotat, Bandol, Hyères, Grasse, Cannes, Juan-les-Pins, Beaulieu-sur-Mer

Abroad

Country	Locality of establishment
Belgium	Knokke-le-Zoute, Spa, Oostende, Chaudfontaine
Tunisia	Djerba
Spain	San Roque
Morocco	Agadir

Internal organisation of the Group

Groupe Partouche SA is the holding company of a group of companies whose business is mainly oriented to leisure, casinos, hotels, restaurants, dance floors and bars. It is the parent company, listed on the Premier Marché of the Paris Stock Exchange (EUROCLEAR code 5354).

Groupe Partouche SA assumes a management role for the entire Group, providing its subsidiaries the benefit of its know-how, resources, and skills, notably in terms of personnel and technical resources.
It provides its subsidiaries with services listed in a Head Office service agreement. Such services are, inter alia, in the areas of strategy, marketing, communication, sales, administration, legal and financial matters, and information systems.
Remuneration paid by each of the subsidiaries to Groupe Partouche SA is calculated in terms of a margin-related share of the expenses incurred by the former for human and technical resources which is allocated in relation to the turnovers of the different subsidiaries having entered into service agreements with the Head Office.
For the fiscal year ended 31 October 2002, the total amount of this remuneration received by the Group was €4.385 million excluding taxes

Company performance-related pay

There has to date been no company performance-related pay or profit-sharing contract for employees within Groupe Partouche SA.

Number and duration of casino operating concessions

A casino operation concession in France never lasts longer than 18 years. As of today, Groupe Partouche has 42 casinos which have a concession contract and a ministerial licence to operate a casino.
A renewal is in progress for the concession at La Ciotat.
Two requests are being reviewed at the Ministry of the Interior concerning the reopening of the casino at Port-Barcarès and the creation of a casino at La Trinité-sur-Mer

GENERAL INFORMATION ON THE COMPANY

Company name (Article 2 of the Articles of Association)

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

Head office (Article 4 of the Articles of Association)

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

Applicable legislation

The company is governed by the French legislation.

Legal form

The company is a Société Anonyme company with an Executive Board and a Supervisory Board, governed by the Commercial Code and the Decree of 23 March 1967.

Term (Article 5 of the Articles of Association)

The term of the company was initially fixed at 31 October 2008. The Extraordinary General Meeting held on 27 April 1994 extended it by 50 years. It will expire in year 2058, except in the case of early dissolution or extension as provided by the Articles of Association.

Purpose (Article 3 of the Articles of Association)

The purpose of the company in France and all other countries is:
The administrative, financial and accounting management of all the present or future companies operating mainly in the entertainment, hotels and gaming sectors.
The acquisition of equity stakes of all types in such companies. Assisting these companies in improving their growth by providing all types of services.
All transactions in shares in French and foreign markets.
Acquisition and sale of real estate fixed assets and current assets.
And in general all types of industrial and commercial operations related to:
The creation, acquisition, rental, lease or operation of all types of business in any of the abovementioned sectors of activity.
The acquisition, operation or sale of any process or patent related to these activities.
The direct or indirect participation in any type of financial, real estate or personal property operations or commercial enterprise transaction related to the abovementioned purpose or any other connected purpose.

Commercial Register

The company is registered under number 588 801 464 RCS PARIS.

APE Code

741 J.

Fiscal year

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

Appropriation and allocation of earnings – Article 40 of the Articles of Association

I- Net earnings are constituted by the net revenue for the fiscal year, less expenses, as well the depreciation or amortisation of company assets and provisions for commercial and industrial contingencies.

II- Net earnings are appropriated as follows:

1°/ A deduction of 5% is taken from net income for the year after the offset of any prior year losses carried forward, for the purpose of creating the legally required "legal reserves", until these reserves equal one-tenth of the company's share capital.

2°/ Net earnings to be appropriated are constituted by the net income for the fiscal year, less prior-year losses and legally required reserves, plus retained earnings carried forward.

The General Meeting then allocates the amounts it deems appropriate to the optional, ordinary and/or extraordinary reserves, and to retained earnings.
The resulting balance, if any, is allocated among all shareholders proportionately to their paid-in outstanding shareholdings.
However, except in the case of capital reduction, no payment to shareholders is carried out, if the resulting amount of net assets is or would otherwise become less than the combined amount of the share capital and reserves that may be distributed as provided by the Law or by the Articles of Association.
The General Meeting may resolve to allocate amounts deducted from the optional reserves either in order to provide or supplement a dividend or for the purpose of allocating exceptional provisions; in this case the resolution shall expressly indicate the reserve categories from which these deductions are to be made.
Losses (if any) are, after the approval of the financial statements by the General Meeting, recorded in a special account for offset against future years' profits until the expiry of their availability for carry-forward.

3°/ The General Meeting convened to approve on the financial statements of a given fiscal year may grant each shareholder, in respect of all or part of the dividend set aside for distribution, an option to be paid either in cash or in shares, the price of which is previously determined as provided by the law. The offer of payment in shares should be made simultaneously to all shareholders. Requests by shareholders in this regard must be made during a period fixed by the General Meeting which may not exceed three months from the said meeting.

General regulations for General Meetings

Notice of meeting procedures – Announcements to shareholders (Article 27 of the Articles of Association)

I- General Meetings may be convened by the Executive Board, or failing this, by the Supervisory Board or the Statutory Auditors, as provided by Article 194 of the Decree, or by a proxy designated by the President of the Commercial Court rendering a decision under a summary procedure, upon the request of one or more shareholders together holding at least one-tenth of the share capital, or by the official liquidator.

II- General Meetings are held either in the head office or in any other place that should be specified in the notice.

III- Notices can be published in the newspapers entitled to receive legal notices in the departmental region of the head office and also in the Bulletin des Annonces Légales Obligatoires. Shareholders holding nominative shares for at least one month from the date of publication of the announcement are convened by an ordinary letter. They may request delivery of a registered letter if they remit to the company the relevant postage costs.

The period between the last dispatch of these letters or publications and the date of the meeting must be at least fifteen days from the first notice and six days thereafter.

The notice of the meeting should indicate the name of the company and if possible its logo, the type of the company, the amount of the share capital, the address of the head office, the registration number, the date, time and place of the meeting as well as the nature of the meeting and its agenda.

The subject of the items comprised in the agenda shall be clearly and exactly described.

Should a meeting be adjourned due to a failure to obtain an adequate quorum, a second meeting is convened in the same form and manner, and notice thereof shall include the date of the first meeting.

Any meeting that has not been convened in the required form and manner can be deemed null and void. However, recourse to such voidability is withdrawn should all shareholders have attended or been represented.

The proxy form addressed by the company to the shareholders shall clearly inform them that should the proxy form omit to designate the name of the nominated representative, their vote will be considered favourable to the resolutions submitted by the Executive Board; the documents listed by Article 133 of the Decree should be enclosed with the proxy form.

IV- Announcements to shareholders, in advance of any meeting, may be made by any of the following means:

1°/ by sending, at their request, the agenda of the meeting, draft resolutions, notices in respect of the members of the Executive and Supervisory Boards and in respect of the candidates to these positions, the report of the Executive Board and the observations of the Supervisory Board and a summary in respect of the company's financial position and net income for the last five years.

Moreover, the following should be enclosed:

– in advance of an Annual General Meetings, the income statement, the balance sheet and the special report of the statutory auditors,

– in advance of a Extraordinary General Meeting, the report of the statutory auditors, if applicable.

2°/ the abovementioned documents should be made available to the shareholders at the Company's head office, as should the list of companies, the list of shareholders, and the indication of the total compensation paid to the Company's five highest earning individuals, as well as the report of the statutory auditors and if applicable, merger or disposal proposals.

V- Voting by correspondence

Any shareholder may vote by correspondence by completing an official form established in accordance with the law that will be valid only if received at least three days prior to the date of the General Meeting. Forms which do not indicate a clear vote or which express an abstention are considered as nay votes.

Admission to General Meetings – (Article 28 of the Articles of Association)

All shareholders may attend and vote at General Meetings, irrespective of the number of the shares held. Only spouses of shareholders or other shareholders in the Company may serve as proxies.

The right to take part in General Meetings is contingent upon being a registered shareholder, or, for owners of shares in bearer form, upon the delivery of a certificate of share ownership to the location indicated on the notice of meeting by the authorised account-holding intermediary, confirming that such shares are not available for sale from the date of this delivery until the date of the meeting. These formalities must be carried out within five days prior to the date of the meeting.

Voting rights – (Article 31 of the Articles of Association)

Each shareholder present or represented by proxy at a Shareholders' Meeting has as many votes as the shares held or represented, without limitation, except in the case of meetings to create new rights or status, for which each shareholder may have no more than ten votes.

Multiple voting rights: None.

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GENERAL INFORMATION ON THE CAPITAL

Share capital – (Article 7 of the Articles of Association)

The issued share capital is €86,194,836, divided into 6,156,744 shares, of a single class, with a nominal value of €14 each, the nominal values of which are all fully paid.

Crossing of statutory thresholds and penalties in the event of non-compliance with disclosure requirements (Article 12 of the Articles of Association) (provision authorised by decision of the Extraordinary General Meeting of 3 January 1995)

Pursuant to Article L. 233-7 § 5 of the Commercial Code, shareholders must notify the company of the number of shares held directly or indirectly, alone or in concert, whenever their holding crosses the threshold of 2% of the share capital or a multiple of this percentage.

In the event of non-compliance with this disclosure obligation, shares exceeding the non-disclosed fraction will be deprived of their voting rights at the request, recorded in the minutes of the General Meeting, of one or more shareholders, holding 5% at least of the capital of the company, when the shares of the company are officially listed on a stock exchange.

Authorisation for the company to buy back its own shares

- By a decision of the Annual General Meeting of 24 April 1998, we granted ourselves the authorisation for the first time to buy back the Company's own shares pursuant to the provisions of Article 217-2 of the Company Act of 24 July 1966. This authorisation, for a period of 18 months, which was not used, expired on 23 October 1999.

- The Extraordinary General Meeting of 26 March 1999 authorised the Executive Board, pursuant to the provisions of Article 217-2 of the Company Act of 24 July 1966, to acquire a maximum of 10% of the number of shares constituting the share capital. This authorisation, for a period of 18 months, which was not used, expired on 25 September 2000.

- The Annual General 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 a maximum of 10% of the number of shares constituting the share capital. This authorisation, for a period of 18 months, which was granted Visa No. 00-305 on 14 March 2000, expired on 3 October 2001 and was used, for the repurchase of 2,738 shares representing 0.04 % of the total share capital of Groupe Partouche SA.

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

- The maximum purchase price was fixed at €100 per share and the minimum sale price at €50 per share. This authorisation, granted for the 18 month period ended 1 October 2002, was never applied.

- Finally, the Extraordinary General Meeting of 9 April 2002 authorised the Executive Board pursuant to the provisions of Article 225-209 of the Commercial Code to buy back its own shares on the market, for the purposes principally of regulating the share price and the delivery of shares by way of exchange for external growth operations or for any other purpose that is in the company's interest.

  The maximum purchase price was fixed at €100 per share and the minimum sale price at €50 per share. This authorisation, granted for the 18 month period ended 1 October 2002, was never applied.

Capital authorised but not issued

The Executive Board has the following authorisations granted by the Extraordinary General Meeting of 9 April 2002, which could lead to the issue of equity securities. These authorisations are summarised as follows:

Nature of transaction authorised by the EGM 9 april 2002	Duration of authorisation(1)	Maximum amount in euros	Terms
Capital increase			
In cash	8 June 2004	500 000 000	with preferential right of subscription without preferential right of subscription
By capitalisation of reserves, premiums or net income	8 June 2004	500 000 000	
By issue of debt securities	8 June 2004	500 000 000	with preferential right of subscription without preferential right of subscription

(1) For a period of twenty-six months following the Extraordinary General Meeting of 9 April 2002.

Year (from 1 November 1997 to 31 October 2001)		Capital variations (in FF or in euros) Nominal	Premium	Successive total capital (in FF or in euros)	Cumulative number of shares
1998				560 266 434 F	6 156 774
1999				560 266 434 F	6 156 774
2000				560 266 434 F	6 156 774
2001	EGM of 2 April 2001 Conversion of the share capital into euros by conversion of the nominal value of the shares from €13,87 to €14 by incorporation of the 2002 reserves	782 768,75 €		86 194 836 €	6 156 774
2002				86 194 836 €	6 156 774

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

Breakdown of share capital and voting rights at 04/03/2003

Main shareholders at March 2003	Number of shares held	% of share capital
FINANCIÈRE PARTOUCHE SA (1)	3 835 500	62,30%
SOGESIC SARL (2)	284 500	4,62%
Partouche Family	228 210	3,71%
Subtotal	**4 356 161**	**70,62%**
Public (4)	1 808 564	29,38%
Total	**6 156 774**	**100,00%**

(1) Financière Partouche SA is a family holding company.
(2) Sogesic SARL is a central purchasing office for the Group.
(3) There are no double voting rights.
(4) Of whom the companies FMR Corp and Fidelity International Limited (FIL) have been specifically identified, holding 0.38% and 4.67% respectively, or a total of 5.05% of share capital, and the company EEM (Belgium), holding 8% of share capital.

As far as the company is aware, there are no other shareholders holding 5% or more of the share capital or voting rights apart from those indicated above.
Employees hold no shares.

Changes in the breakdown of the share capital during the past 3 fiscal years

Identity of main groups of shareholders	Fiscal years ended 31 October 2000 (n-2)	2001 (n-1)	2002 (n)
FINANCIÈRE PARTOUCHE SA	62,62 %	62,30 %	62,30 %
SOGESIC SARL	4,62 %	4,62 %	4,62 %
Partouche Family	4,35 %	4,23 %	3,71 %
Subtotal	**71,59 %**	**71,15 %**	**70,62 %**
Public	28,41 %	28,85 %	29,38 %
Total	**100,00 %**	**100,00 %**	**100,00 %**

Shareholders' agreements

As far as the company is aware, there are no shareholders' agreements.

Options

There have been no stock option plans to date.

Potential capital

There are no other securities apart from those indicated above.

Pledging of registered shares in Groupe Partouche SA as collateral

Name of registered shareholder	Beneficiary	Pledge start date	Pledge end date	Condition for taking up the collateral	Number of shares pledged by the issuer	% of issuer's capital pledged
FINANCIÈRE PARTOUCHE SA	CRÉDIT SUISSE FIRST BOSTON	28/01/02	30/04/09	Loan Repayment	3 835 500	62,30 %
TOTAL					**3 835 500**	**62,30 %**

Number of shares traded, movements in the share prices in the last 18 months (Source: Euronext)

Periods	Share price high/low Highest in euros	Lowest in euros	Number of shares traded	Share capital traded (in millions of euros)
2001				
September	72,80	45,15	17 230	0,99
October	65,00	57,30	24 482	1,50
November	64,00	55,00	42 844	2,55
December	74,25	56,10	96 899	6,49
2002				
January	75,50	63,00	29 836	2,10
February	74,25	64,10	35 509	2,46
March	82,20	70,50	44 929	3,47
April	82,30	70,35	60 292	4,65
May	83,60	72,30	44 899	3,52
June	82,70	75,10	34 764	2,79
July	84,20	77,50	18 928	1,50
August	84,20	72,00	27 737	2,23
September	75,00	57,35	18 619	1,26
October	70,00	58,50	18 894	1,21
November	72,00	63,70	21 664	1,45
December	66,50	55,05	22 007	1,30
2003				
January	61,00	55,00	62 208	3,60
February	60,75	53,00	19 211	1,10

Stock exchange information

The Groupe Partouche SA share was admitted to the "Second Marché" of the Paris Stock Exchange on 29 March 1995 and has been listed on its "Premier Marché" since 2 November 1998 (code 5354).

Institution providing financial services for the company

Transfers and payments of dividends are handled by Lyonnaise de Banque – Direction des Traitements Administratifs – Division Titres émetteurs, Address: Chemin Antoine Pardon - 69160 Tassin-la-Demi-Lune.

DIVIDENDS

No dividend was proposed for the fiscal year ended 31 October 2002.

Dividends distributed for the previous five fiscal years are as follows:

	Fiscal year ended 31/10/1997	Fiscal year ended 31/10/1998	Fiscal year ended 31/10/1999	Fiscal year ended 31/10/2000	Fiscal year ended 31/10/2001
Total dividend amount in FF	55 410 966 F	61 567 740 F	67 724 514 F	67 724 514 F	
Total dividend amount in €	8 447 347,31 €	9 385 941,46 €	10 324 535,60 €	10 324 535,60 €	4 925 419 €
Net dividend per share	9,00 F	10,00 F	11,00 F	11,00 F	0,80 Euros
Tax paid	4,50 F	5,00 F	5,50 F	5,50 F	0,40 Euros
Total income per share	13,50 F	15,00 F	16,50 F	16,50 F	1,20 Euros

During the fiscal year ended 31 October 2002, no downpayments on dividends were paid.
Any dividend that is not claimed within five years as from its due date, will be prescribed to the State, as provided by law (payment to the Service des Domaines).

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Mr Hubert Benhamou - Chairman of the Executive Board.

Testimonial of the person responsible for the reference document

To our knowledge, the information provided in this reference document is true. It includes all the information required by investors to form an assessment of the assets, business, financial position, earnings and the outlook of the company; no information is omitted which, had it been included, would have affected its interpretation.

Hubert BENHAMOU

Persons responsible for auditing the financial statements

Statutory Auditors	Date of last renewed appointment	Expiration of appointment
Incumbent KPMG Audit – a unit of KPMG SA Imm. KPMG, 1, cours Valmy 92923 Paris La Défense Cedex	AGM of 24 April 1998	AGM convened to approve the financial statements of the fiscal year ending 31 October 2003
Incumbent Mr José DAVID 47, av. du Pt F. Roosevelt 92330 Sceaux	AGM of 24 April 1998	AGM convened to approve the financial statements of the fiscal year ending 31 October 2003
Substitute Mr Gérard RIVIÈRE Imm. KPMG, 1, cours Valmy 92923 Paris La Défense Cedex	AGM of 24 April 1998	AGM convened to approve the financial statements of the fiscal year ending 31 October 2003
Substitute Mr Emmanuel QUINIOU 62, rue de la Faisanderie 75116 Paris	AGM of 24 April 1998	AGM convened to approve the financial statements of the fiscal year ending 31 October 2003

STATUTORY AUDITORS' REPORT ON THE REFRENCE DOCUMENT Fiscal year ended 31 October 2002

As the Statutory Auditors of Groupe Partouche SA and as provided by the regulations of the COB 98-01, we have audited, in accordance with professional standards applicable in France, the information pertaining to the Company's financial situation and the historical accounts as provided in this reference document.
This reference document was drawn up under the supervision of the Executive Board. It is our responsibility to express an opinion as to the true view of the information it gives in respect of the financial position and financial statements.
The work we performed, in accordance with French professional standards, consisted of assessing the accuracy of the information contained therein in respect of the financial statements and assessing their consistency with the financial position and financial statements.
We also reviewed the other information included in the reference document, in order to identify any significant inconsistencies with the information on the financial position and financial statements, and to indicate any information that we deem manifestly erroneous, based on the general knowledge of the company's business that we gained during our assignment. This reference document does not include any isolated forward-looking data resulting from a structured process of preparation.
We audited, in accordance with French professional standards, the annual financial statements and the consolidated financial statements for the fiscal year ended 31 October 2000 as drawn up by the Executive Board. These financial statements were certified without qualification or comment.
We audited, in accordance with French professional standards, the annual statements for the fiscal year ended 31 October 2001 and 31 October 2002 as drawn up by the Executive Board. These financial statements were certified without qualification or comment.

We audited, in accordance with French professional standards, the consolidated statements for the fiscal year ended 31 October 2001 as drawn up by the Executive Board. We certify these statements without qualification. We note the first application of the CRC 99-02 regulations.

We audited, in accordance with French professional standards, the consolidated statements for the fiscal year ended 31 October 2002 as drawn up by the Executive Board. We certify these statements without qualification. Our audit report noted the change in presentation of employee profit sharing within the income statement and of deferred tax liabilities in the balance sheet, as well as the change in accounting policy with respect to lease agreements.
We have no comment to make as to the good faith of such given information and its consistency with the financial position and financial statements that are submitted in this reference document.

Paris La Défense and Sceaux, 31 March 2003
The Statutory Auditors

José David

KPMG Audit
a unit of KPMG SA.

Maïr FERERES
Partner

Person responsible for information

Mr Alain CENS
Chief Financial Officer
Phone: +33 (0)1 47 64 33 45

REFERENCE DOCUMENT CONCORDANCE TABLE

In order to facilitate the reading of the annual report registered as a reference document, the following summary table lists the headings and subheadings as stipulated by Regulation 98-01 of the Commission des Opérations de Bourse and indicates the corresponding page references in the document.

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COB

The original French language version of this reference document was filed with the Commission des Opérations de Bourse on 2 April 2003, pursuant to Regulation 98-01.
The original French language version of this reference document may be used as a supporting document for a financial transaction if supplemented by a prospectus, duly granted a visa by the Commission des Opérations de Bourse.



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Crédit photos : Marcel Partouche Sebban – Conception et réalisation : éconéo