GROUPE PARTOUCHE



ANNUAL REPORT 2013

MESSAGE FROM THE FOUNDER
MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD
MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD
2013 FINANCIAL REPORT

MESSAGE FROM THE FOUNDER



Dear shareholders, dear friends,

As you might imagine, it was very hard for me to accept our senior executives' decision to implement the company's Safeguard Procedure (procédure de sauvegarde), but it was a necessary step. The rules of the financial world in which we operate are as follows: financiers have rights that we do not, in particular the ability to pass our fate around among each other, without worrying about how their actions affect the daily lives of thousands of employees who work with us.

By selling their stakes in our debt to a well-known fund, two of our most important "partners" put us in danger. It was not difficult to perform a simple calculation. The "break-up" value of our company (its equity) is at least four times larger than that of its stock exchange listing. An unscrupulous predator might have hoped to convert the debt into shares, take control, and then carve up the Group to make an enormous profit without too much effort. We did not want to run this risk, so we thought it would be preferable to ask for the protection of the commercial court. Thus, if we cannot reach an amicable agreement, a solution will be found that is compatible with our ability to repay.

Thanks to the exemplary cost reduction work carried out in recent years by our team of directors, our Group is, and remains, very profitable, despite the crisis and the problems we have encountered. It is only struggling because of the unsuitability of its external growth financing, which was negotiated in better times. Once this has all been resolved, the reorganised Executive Board will be able to look to the future with equanimity.

During these difficult times, our fundamental values have not changed in the slightest, and the team we have today is united and refocused on its goal of achieving excellence.

Although the short-term outlook is still fairly uncertain, I sincerely hope that this will be the year that we return to growth.

Dear shareholders, I wanted to list my Group on the stock exchange so that everyone, whether players, gaming enthusiasts or investors, could familiarise themselves with what the profession of running a casino has become in this competitive and globalised world, and participate in it in a fully transparent manner. We are the only such group in France.

I am looking forward to better days, and I thank you for your loyalty.

Isidore Partouche

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD



Dear You,

I could not find two small words that more perfectly encapsulate how much I cherish you all, and also how dear you are to Groupe Partouche.

When I say "you", I mean:

Our 5,000 employees who work tirelessly in an ever more challenging and competitive world, where their smallest actions can have consequences that are increasingly damaging not only to their careers, but also to the fragile reputation of a profession that is still wrongly stigmatised, much to the benefit of the monopolies…

Our shareholders, who are experiencing the difficulties of the Group as it goes through the Safeguard Procedure, yet who do not doubt for an instant the intrinsic operating profitability of our company that, like many others, took on debt that has now become misaligned.

Our patrons and friends who, despite the fact that the air in our establishments has become "breathable", still visit every day, not only in the hope of winning enough to make their dreams come true but, rather, to reaffirm the social ties of the casino. These ties have brought generations of French people together, not only around gaming tables, but also around tables in restaurants and at marriage banquets, seminars and nightclubs…

And, finally, I mean you, Mr Fabrice Paire, Chairman of the Executive Board!

All of the ongoing decision trade-offs, all the courageous decisions you have taken (many of which were extremely painful) are already bearing fruit.

It is up to you to preserve the spirit of a group that has already changed.

It is up to all of us to help and advise you and your team and, above all and considering that we have renewed our trust in you, to allow you to perform your job with equanimity.

Far from "Rien ne va plus", I say, "Place your bets".

Patrick Partouche

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD



The past year was particularly important. It witnessed the implementation of the decision trade-off procedures necessary for restructuring our loss-making activities. Important, sometimes painful decisions that have already borne fruit and will continue to do so.

The strategic reorientation of our Poker activity, more specifically in its "interactive" form, is now almost complete. We have also begun the process of selling our non-strategic assets, and this will continue in the months to come.

Our priority is to focus once more on games, which are at the heart of our profession. However, this sector is weighed down by regulation, and striving to develop it requires an exceptional amount of effort, if only in an attempt to "keep up with the times" by adapting what we offer to the expectations of our clientele who are – and have every right to be – ever more demanding.

For entrepreneurs like ourselves, things are certainly developing faster than ever, but it is worth noting that departments within the Ministry of the Interior have been listening to the profession for several months, and have taken on board the need to modernise an activity that is heavily penalised by its inertia in a world that is moving increasingly quickly.

In particular, we welcomed the recent ministerial authorisation for testing the game of Bingo, and regard it as a noteworthy and fair measure. This major innovation is of particular importance in a competitive environment that is not very favourable to us. We can see signs of a fruitful collaboration for the future of this sector, which employs almost 15,000 people in France and is a source of revenue that is key to the vitality of the geographic areas in which it operates.

In these difficult economic times, I would like to offer encouragement to our directors and their teams. They are always mobilised and work passionately to ensure that the human element continues to be the major asset that sets our establishments apart from those of our competitors.

Moreover, they knew how to take control and weather the storm. Today, they are redoubling their efforts in order to hold the reins of their operations, while never slackening on inventiveness or innovation.

Our Group was built over the course of 40 years on this joining of forces, on the loyalty and perseverance of each individual to ensure that this shared adventure is here to stay. We are working tirelessly to get back onto an even playing field, particularly by finalising the collective procedure whose sole aim is to restructure our bank debt, thus enabling us to pursue our activities with equanimity.

We are duty-bound to move more quickly and forcefully in order to bring our projects to life. It is by bringing together all our individual specificities, in a flawless union based on our fundamental values, that we will win the battles that we are currently fighting.

Fabrice Paire



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01 PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Mr. Fabrice Paire, Chairman of the Executive Board.

1.2 CERTIFYING STATEMENT BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

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

To the best of my knowledge, I certify that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the company's assets, financial position and profit or loss, as well as those of all consolidated companies, and that the information in the management report (see Reconciliation Table on page 226 of this document) presents a true and fair view of the development of the business, results and financial position and those of all consolidated companies, as well as describing the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have completed their tasks, indicating that they have verified the information concerning the financial position and financial statements set out in this Reference Document and that they have read the Reference Document in full.

The Statutory Auditors have issued a report on the Group's consolidated financial statements for the financial year ended 31 October 2013, set out on page 203 of the Reference Document; this report contains an observation:

'Without qualifying the opinion given above, we wish to draw your attention to the uncertainty regarding business continuity as a going concern set out in Note 1 "Key events" in the paragraph entitled "Initiation of a Safeguard Procedure (procédure de sauvegarde) for the Groupe Partouche SA holding company" in the Notes to the financial statements.'

The Statutory Auditors have issued a report on the Group's parent company financial statements for the financial year ended 31 October 2013, set out on page 204 of the Reference Document; this report contains an observation:

'Without qualifying the opinion given above, we wish to draw your attention to the uncertainty regarding business continuity as a going concern set out in the notes to the parent company financial statements in the paragraph entitled "Safeguard Procedure (procédure de sauvegarde)".'

The Statutory Auditors issued a report on the Group's consolidated financial statements for the financial year ended 31 October 2012, set out on page 193 of the Reference Document filed with the AMF on 27 February 2013 - reference number D13-0087.

The Statutory Auditors issued a report on the Group's parent company financial statements for the financial year ended 31 October 2012, set out on page 193 of the Reference Document.

The Statutory Auditors issued a report on the Group's consolidated financial statements for the financial year ended 31 October 2011, set out on page 196 of the Refe-

rence Document filed with the AMF on 28 February 2012 - reference number D12-0112; this report contains two observations:

'Without qualifying the opinion given above, we wish to draw your attention to Note 2 «Description of the accounting policies and valuation methods applied by the Group» in the Notes to the consolidated financial statements, setting out, in the section entitled «Accounting judgments and estimates»:

- the error correction in relation to the accounting treatment of the territorial economic contribution (CET), pursuant to IAS 12 Income tax;

- change in the accounting estimate of goodwill impairment recorded in 2010.'

The Statutory Auditors issued a report on the Group's parent company financial statements for the financial year ended 31 October 2011, set out on page 197 of the Reference Document."

Paris, 26 February 2014

Fabrice Paire

Chairman of the Executive Board



02 AUDITORS

2.1 AUDITORS

IDENTITY OF THE STATUTORY AUDITORS	PROFESSIONAL BODY	DATE OF THE LAST RENEWAL	DATE OF FIRST APPOINTMENT	END OF TERM
PRINCIPAL				
MCR Baker Tilly 232 avenue du Prado 13008 Marseille	Independent member of Baker Tilly France	AGM of 20 April 2010	AGM of 24 April 2007	AGM called to approve the financial statements for the financial year ending 31 October 2015
PRINCIPAL				
France Audit Expertise 1 boulevard Saint-Germain 75005 Paris			AGM of 20 April 2010	AGM called to approve the financial statements for the financial year ending 31 October 2015
SECONDARY				
Orfis Le Palais d'Hiver 149 boulevard de Stalingrad 69100 Villeurbanne	Independent member of Baker Tilly France	AGM of 20 April 2010	AGM of 24 April 2007	AGM called to approve the financial statements for the financial year ending 31 October 2015
SECONDARY				
M. José David 47 avenue du Président Franklin Roosevelt 92330 Sceaux			AGM of 20 April 2010	AGM called to approve the financial statements for the financial year ending 31 October 2015

03 SELECTED FINANCIAL INFORMATION



The tables below present extracts of the Group's balance sheet and income statement for the financial years ended 31 October 2011, 2012 and 2013 prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

BUSINESS ACTIVITY

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2013	2012	2011
Casinos	390 036	407 981	417 710
Hotels	33 166	33 325	34 593
Interactive Division	7 803	6 204	6 932
Other	5 373	3 440	5 070
TOTAL TURNOVER	**436 378**	**450 951**	**464 304**

CASINOS €000 AT 31 OCTOBER	2013	2012	2011
Gross Gaming Revenue of table games	84 032	80 644	79 777
Gross Gaming Revenue of slot machines	557 981	592 448	616 577
TOTAL GROSS GAMING REVENUE	**642 013**	**673 092**	**696 354**
Levies	322 353	342 692	356 863
As % of Gross Gaming Revenue	50,2 %	50,9 %	51,2 %
NET GAMING REVENUE	**319 660**	**330 400**	**339 491**
Number of casinos	50	50	50
Of which number of casinos in France	42	42	42
Number of slot machines in France	5 497	5 601	5 607

HOTELS AT 31 OCTOBER	2013	2012	2011
Number of hotels	19	19	19
Number of rooms	1 245	1 244	1 245
Occupancy rate	60,28 %	60,89 %	58,27 %

PROFITABILITY

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT DATA PER SHARE)	2013	2012	2011
Turnover	436 378	450 951	464 304
Current operating profit	31 077	26 717	40 076
Operating profit	16 627	9 137	28 942
Total net profit	**(4 203)**	**(8 609)**	**2 036**
Of which, Group share	(13 075)	(17 114)	(6 953)
Net earnings per share attributable to the Group	(0,14)	(0,177)	(0,078)
Dividend distributed per share	-	-	-

EBITDA €000 AT 31 OCTOBER	2013	2012	2011
Consolidated EBITDA	**72 034**	**73 937**	**88 566**
% of Turnover	16,51 %	16,40 %	19,08 %

BALANCE SHEET AND FINANCIAL STRUCTURE

ASSETS €000 AT 31 OCTOBER	2013	2012	2011
Non-current assets	621 895	670 449	696 030
Current assets	166 004	170 086	176 579
Assets held for sale	16 376	4 500	2 768
TOTAL ASSETS	**804 275**	**845 035**	**875 376**

LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2013	2012	2011
Equity attributable to the Group	303 649	316 150	335 466
Minority interests	30 022	30 531	32 128
Total equity	333 671	346 681	367 594
Total non-current liabilities	258 231	300 854	338 819
Total current liabilities	208 400	197 500	166 304
Held for sale liabilities	3 973	-	2 660
TOTAL LIABILITIES AND EQUITY	**804 275**	**845 035**	**875 376**

CASH LESS GAMING LEVIES

€000 AT 31 OCTOBER	2013	2012	2011
Cash and cash equivalents (assets)	112 553	126 141	132 029
- Levies	(28 115)	(30 629)	(34 157)
= CASH LESS GAMING LEVIES	**84 438**	**95 513**	**97 872**

DEBT AND RATIOS

€000 AT 31 OCTOBER	2013	2012	2011
Equity	333 671	346 681	367 594
Consolidated EBITDA	72 034	73 937	88 566
Gross debt (*)	268 043	280 697	303 188
Available cash less gaming levies (**)	84 438	87 513	97 872
Net financial debt	183 605	193 184	205 316
Net debt to equity (“gearing”) ratio	0,55	0,60	0,56
Net debt to consolidated EBITDA ("leverage") ratio	2,5x	2,6x	2,3x

(*) See Section 9.1.2 and Section 20 Note 17.

(**) See Section 9.1.2 and Section 20 Notes 13 and 17.

SUMMARY CASH FLOW

CASH FLOW €000 AT 31 OCTOBER	2013	2012	2011
Cash flow from/(used in) operating activities	39 262	58 107	57 384
Cash flow from/(used in) investing activities	(21 753)	(36 981)	(26 505)
Cash flow from/(used in) financing activities	(31 009)	(26 356)	(7 594)
CLOSING CASH POSITION	**112 544**	**126 057**	**131 970**

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RISK FACTORS 04



The company carried out a review of the risks which could have a significant negative impact on its business activity, financial position and results, and believes that there are no significant risks other than those disclosed. The means implemented to assure risk management and control are explained in Section 16.5. The company notably analysed the financial risk related to the Safeguard Procedure (procédure de sauvegarde) and the repayment of the syndicated loan.

Within the framework of this procedure, a plan must be drawn up and adopted by the court. It describes the company's economic reorganisation measures and incorporates the conditions for debt repayment, after accounting for extended deadlines and discounts granted by creditors.

4.1 FINANCIAL RISKS

The quantitative data presented in this section have been audited.

Monitoring and managing financial risks is handled by the Finance Department, which manages all financial exposure and prepares monthly reporting for the Executive Board.

4.1.1 RISK RELATED TO THE SAFEGUARD PROCEDURE (PROCÉDURE DE SAUVEGARDE)

GROUNDS

In 2013, having operated within a difficult context for several years, Groupe Partouche continued the efforts begun to restructure loss-making divisions, which resulted in significant reductions in expenses, together with reduced investment flows.

These measures enabled Groupe Partouche to meet its repayment obligations for the syndicated loan, notably that of 30 April 2013, which allowed the outstanding principal to be reduced to €233.7m.

However, Groupe Partouche remained continually exposed to the risk of non-compliance with the syndicated loan covenant.

In June 2013, given this situation, Groupe Partouche decided to initiate the restructuring of the syndicated loan with its bank syndicate, essentially aiming to extend the schedule to make it compatible with the company's repayment ability, and to reconsider the margin and level of covenants.

In the absence of an agreement with the bank syndicate and considering its requirements, Groupe Partouche did not wish to remain exposed to the aforementioned risk, which could have rendered the loan immediately payable, and chose the structure of the Safeguard Procedure (procédure de sauvegarde) to enable it to restructure its bank debt by apportioning the principal to be repaid over time and continue its business with confidence.

On 30 September 2013, Groupe Partouche SA, the Group's holding company, therefore requested and obtained access to a Safeguard Procedure (procédure de sauvegarde) from the Paris Commercial Court.

This procedure only concerns the company Groupe Partouche SA and has no effect whatsoever on the continuing business of the Group's operating subsidiaries.

The Safeguard Procedure (procédure de sauvegarde) was initiated with a six-month observation period, expiring on 30 March 2014.

Status of frozen debt by type following the Safeguard Procedure (procédure de sauvegarde) of 30/09/2013

In order to form creditor committees as stipulated in Articles L.626-30 et seq. of the French Commercial Code, the following list of creditor receivables (debt owed to creditors by Groupe Partouche) at 30 September 2013 was drawn up (Groupe Partouche SA company data):

€000	TOTAL AMOUNT	EXCLUDING RELATED PARTIES	OF WHICH: RELATED PARTIES
Bank loans and overdrafts (*)	234 458	234 458	-
Sundry loans and debts	25 534	-	25 534
Trade accounts payable	1 671	1 458	213
Liabilities to personnel	-	-	-
Social security and other social benefits	289	289	-
State and other public authorities:			
- Corporate income tax	-	-	-
- VAT	-	-	-
- Other taxes	371	371	-
- Miscellaneous	-	-	-
Liabilities to fixed asset suppliers	18	18	-
Subsidiaries and associates	175 286	-	175 286
Other liabilities	-	-	-
TOTAL	**437 627**	**236 595**	**201 033**

(*) Including €730 thousand in interest accrued on loans as of 30/09/2013.

The listing of these payables does not prejudice their admission as liabilities.

COURSE OF THE PROCEDURE

The observation period enables Groupe Partouche to assess its difficulties while continuing its business, with the aim of drawing up a Safeguard Plan. The observation period initially lasts six months, and may be extended for up to six additional months by reasoned decision of the Paris Commercial Court, upon request by either Groupe Partouche, one of the court administrators or the public minister. On an exceptional basis, a new extension of up to six months may be granted by the court, upon request by the public minister. In any event, the observation period of Groupe Partouche's Safeguard Procedure (procédure de sauvegarde) may not exceed eighteen months.

The opening judgment returned by the Paris Commercial Court appointed the various parties involved in the procedure, including a primary judge (juge-commissaire) and alternate judge tasked with ensuring that the procedure runs smoothly and that the various interests represented are protected, a court-appointed administrator (mandataire judiciaire) tasked with defending the collective interests of the creditors, and two court-appointed receivers (administrateurs judiciaires) tasked with monitoring Groupe Partouche.

In an order dated 21 October 2013, the primary judge authorised the court-appointed receivers to form a committee of credit institutions and a committee of key suppliers of Groupe Partouche, in accordance with the provisions of Article L.626-29 of the French Commercial Code. These committees must be consulted on proposals put forward by Groupe Partouche, assisted by the receivers, with a view to drawing up a Safeguard Plan. Such proposals may, in particular, relate to the granting of payment terms or debt cancellation terms or the conversion of debt into equity. Any creditor who is a member of one of these committees may also submit such proposals to Groupe Partouche which, assisted by the receivers, will assess whether they should be included in proposals put to the vote at the committees.

These creditors' committees will have between 20 and 30 days to reach a decision with effect from the date on which Groupe Partouche submits its proposals. In any event, the committees must vote on the proposals during the initial observation period – i.e. by 30 March 2014. Votes are passed on the basis of a two thirds majority of the amount of claims held by those members casting a vote. If both committees approve the proposed plan, it will be approved by the court, which will nevertheless need to verify that the interests of all creditors are sufficiently well protected.

However, should the procedure not lead to the adoption of a Safeguard Plan, either because the committees fail to vote within the allotted six-month period, or because the proposed plan is rejected by one of the committees, or because the court refuses to approve the plan voted on by the committees, the committee procedure will be terminated and a new procedure will begin under which the creditors will be consulted individually.

In this case, the court-appointed administrator (mandataire judiciaire) must communicate individually to each creditor the proposals put forward by Groupe Partouche, with the help of the receivers, to clear its debt. Such proposals may consist of the granting of payment terms or debt cancellation terms or the conversion of debt into equity. The court-appointed admi-

nistrator will then draw up a report on the responses received from the creditors, which will be submitted to the Group and the receivers. The court will impose uniform payment terms on any creditors who refuse the proposed payment and debt cancellation terms. Any plan adopted under these circumstances may not exceed ten years.

Before the proposed plan receives final approval, a hearing will be held to enable Groupe Partouche, the receivers, the court-appointed administrator, any controlling creditors that might have been appointed, and employee representatives to be heard by the Paris Commercial Court, together with the public minister, who will give his opinion. The court must rule on the plan before the end of the observation period – i.e. within a maximum of 18 months of the date of the opening judgment, assuming that multiple extensions are granted.

If the court finds that there is a serious possibility of safeguarding Groupe Partouche, it will approve the plan and bring the observation period to a close. The provisions of the plan will be enforceable against all parties.

However, if the court rejects the proposed plan, in particular because it considers that the plan gives the company little real chance of survival, it must declare the procedure closed, whereupon Groupe Partouche will no longer be in administration or receivership. Groupe Partouche will not be required to apply for a further procedure unless, upon exiting the Safeguard Procedure (procédure de sauvegarde), it finds itself unable to meet its payments as they fall due (cessation des paiements). In this case, the court will open court-ordered insolvency proceedings or, if it appears manifestly impossible for Groupe Partouche to recover, court-ordered liquidation proceedings.

Finally, should Groupe Partouche find itself unable to meet its payments as they fall due during the observation period (i.e. should the Group be unable to meet liabilities that arise after the procedure is initiated), the Safeguard Procedure (procédure de sauvegarde) would be converted into court-ordered insolvency proceedings or, if it appeared manifestly impossible for the Group to recover, court-ordered liquidation proceedings.

As of this writing, the outcome of the procedure is not certain, though the company is not aware of any reason why a Safeguard Plan should not be adopted.

4.1.2 LIQUIDITY RISK

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

A breakdown of financial debt by type and maturity date can be found in Note 17 of Section 20.2.1 «Consolidated financial statements» for the financial year ended 31 October 2013. Readers may also refer to Note 13 “Cash and cash equivalents” of Section 20.2.1, and to Sections 10.3.2 “Cash pooling agreement” and 10.3.3 “Restrictions on the transfer of funds”.

The majority of financial debt is made up of a syndicated loan, which was subject to a first restructuring during the course of the 2009 financial year.

Then, at the beginning of 2011, as part of a framework agreement aimed at substantially increasing its equity and at funding its investment programme, Groupe Partouche entered into an agreement with its bank syndicate to restructure its syndicated loan; it also called upon Financière Partouche and Butler Capital Partners to carry out a €30m capital increase underwritten by Butler Capital Partners (BCP), with BCP taking an ownership interest in Groupe Partouche.

A rider was thus signed on 25 January 2011 to amend the repayment terms for the Tranche A debt, the applicable bank interest margins and the terms of application of the surplus cash flow clause.

In addition, as mentioned in the update of the 2010 Reference Document, Groupe Partouche and its bank syndicate agreed to review the financial ratios of the syndicated loan in order to take into account the improvement of the Group’s financial position.

The discussion led to the signing of a new rider on 19 December 2011.

Moreover, two companies belonging to Butler Capital Partners group have sub-participated in the syndicated loan contract with a bank, related to receivables the bank holds under the syndicated loan, corresponding to a €3.1m principal amount.

Butler Capital Partners group has undertaken (i) not to increase the share of the said syndicated loan it holds pursuant to the aforementioned sub-participation contract, without the company’s and Financière Partouche’s approval, including by sub-participation, and (ii) not to take a share of the loan agreed to by Financière Partouche as borrower on 27 September 2005 (and modified on 31 December 2009) without the company’s and Financière Partouche’s consent, including by sub-participation.

Until the initiation of a Safeguard Procedure (procédure de sauvegarde) for Groupe Partouche SA on 30 September 2013, the syndicated loan contained several different clauses, non-compliance with which could have rendered the loan immediately payable (cf. Section 4 of the previous Reference Documents), notably including:

- financial coverage ratios (covenants) for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale;
- a €30m upper limit for self-financed annual investments;
- a debt limit in absolute terms.

There was also a clause stipulating that a portion of consolidated surplus cash flow must be allocated to debt reduction.

The initiation of the Safeguard Procedure (procédure de sauvegarde) for Groupe Partouche SA prohibits the mandatory early repayment of the loan from being triggered, and prohibits all repayment of the loan (principal and interest).

The securities pledges given as guarantees and described in Section 4.1.8 "Pledges" remain in effect.

The main characteristics of the loan at the balance sheet are as follows:

Original loan amount: €431,000,000

Principal amount outstanding at period-end: €233,728,000 (frozen until the end of the observation period expiring 30 March 2014).

Repayment terms and conditions: The outstanding principal is divided in three tranches; the net proceeds from asset divestments were used as early repayment of Tranche A, for its nearest maturity date.

The outstanding balance divided among the three tranches at balance sheet date breaks down as follows:

FINANCIAL YEAR ENDED	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2013	94 903 000	50 000 000	88 825 000	233 728 000

Interest rates

The annual interest rates by tranche are as follows:

Tranche A: Euribor for the period plus the bank interest margin, equal to 4.0% per year, falling to 3.0% once €30m has been amortised, and to 2.5% once €60m has been amortised. From the outset, a cumulative amount of €5.18m of Tranche A has been paid off, and the current margin is therefore 4% per year;

Tranche B: Euribor for the period plus the bank interest margin, equal to 3.0% per year;

Tranche C: Euribor for the period plus the bank interest margin, equal to 3.25% per year.

SHAREHOLDER'S ADVANCE FROM FINANCIÈRE PARTOUCHE

The line item "Non-current financial debt" includes an advance from Financière Partouche to Groupe Partouche SA (€25,408k) and the interest it generates (listed in the current account for a cumulative amount of €6,200k as of 31 October 2013) for a total of €31,608k, in accordance with the shareholder advance agreement signed on 29 August 2003 and the modified agreements signed on 30 September 2005 and 30 December 2009.

This interest, calculated on the advance and the current account, is accrued with no payment schedule requirement and generates interest at financial year-end Euribor +0.25%.

These liabilities towards Financière Partouche are frozen at €31,557k until the end of the observation period expiring 30 March 2014.

In the situation preceding the Safeguard Procedure (procédure de sauvegarde), only the surplus cash flow could be used to pay the interest owed to Financière Partouche.

LINES OF CREDIT

Groupe Partouche has no short-term lines of credit granted by banks at its disposition.

MANAGEMENT OF LIQUIDITY RISK

This risk is examined by the Finance Department and relies notably on financial reporting based on actual cash flows, supplemented by a provisional cash flow budget.

Groupe Partouche considers that the key to liquidity risk management within the framework of a Safeguard Plan is implementing a bank debt repayment schedule that is compatible with the investment needs required to maintain a competitive product offering. The significant extension of this gross debt's maturity, which was originally planned for 31 October 2015, would provide better visibility for managing the Group, with cash flows returning to balanced levels, and would authorise the occasional recourse to long-term financing methods for real estate financing.

4.1.3 INTEREST RATE RISK

The interest rates applying to the various syndicated loan tranches, which make up the major part of the Group's financial debt, comprise a variable reference rate (Euribor 1 month, 2 months or 3 months) plus a margin. The attendant risk of changing rates to which the Group is exposed leads it to use interest rate hedges, with the aim of reducing its exposure. At financial year 2013 closing, the net position is as follows:

LIABILITIES €000 AT 31 OCTOBER 2013	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Syndicated loan (*)	233 728	-	69 820	-	163 908	-	-
Bank borrowings	-	-	-	-	-	-	-
Overdrafts	9	-	9	-	-	-	-
Advance and current account Financière Partouche	31 608	-	-	-	31 608	-	-
TOTAL	265 345	-	69 829	-	195 516	-	-

(*) Excluding accrued interest on borrowings.

ASSETS €000 AT 31 OCTOBER 2013	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Cash (net of gaming levies)	66 372	-	66 372	-	-	-	-
Investments	18 066	15 000	3 066	-	-	-	-
TOTAL	84 438	15 000	69 438	-	-	-	-
NET POSITION BEFORE HEDGING	**180 907**	**-15 000**	**391**	**0**	**195 516**	**0**	**0**
Interest rate hedging	-	80 000	-80 000	30 000	-30 000	-	-
NET POSITION AFTER HEDGING	**180 907**	**65 000**	**-79 609**	**30 000**	**165 516**	**0**	**0**

Exposure to interest rate risk is periodically assessed by the Group's management, with assistance from the Treasurer, among others. The interest rate hedging policy is designed to protect future cash flows and reduce any volatility in financial expenses. The finance department implements the favoured solutions centrally. All of the interest rate hedging instruments are set in place to hedge interest rate risks centrally, particularly in interest-rate future (swap) contracts or option (caps and collar) contracts corresponding to identified risks related to the company's future financial flows, with the Group taking no speculative position.

A 1% change in the interest rate applied to the net amount exposed to potential fluctuations in the variable interest rate, namely €86m, would have an effect on consolidated financial items of €860k.

Reminder of net position at the previous financial year-end:

LIABILITIES €000 AT 31 OCTOBER 2012	TOTAL	< 1 YEAR		1 TO 5 YEARS		+5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Syndicated loan	245 228	-	36 320	-	208 908	-	-
Bank borrowings	1 601	-	1601	-	-	-	-
Overdrafts	85	-	85	-	-	-	-
Financière Partouche current account	31 327	-	330	-	30 997	-	-
Total	**278 241**	**0**	**38 336**	**0**	**239 905**	**0**	**0**

ASSETS €000 AT 31 OCTOBER 2012	TOTAL	< 1 YEAR		1 TO 5 YEARS		+5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Cash (net of gaming levies)	72 600	-	72 600	-	-	-	-
Investments	22 913	20 000	2 913	-	-	-	-
Total	**95 513**	**20 000**	**75 513**	**0**	**0**	**0**	**0**
NET POSITION BEFORE HEDGING	**182 728**	**-20 000**	**-37 177**	**0**	**239 905**	**0**	**0**
Interest rate hedging	-	70 000	-70 000	80 000	-80 000	-	-
NET POSITION AFTER HEDGING	**182 728**	**50 000**	**-107 177**	**80 000**	**159 905**	**0**	**0**

4.1.4 FOREIGN EXCHANGE RISK

In order to measure the Group's exposure to exchange rate risk, it should be pointed out that Groupe Partouche's activities outside France are performed by subsidiaries which operate in the country in which they are located; the consolidated financial statements thus include 23 companies outside France, 9 of which are located outside the euro zone. Some foreign exchange risk exposure remains, however, given the Group's operations in the US, Tunisia, Switzerland and Egypt. It should be noted, however, that since 1 November 2009, Gibraltar-based companies are recognised in euros. The total of these activities represents less than 10% of total consolidated turnover.

Transactions carried out by these subsidiaries outside the euro zone are denominated in the local currency. The Group's normal operations do not involve purchases of assets financed in currencies that could lead to the implementation of a hedging policy.

Furthermore, since the renegotiation of the syndicated loan that took place in 2009, the Group has been obliged to respect a debt limit and prohibited from contracting any further debt.

This contractual obligation and the rigidity associated with it have made it impossible to regain balance or geographic optimisation between operating profit in each of the Group's operating currencies on the one hand, and the breakdown of the Group's net bank debt on the other hand, notably with regard to the significant portion of the Group's profit made in Switzerland.

Considering this limited leeway, no specific measures have been taken to cover this risk.

The table below sets out the impact of the change in 1% of each exchange parity on the Group's turnover and its operating profit at 31 October 2013:

IMPACT OF A CHANGE OF +/- 1% IN THE EXCHANGE RATE

€M AT 31 OCTOBER 2013	ON TURNOVER	% GROUP'S TOTAL	ON OPERATING PROFIT	% GROUP'S TOTAL
GBP	0,00	0,00 %	0,00	0,00 %
CHF	0,37	0,09 %	0,17	0,97 %
USD	0,00	0,00 %	0,01	0,01 %
TND	0,01	0,00 %	0,00	0,00 %
EGP (equity method)	NA	NA	NA	NA

The table below sets out the impact of the change in 1% of each exchange parity on the Group's turnover and its operating profit at 31 October 2012:

€M AT 31 OCTOBER 2012	ON TURNOVER	% GROUP'S TOTAL	ON OPERATING PROFIT	% GROUP'S TOTAL
GBP	0,00	0,00 %	0,00	0,00 %
CHF	0,39	0,09 %	0,19	0,72 %
USD	0,00	0,00 %	0,00	-0,01 %
TND	0,02	0,00 %	0,00	0,02 %
EGP (equity method)	NA	NA	NA	NA

The table below presents the local currency positions of receivables and payables denominated in foreign currency at 31 October 2013:

Under assets, the items that may be affected by exchange rate risk are receivables and other debtors with their related provisions, income tax receivables and other current assets with the provisions attached to them.

Under liabilities, the items that may be affected by exchange rate risk are current and non-current borrowings, trade and other payables, current tax liabilities and other current and non-current liabilities.

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP UNITED KINGDOM	K USD USA	K TND TUNISIA	K EGP EGYPT
ASSETS	952,4	1,5	13,6	514	Equity method
LIABILITIES	9 985,0	5,7	1,1	839,5	Equity method
Net position before hedging	-9 032,6	-4,2	12,4	-325,5	Equity method
Hedging position	-	-	-	-	Equity method
Net position after hedging	-9 032,6	-4,2	12,4	-325,5	Equity method

The table below presents the local currency positions of receivables and payables denominated in foreign currency at 31 October 2012:

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP UNITED KINGDOM	K USD USA	K TND TUNISIA	K EGP EGYPT
ASSETS	668,5	1,5	20,4	948,2	Equity method
LIABILITIES	8 090,2	5,9	1,5	1360,7	Equity method
Net position before hedging	-7 421,7	-4,4	18,8	-412,5	Equity method
Hedging position	-	-	-	-	Equity method
Net position after hedging	-7 421,7	-4,4	18,8	-412,5	Equity method

4.1.5 TRANSLATION RISK

Consolidating the financial statements of foreign subsidiaries entails the translation of the financial statements (assets, liabilities, income and expenses) denominated in foreign currencies into euros. This translation at the applicable year-end exchange rate, may, if exchange rates change, generate an impact on the Group's consolidated financial statements.

Given the long-term nature of these investments, Groupe Partouche does not hedge this exposure.

4.1.6 EQUITY RISK

The Group's cash investments do not include any listed shares, and money-market products and term-deposit accounts are used exclusively. Given that the investment policy for cash excludes investments in share-based products, no specific measures are used to monitor this risk.

Since 2000, Groupe Partouche holds some of its own shares (19,166 as of 31 October 2013) as part of a liquidity provider's agreement (see Section 21.1.3 «Acquisition by the Company of its own shares»), as well as 243,319 other shares.

At the close of financial year 2013, the Company thus owned a total of 262,485 treasury shares, recorded on Groupe Partouche's balance sheet with a par value of €524,970 and a gross book value of €395,532.62, as shown in the following table:

	NUMBER OF SHARES	GROSS CARRYING AMOUNT €	MARKET VALUE AND NET CARRYING AMOUNT (PRICE AT 31/10/13) IN €	UNREALISED CAPITAL LOSS €
Acquired in 2000	19 166	168 766,98	15 907,78	(152 859)
Liquidity provider's agreement	243 319	226 765,64	201 954,77	(24 811)
TOTAL	**262 485**	**395 532,62**	**217 862,55**	**(177 670)**

A 10% drop in the share price of Groupe Partouche would have a limited impact on the parent company financial statements and none on the consolidated financial statements since the item "Treasury shares" is deducted from the consolidated reserves.

Such a drop would lead to an impairment provision of approximately €21,786.26 in the parent company financial statements.

4.1.7 GOODWILL IMPAIRMENT RISK

Please refer to Note 5 to the consolidated financial statements.

In application of IAS 36, the company carries out goodwill impairment tests annually or more frequently if there is any indication of identified impairment in value.

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

The recoverable value of a CGU is determined as the higher of the value in use and the fair value (less disposal costs).

The company deems that the implementation of the value in use method enables it to obtain recoverable value of goodwill estimates closer to the evolution of its business activity.

Considering, on the one hand, the total net amount of goodwill (€302,529k) with regard to the company's consolidated shareholders' equity (€333,671k) and, on the other hand, the difficulties with which the Group's business sector has been confronted over the last few years, it cannot be ruled out that, if there should be another adverse context in the future, the company may have to carry out more impairments of goodwill. Such impairments could have a significant negative impact on the Group's business, its financial position, its results or outlook.

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4.1.8 PLEDGES

On 21 October 2009, Groupe Partouche, Financière Partouche and the pool of banks led by Natixis agreed on the restructuring of Groupe Partouche's debt.

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

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to banks in respect of the loan contract dated 30 September 2005 in principal, interest, commission, fees and other expenses, Groupe Partouche pledged to banks the shares, other financial instruments and accounts that it held in the subsidiaries listed in the table below.

- **Beneficiary:** the bank syndicate led by Natixis comprises the following banks: The Governor and Company of the Bank of Ireland, Arkea Banque, Bred Banque Populaire, CIC Lyonnaise de Banque, Commerzbank International SA, Caisse Régionale de Crédit Agricole Mutuel de Normandie Seine, Deutsche Bank London Branch, Idinvest Dette Senior FCT, Crédit Suisse International, Natixis, Scotiabank Europe PLC and OCM Luxembourg French Leisure SV;
- **Condition for the removal of the pledge:** repayment of the loan;
- **Commencement date of the pledge:** 30 September 2005; pursuant to the agreement on 21 October 2009, the maturity date of the pledge was deferred from 30 September 2012 to 31 October 2015.

SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED	SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED
COMPAGNIE EUROPÉENNE DE CASINOS SAS	4 962 577	100,00 %	FORGES THERMAL SA	7 000	58,33 %
SOCIÉTÉ DU CASINO DE SAINT-AMAND SAS	116 250	100,00 %	HÔTEL INTERNATIONAL DE LYON SAS	18 500	92,50 %
SATHEL SA	20 080	99,60 %	CASINOS DU TOUQUET SAS	24 384	99,52 %
GROUPE PARTOUCHE INTERNATIONAL SA	5 990	99,83 %	ÉLYSÉE PALACE EXPANSION SA	1 895	75,80 %
SARL HÔTEL COSMOS	49 950	99,90 %	CASINOS DE VICHY SAS	11 978	79,85 %
SOCIÉTÉ CIVILE IMMOBILIÈRE DE LA RUE ROYALE	8 917	99,98 %	NUMA SAS	5 000	100,00 %
SOCIÉTÉ CIVILE IMMOBILIÈRE LES THERMES	9 950	99,90 %	SOCIETÉ DES CHEMINS DE FER ET HÔTELS DE MONTAGNE AUX PYRÉNÉES SA	178 000	76,17 %
SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	49 950	99,90 %	SOCIÉTÉ D'EXPLOITATION DU CASINO ET HÔTELS DE CONTREXÉVILLE SAS	4 950	99,00 %
SOCIÉTÉ DU CASINO ET BAINS DE MER SAS	6 600	100,00 %	JEAN METZ SAS	1 000	100,00 %
LE TOUQUET'S SAS	1 801	90,05 %	CANNES BALNÉAIRES PALM BEACH SA	5 099 366	99,97 %
GRAND CASINO DU HAVRE SAS	149 993	99,99 %			

These guarantees are maintained in spite of Groupe Partouche SA's initiation of the Safeguard Procedure (procédure de sauvegarde).

It is further stated that Financière Partouche, which on 30 September 2005 had pledged its 26,848,500 shares in Groupe Partouche to its bank syndicate, made a further pledge, in accordance with the memorandum of understanding of 31 October 2009, of an additional 1,991,500 shares arising from the merger with Sogesic that occurred subsequently to the signature of the initial loan agreement. Following Groupe Partouche's capital increase in 2010, Financière Partouche assigned the 37,295,843 new shares it had subscribed to the pool of banks of Financière Partouche as collateral. Subsequently, on 19 November 2011, Financière Partouche ceded 1,800,000 shares to Ispar SA.

NAME OF REGISTERED SHAREHOLDER	BENEFICIARY	COMMENCEMENT DATE OF PLEDGE	TERMINATION DATE OF PLEDGE	CONDITION FOR THE REMOVAL OF PLEDGE	NUMBER OF THE ISSUER'S SHARES PLEDGED	% OF ISSUER'S CAPITAL PLEDGED
FINANCIÈRE PARTOUCHE SA	Bank syndicate led by Natixis (1)	30 Sep. 2005	31 Dec. 2015	Repayment of loan	64 335 843	66,45 %

(1) The bank syndicate led by Natixis comprises the following banks: OCM Luxembourg French Leisure SV, Commerzbank, Lyonnaise de Banque and Natixis.

4.2 OPERATING RISKS

4.2.1 GAMING ADDICTION

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

To ensure gaming remains a pleasure and a pastime to be enjoyed in moderation, the Group has for a long time been promoting "responsible gaming" within its establishments, an initiative that it is currently developing in partnership with Adictel.

Groupe Partouche is therefore keen to give the staff members who have contact with clients continuing training, with the aim of providing clients with information, giving help to those in difficulty as well as someone in whom they can confide. Furthermore, posters and leaflets are made available at key locations at casinos, to remind clients of the dangers of excessive gaming.

Moreover, even if the Group cannot fully gauge the effects of the trend in gaming addiction among its casino clients, it cannot rule out the possibility that this trend could lead, directly or indirectly (notably through the adoption of public health and safety measures), to its business, results, financial position or future prospects being significantly and negatively impacted.

4.2.2 ETHICAL AND BEHAVIOURAL RISKS

The very nature of the Group's business, which in particular involves the handling of large sums of money, can lead, in some circumstances, to staff or outside persons committing fraudulent acts.

The casino business must be able to deal with the risks of embezzlement and cheating. To confront these risks, casinos implement strict procedures, most of which are imposed by regulatory texts (methods to proceed with counting from tables and slot machines, highly developed video protection systems that can record up to 28 days of footage covering all games, cash registers, safes and counting rooms). It should also be noted that all employees involved in the gaming sector are subject to a preliminary police background check before being granted ministerial approval.

Furthermore, casinos are subject to the measures aimed at fighting money laundering. Money laundering that consists of recycling amounts of money through gaming itself is neither organised nor is it conducted on a large scale. According to the instructions given by the regulatory authorities, in case of doubt or suspicion, the legal representatives and directors in charge of the Group's establishments have the obligation (to which they comply) of advising the anti-money laundering unit, Tracfin, of the player's identity. Failure to abide by the regulation relating to the fight against money laundering can lead to sanctions and have an adverse effect on the Group's business, results, financial position or future prospects.

4.2.3 FOOD SAFETY

Owing to its highly developed activity as an operator of restaurants, Groupe Partouche is committed to ensuring a high level of food safety at all times. The company's main concern is of course ensuring the satisfaction and loyalty of its customers. Besides this, in the event of a breach coming to light during an inspection by the regulatory authorities (such as, the French Office of Fair Trading [DDCCRF], the Departmental Directorate for Veterinary Services [DDSV] or the Departmental Directorate for Health, Safety and Social Affairs [DDASS]) the establishment's closure could be ordered, which would lead to a negative impact on the establishment's reputation and profitability. Such closures, especially if they should in-

crease in duration and number, could have a significant negative impact on the Group's business, results, financial position or future prospects.

4.2.4 HEALTH AND SAFETY

Groupe Partouche is duty bound, like all businesses who play host to the general public (known as "ERPs" in France), to guarantee the optimal safety of its customers and employees. The Group's establishments therefore apply all health and safety instructions regarding, in particular, the risks of accident, health, fire and environmental impairment, while assessing the risks related to the workplace.

The Group's establishments are also regularly inspected by the commissions of health and safety, such as Apave or Bureau Veritas, who verify, in particular:

- fire and panic prevention within the Group's ERPs;
- ease of access for the disabled.

In the event of a breach of the regulation concerning fire and panic prevention in the ERPs, or ease of access for the disabled, the relevant regulatory authority can call upon the establishment to make improvements or have work done, or even close. Such events, especially if they should increase in duration and number, could have a significant negative impact on the Group's business, results, financial position or future prospects.

4.2.5 SECURITY

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

Some of the security measures taken are listed below:

- CCTV cameras cover all areas of the establishments that may need monitoring, such as car parks, entrances, the main hall, games rooms, safe deposit vaults, cash registers, game tables and slot machines.

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

In addition, during financial year 2012, the Pasinos were equipped with a high-tech property protection system named «Smart Water». This is an overhead system, installed above the casino's sensitive areas (cash registers and some transit points), which sprays a colourless, indelible liquid on potential criminals. It is activated either automatically via a laser beam or manually. The chemical marker used, also known as artificial DNA, is invisible in daylight. It remains detectable on skin for at least six months by means of specific equipment used by forensic identification teams, thus enabling police officers to easily identify delinquents and produce very reliable evidence before the courts.

Despite the Group's numerous safety systems and mechanisms, they may experience failures or be totally or partially circumvented, which could have a significant negative impact on the Group's business, results, financial position or future prospects.

4.2.6 INFORMATION SYSTEMS RISKS

The Group may be subject to computerised attacks (viruses, denial of service attacks, etc.), technical failure leading to the unavailability of computer systems, and data theft.

Within Groupe Partouche, the Information Systems Department (ISD) is responsible for securing the Group's networks and information systems. It also puts in place the resources needed to ensure continuity of the Group's business.

In 2013, the ISD continued its work improving and securing the company's network through fibre and increasing the network capacity of 13 of its gaming establishments.

The ISD also began a process of global reflection on implementing a continuity plan, notably reflected in moving its flagship products such as Megapot and Megapok off-site to a secure datacentre, and implementing powerful, redundant, highly secured server architectures in casinos. This activity will continue in 2014 on other critical information assets of the company.

Lastly, since 2012, the ISD has tasked itself with improving the physical security of its many information hosting sites by defining a global security policy and proceeding with major upgrades.

However, despite Groupe Partouche's efforts to optimise security, its information systems may be subject to total or partial failure, potentially giving rise to an unfavourable material impact on the Group's business, performance, financial position and future outlook.

4.2.7 RISKS RELATING TO KEY INDIVIDUALS

The Group's performance and success depends to a large extent on the quality, experience and involvement of the members of its management teams (including the Group's founders and members of its Executive Board and Supervisory Board) and certain key employees. In particular, the Group relies heavily on its founders to assure the growth of its business and to define and implement its strategy.

The executive team have extensive knowledge and experience of the market in which the Group operates.

The Group cannot guarantee that the key members of its executive teams and key managers will continue to work within the Group.

The loss of one or more key executives or one or more key employees could lead to a loss of specific know-how and a loss of detailed knowledge of the sector. Should such persons not be replaced quickly by persons with equivalent competences, there could be a significant negative impact on the Group's business, results, financial position or future prospects.

Moreover, if the Group fails to attract, train, retain and motivate skilled staff and highly qualified senior managers, it could have a significant negative impact on the Group's business, results, financial position or future prospects.

4.2.8 LABOUR DISPUTES

Labour disputes or wage disputes can take many forms, depending on the type of business, and their adverse effects on operations and the image of the business and Group represent a risk that must be addressed. Therefore, even if no such disputes exist today, their occurrence could have a significant negative impact on the Group's business, results, financial position or future prospects.

4.2.9 CUSTOMER RISK

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

Despite the relative low likelihood of this risk occurring and the measures taken by the Group to prevent its occurrence, a rise in the number of payment defaults, especially if they were to happen often, could have a significant negative impact on the Group's business, results, financial position or future prospects.

4.2.10 COUNTERPARTY RISK

Table games account for around 13% of the Group's total gross gaming revenue (GGR), which represents a significant risk of losses for the establishments concerned. This is in particular the case of Palm Beach in Cannes, which plays host to high-rolling clients and so can run the risk of losing amounts of several million euros for such clients, which would severely affect the establishment's financial position, or even that of the Group.

Even if this potential loss can be offset by expected equivalent revenues, it represents a structural risk for the Group, which could have a significant negative impact on the business of the subsidiary and that of the Group, its results, financial position or future prospects.

4.2.11 CASINO PUBLIC SERVICE CONCESSIONS AND GAMING LICENCES

The industry in which the Group operates is subject to extensive regulation. Casinos are subject to public service concession agreements, which local authorities and casino's operators enter into. The agreement is based on specifications following an invitation to tender initiated by the local authority concerned, pursuant to Law n° 93-122 of 29 January 1993, known as the "Sapin" Law.

To be able to conduct gaming activities, casino operators must also obtain licence from the Interior Minister, who is advised by the Higher Gaming Commission (CSJ), to which applicants must submit a report, which includes a detailed intelligence report.

The gaming licence is granted through a ministerial resolution, which sets forth the number of slot machines and table games (roulette, boule, black jack, etc.) the casino is allowed to operate. The licence is subject to surveillance and control measures.

Section 6.1.1(e) of the Reference Document shows a table of concessions expiry dates.

The casinos operated by the Group are subject to these public service concessions and gaming licences being renewed. Pursuant to the Sapin Law, the local authority must extend an invitation to tender to more than one company, when the concession comes up for renewal. The companies thus invited to tender submit competing proposals and, if successful take over the operation of the casino.

Should the local authority concerned issue such an invitation to tender, it can mean an additional expense for the Group, when the concession comes up for renewal. In the event of such an invitation to tender, the submission of a proposal by the Group can lead to it incurring additional expenditure due to an increase in the levy raised or on account of commitments taken with respect to specifications set by the local authority, which may therefore adversely affect its results.

During the life of the concession, the directors of the Group's casinos are duty bound to strictly comply with the specifications and gaming regulations.

The casinos' commitments under these specifications can result in capital expenditure of varying amounts: besides simple improvements to existing premises, operators can be obliged to construct new buildings (see Section 5.2.3 Major investments either scheduled or arising from firm commitments made by the Group's executive committees).

The specifications can only be amended through riders negotiated with the local authority concerned in its capacity as delegating party. In view of the changes in economic, financial or technological circumstances with which the Group may have to deal and the measures it may consequently need to take with short notice, the particular characteristics of public service concessions are likely to hinder the Group's ability to adapt itself or its business accordingly; this could have an adverse effect on the Group's results.

Under the rules that apply to public contracts, local authorities can, at any time and subject to the judge's control, unilaterally cancel any public service concession, on the grounds of public interest. In the event of a local authority exercising its right of cancellation, the Group is entitled to compensation its entire losses, the subsequent setting of the amount of which is also subject to the administrative judge's control.

As delegating parties, local authorities can also withdraw concessions. Likewise, the Interior Minister can in certain cases decide not to renew gaming licences, mainly following an operator's serious breach of its legal or contractual obligations and, more specifically, a breach of the specifications of public service concession agreements.

Thus, a breach of the provisions of the specifications or of the gaming regulations can lead to sanctions, starting with a partial and temporary suspension of the operator's gaming licence, going up to its being permanently withdrawn. Operators may, if required, have to pay penalties.

Considering Groupe Partouche' know-how in the industries of gaming and entertainment, the Group, to date, has never lost a concession and has every chance of having its concessions renewed in the future.

However, should the Group lose a public service concession or fail to have a gaming concession or licence renewed, it would have a substantial negative impact on the Group's business, results, financial position and future prospects.

4.2.12 COMPETITOR RISK

The Group competes directly with other companies' offers of a gaming nature (such as Française des Jeux's lottery and sports betting, horse race betting), online gaming (please refer to Section 4.2.14), with destination competition (Monaco, Las Vegas) and establishment competition, insofar as slot machine clients are generally local residents. Moreover, in certain areas, the Group competes directly with other casinos; this is notably the case in coastal areas, where there are a number of casinos. The Group's casinos most exposed to this competition include the casinos of Cannes, Juan-les-Pins, Nice, Hyères, Bandol, La Ciotat, Cabourg and Le Havre.

Another potential competition risk occurs where a competitor establishes a new casino in one of the Group's casino catchment areas. The extent of this risk depends on the location and size of the new casino, but it must still be assessed by a mandatory impact study, as is the case every time a new casino is established.

This phenomenon occurred in 2012 in the Var, where the opening of the Seyne-sur-Mer casino weighed heavily on Bandol and Hyères casinos. In the same sector, in Sanary-sur-Mer, an opening was also authorised by the Interior Minister and planned.

It should however be noted that in recent news, in February 2014 the Toulon Administrative Court revoked the gaming operating permits that had been granted by the Interior Minister for the Seyne-sur-Mer casino, effective 1 November 2014, and the Sanary-sur-Mer casino, effective immediately, on the pretext that the impact study had been largely underestimated.

The 2013 opening of Larmor Plage casinos in the Morbihan region and Fort-Mahon in the Somme markedly impacted the results of the Trinité-sur-Mer and Berck casinos. The Vannes casino opening planned for 2014, if confirmed, should even further aggravate the situation of the Trinité-sur-Mer casino.

The risk is greatest in the case where a new casino is established in a large town, within the framework of Law n° 88-13 of 5 January 1988, when a catchment area contains within its borders a conurbation of more than 500,000 inhabitants, it can suddenly finds itself deprived. This was the case for the casinos of Andernos and of Arcachon, when the Bordeaux casino was created. This risk is however tempered by the already high number of casinos in France and the current situation of the industry, which is currently experiencing a difficult period. Both the setting up of casinos in the Group's catchment areas and the growth of new activities, such as online gaming (authorized in France in 2010, but limited to poker and sports betting), could have a substantial negative impact on the Group's business, results, financial position and future prospects.

4.2.13 REGULATORY RISK

As is the case for all highly regulated industries, changes in regulation applying either to casinos or establishments open to the public («ERPs») - regarding, in particular, safety of people, cash handling and of the security firms transporting money - could lead to the Group's incurring additional costs; this could have an adverse effect on the Group's turnover or results.

As shown in Section 6.1.1 of this Reference Document, the casino industry is subject to extensive regulation. The tax levied on the industry is a key component of the profitability of the Group, which is at the mercy of any change in taxation (cf. rise in taxes by way of social security contributions rises – CRDS and CSG). On the other hand, some measures can have a positive effect on the Group's profitability, for example the updating and separating of sliding scale levies.

The gaming industry and the Group's casinos in particular, play host to a large number of smokers. The application of Order n° 2006-1386 of 15 November 2006, and of Law n° 91-32 of 10 January 1991 (known as the "Evin" Law) from 1 January 2008 in the Group's casinos led to a change in clients' attendance habits. In 2013, the Group, after having substantially invested in creating smoking areas for players wishing to smoke, was required by the supervisory authority to close the dedicated areas equipped with extractor fans, which had been installed in games rooms at the Casino du Palais de la Méditerranée in Nice, the Pasino de Saint-Amand-les-Eaux and the Grand Casino de Lyon.

In addition, Law n° 2010-476 of 12 May 2010, on the opening to competition and the regulation of the online gaming industry (sports, horse racing and poker), noticeably impacted casinos' client numbers, as some clients gradually abandoned the "poker rooms" for online gaming sites (see Section 4.2.14 below for specific risks related to online poker).

Generally speaking, certain changes in regulation applying to casinos or establishments open to the public could have a significantly negative impact on the Group's business and results.

4.2.14 ONLINE GAMING LEGISLATION RISK

In April 2006, Groupe Partouche set up a new subsidiary, Partouche Interactive, to develop gaming business through the use of remote communication, such as television, mobile phones and the internet. Law n° 2010-476 of 12 May 2010 on the opening of the online gaming industry to competition and its regulation, legalised online betting and gaming (sports, horse racing and poker).

On 25 June 2010, Partouche Gaming France SAS, a subsidiary of Groupe Partouche, obtained an online poker operating licence, which will enable the Group to position itself to counter the risks posed by this new form of gaming compared to its traditional casino business.

However, considering the ill-adapted procedures for setting up these online games (cf. Section 6.1.3) which have impeded operating profitability, it was decided that this business should be terminated, and Groupe Partouche's online games offering in France was therefore discontinued on 17 June 2013. Generally speaking, the permanent presence of different offers made by the competition in this market may have a significant adverse effect on the numbers of clients of the Group's casinos and, consequently, on its business, results, financial position or its future prospects.

4.2.15 CLIMATE RISK

For the past few years, exceptional climatic events have been occurring on a fairly regular basis: heat waves, large storms, heavy seas, unusually high tides and heavy snow falls. All these events can directly or indirectly disrupt the casinos' businesses, either by blocking their access routes or obliging clients to stay at home. They can thus have a substantial negative impact on the Group's business, results, financial position, or future prospects.

4.2.16 ECONOMIC RISKS

The casino market depends on a certain number of factors, including changes in behaviour (due to economic and socio-cultural factors) and changes in the economic situation.

Casinos' core and peripheral businesses (hotels and restaurants) are particularly dependent on seasonal travel movements. As such they are also particularly vulnerable to the vagaries of the weather during the holiday season.

At casinos, table games have been affected by the sector-wide downturn in turnover and a reduction in the amount that clients wager.

The economic and financial crisis of the past few years has already had an adverse effect on the Group's business and performance. An increase in severity of this crisis could both adversely affect the Group's casino client numbers and revenue per client and, thus, have a substantial negative impact on the Group's business, results, financial position and future prospects.

4.2.17 GLOBAL HEALTH RISKS

An epidemic, or the fear of an epidemic, could give rise to a fall in numbers of those visiting public places, hence a fall in the Group's casino client numbers. Such a drop in client numbers, especially if significant and persistent, would have a significant negative impact on the Group's business, results, financial position and future prospects. In the event of a global pandemic, the government or the World Health Organisation (WHO) could declare a high-level state of emergency, which could, under certain circumstances, lead to the closure of the Group's facilities. An epidemic could also pose a threat to the health and safety of clients and employees, which would have a significant negative impact on the Group's business, results, financial position and future prospects.

4.3 ENVIRONMENTAL INFORMATION

See 17.1.3 "Environmental information".

4.4 INSURANCE SCHEMES

The precautionary policy is based on obtaining Group insurance programmes that cover all subsidiaries and apply to all risks associated with casino operations and related activities.

The programmes are contracted via brokers with highly-reputed insurers.

Groupe Partouche does not have any self-insurance system and does not use any captive insurer.

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

The main insurance programmes cover:

- **damages and operating losses for casinos and related activities**, with a contractual compensation limit of €65m, as well as hotels with a coverage limit from €6m to €39m;
- **civil liability**, covering all subsidiaries' business operations of establishments (games, hotels and leisure) and the interactive division.

  Guarantees for all types of damages extend to up to €20m per claim;
- **the vehicle fleet**, guaranteeing damages caused to others as well as damages incurred, whether involving bodily injury, property damage or intangible damage.

INFORMATION ABOUT THE ISSUER

05



5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 HISTORY

1973 - 1990 DEVELOPMENT IN ADVERSITY, THANKS TO GENUINE KNOW-HOW

Arriving in 1973 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-oriented marketing strategy. This enabled Isidore Partouche to embark upon a growth strategy for his business; he acquired casinos in the north of France (Le Touquet in 1976, Forges-les-Eaux in 1986, Dieppe in 1988, Fécamp, Bagnoles and Vichy in 1989); in 1982, he created a casino in Calais.

At this time, gaming was limited to traditional games, which were not very profitable for the casinos. This however did not deter Isidore Partouche, who, convinced of the need to develop the gaming activity and with a clear vision, continued growing his business, even selling his spring water operations to keep his casinos.

1991 - 1995 INCREASED PROFITS AND STOCK EXCHANGE LISTING

Group profits substantially increased through the progressive introduction of slot machines in all of its establishments. In 1991, the group took over the Le Lyon Vert casino in La Tour de Salvagny and its subsidiaries the St-Galmier and Juan-les-Pins casinos.

The Group's growth continued with the reopening of the Berck (1991) casino and the Royat casino (1992), and the purchase of the casinos of Aix-en-Provence, La Ciotat and Palavas (1994).

To establish its professional standing, Groupe Partouche was the first group of integrated casinos in France to launch an initial public offering (IPO). On 29 March 1995, Groupe Partouche SA was listed on the Paris stock exchange's Second Marché, through a capital increase. The funds thus raised enabled the group to consolidate the companies it had acquired in France and to grow its business, notably abroad.

1995 - 2005 DIVERSIFICATION AND EXTERNAL GROWTH

Strengthened by this newly gained standing and swelling profits, the group started diversifying its business activities and locations.

Hotels are added to Groupe Partouche's array of assets, with the purchase in 1997 of a 4-star hotel, now the Méridien-Garden Beach hotel, the opening in 2000 of the Hilton de la Cité Internationale de Lyon and of the Aquabella hotel in Aix-en-Provence, and the acquisition in 2001 of the Savoy (now 3.14) in Cannes.

And in September 1995, the first casino located outside France joined the group, with the acquisition of the prestigious casino of the Belgian resort of Knokke-le-Zoute. New establishments followed with the creation in 1996, in partnership with Club Méditérranée, of a casino in Agadir, Morocco, the casino of Djerba in Tunisia in 1998, in the form of a Pasino, original concept combining an entertainment complex and a gaming facility, and in 1999 the casino of San Roque in Andalusia.

In the meantime, the Group continued growing its core business of casinos in France, with the addition of the Cabourg and Beaulieu-sur-Mer casinos in 1997, the Carlton Casino Club in Cannes in 1998, the transfer of the licence to allow the re-opening of the prestigious Palm Beach casino, and the casino of Lyon in 1999.

The Group also concentrated its efforts on developing the very concept of the casino. Following on from its experiment in Djerba, it opened a second Pasino, in 2001, in Aix-en-Provence. The first of a new generation of casinos was a great success and went on to be ranked number two in France. In 2003, the St-Amand-les-Eaux casino changed location and was transformed into a Pasino, thirty years after its acquisition.

In 2002, the group made the largest purchase of its history. Between January and April, thanks to a successful counteroffer it succeeded in purchasing the Compagnie Européenne de Casinos, thus acquiring twenty two additional casinos, eighteen of which in France, and four outside France.

At the same time, new establishments were opened: Meyrin in Switzerland in 2003 and the Palais de la Méditerranée in Nice in 2004.

Then in 2005, the Group undertook a second external growth operation, with the acquisition of Groupe de Divonne, comprising five casinos, including the Divonne-les-Bains casino, the apotheosis of a period of good fortune when the market reached maturity.

2006 – 2013 NEW TECHNOLOGIES AND A DIFFICULT CONTEXT

In April 2006, Groupe Partouche set up a new subsidiary, Partouche Interactive, to develop games through the use of remote communication, such as television, mobile phones and the internet, which quickly obtained an online gaming licence from the Government of Gibraltar.

Following this, major changes were made to the regulations that govern the gaming industry. In 2007, new gaming regulations began to be introduced, including the possibility of having a mix of gaming activities and the removal of stamp duty on the entrance fee of traditional gaming facilities. In November of the same year, identity controls at the entrance became mandatory for French casinos. Then, in 2008, the smoking ban was introduced, another measure that had a very dissuasive effect on client numbers.

The economic crisis will make itself felt through falling client numbers, as well as a clientele with less money to spend. Groupe Partouche therefore focused its efforts on optimising its operations.

At the same time, the Group intends to stay on the cutting edge of the industry; from the beginnings of the tests conducted on Texas Hold'em Poker in Aix-en-Provence, up to the success of Partouche Poker Tour, Partouche is becoming a major force in Poker. In 2009, the Group was the first to launch its Megapot, a jackpot linking 200 slot machines in more than 45 establishments. Lastly, in 2010, the Group obtained an online Poker gaming licence as part of the legal institution of remote gaming in France. In September, the Main Event of the Partouche Poker Tour Season 3 beat all records, playing host to 764 players, including the major international stars of the game, at its Palm Beach casino, in Cannes. The Prizepool, comprising the sum total of players' wins, was nearly €5.7m. 2011's edition confirmed the great success of this tournament.

2011 witnessed the deployment of the Pcash solution (Partouche Cashless), a proprietary system which will eventually bring to an end the use of chips in slot machines.

Finally, in the scope of a reserved capital increase, amounting to €30.6m, conferring 12.52% of Groupe Partouche SA's share capital to the group Butler Capital Partners, the latter became a minority but pro-active partner in May 2011.

In 2012, Groupe Partouche once again faced a challenging economic climate (with the decline of Gross Gaming Revenue in France leading to a significant deterioration in the Group's operating profitability). Faced with declining activity in the Interactive Division, mainly caused by the unsuitable business model of French online poker, the area in which the Group's subsidiary Partouche Gaming France operates, in September 2012 Groupe Partouche announced a strategic reorientation of the Group's poker activities and its online poker website www.partouche.fr.

Construction was completed at the Pasino in La Grande-Motte, and the new establishment opened its doors on 10 July 2012.

In 2013, operating within a context of lower revenue affecting the entire casino sector, Groupe Partouche continued adapting to this situation by concentrating its financial and human resources on its historical core businesses and discontinued its online poker business in France.

Nevertheless, Groupe Partouche remains a driving force behind innovation in its profession. Following Casino War's test period in Aix-en-Provence, the game was expanded throughout the rest of France. Sic Bo, an Asian dice game, is being tested at Forges-les-Eaux, and the well-loved classic Bingo will be tested at the Pasino d'Aix-en-Provence in 2014. As part of the shift toward new products, a large number of electronic English roulette wheels have been rolled out at the Group's casinos. Moreover, Groupe Partouche remains the only operator in France with a multisite jackpot: the millionnaire-making Megapot. More than 200 interconnected slot machines at the Group's casinos enable players to take home exceptional winnings.

Lastly, as it was constantly exposed to the potential risk related to non-compliance with a covenant for the syndicated loan, which could have triggered the immediate mandatory repayment of the principal owed, Groupe Partouche entered into negotiations with the bank syndicate in June 2013 and, in the absence of an agreement, on 30 September 2013 the Groupe Partouche SA holding company obtained a Safeguard Procedure (procédure de sauvegarde) from the Paris Commercial Court.

5.1.1 COMPANY NAME

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

5.1.2 COMMERCIAL REGISTER

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

Its NAF code is 7010 Z.

5.1.3 DATE OF INCORPORATION AND LENGTH OF LIFE OF THE COMPANY

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

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

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

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

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

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

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

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

5.2 INVESTMENTS

5.2.1 PRINCIPAL INVESTMENTS MADE IN THE COURSE OF THE LAST THREE FINANCIAL YEARS

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

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

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

Today, the investment policy of the Group is being reshaped according to the following major thrusts:

- A halt to the establishment of new casinos with the sole aim of increasing territorial coverage;
- Limiting the development of new "Pasinos" to just La Ciotat and La Grande Motte.

2011 INVESTMENTS

In 2011, cash flow from investing activities represented a net cash outflow of €26.5m, an increase compared with 2010 (requirement of €24.8m), comprising mainly €28.5m in acquisition of property and equipment flows, which record notably:

- buildings, fittings and technical equipment at a cost of €10.7m, which include Group-wide maintenance and renovation works, the largest works concerning the casino-hotel in Juan-les-Pins at a cost of €2.2m, and the disbursements related to the building of the La Grande Motte Pasino at a cost of €1.0m;
- purchases of slot machines at a cost of €9.1m.

In financial year 2011, France accounted for 83% of total investments.

2012 INVESTMENTS

Cash flow from investing activities represented a net cash outflow of €37.0m, a significant increase on 2011 (when an outflow of €26.5m was recorded). This increase was mainly driven by disbursements related to the construction of the Pasino in La Grande-Motte (which totalled €14.2m in financial year 2012, compared with €1.0m in 2011), which opened its doors on 10 July 2012.

New investment in 2012 mainly consisted of €33.6m in respect of acquisitions of property, plant and equipment. In addition to the construction of the Pasino at La Grande-Motte, this investment also includes maintenance, renovation and equipment costs across all Group companies.

2013 INVESTMENTS

Cash from investing activities yielded a net outflow of €21.8m, less than in financial year 2012 (outflow of €37.0m), which notably included the construction of the Pasino de la Grande-Motte. 2013 cash flows were comprised mainly of €24.1m in capital expenditures, including investments in maintenance, renovation and the renewal of the slot machine stock, as well as €2.6m in proceeds from the disposal of tangible fixed assets, mainly related to the sale of the San Roque property.

5.2.2 MAJOR INVESTMENTS IN PROGRESS

Assets in progress, which had a net value of €7.3m at the end of the financial year, mainly relate to renovation work on the Le Lyon Vert casino, for €3.1m, and the Hyères casino, for €0.9m, as well as work apportioned over Partouche Immobilier for €2.2m (the La Ciotat Pasino project).

5.2.3 MAJOR INVESTMENTS EITHER SCHEDULED OR ARISING FROM FIRM COMMITMENTS MADE BY THE GROUP'S EXECUTIVE BODIES

Major capital expenditure arising from commitments under the local authority's specifications comprises:

A] INVESTMENT PROGRAMME FOR PASINOS:

This programme, whose initial value was set at €56m, has been scaled back, with the following changes on a site-by-site basis:

- Construction of the Pasino in La Grande-Motte was completed by summer 2012, as expected. The total cost consisted of €17.9m for construction and fittings and €3.2m for the land;
- The application for a building permit in connection with the future Pasino in La Ciotat was granted on 5 March 2013; the projected construction cost is approximately €9m (for a net floor area of 1,232 sq.m on a plot of 13,003 sq.m);
- Plans to transfer and build a Pasino in Bandol were abandoned after the land was declared not authorised for construction; furthermore, the scheduling and phasing of the planned renovation work, which totalled €0.5m at 31 October 2013 and is estimated at €1.4m for the 2014 financial year, has been revised due to increased competition within the catchment area of the casino in Bandol (with a casino opened in La Seyne-sur-Mer in July 2012 and plans for another in Sanary).

B] RENOVATION OF THE PALM BEACH CASINO IN CANNES FOR €17.6M

Considering the forthcoming expiry date of the long lease (2028) and the economic difficulties encountered by the establishment, the works are no longer programmed and discussions have taken place with the town council and the condominium association in order to determine the future of the site which should offer interested operators long-term visibility enabling them to amortise their investment.

C] OTHER INVESTMENTS

The other significant investments planned by the Group relate to existing casinos and hotels and mainly concern:

- the Crans-Montana casino, with the building of an underground car park completed at a cost of €2.2m;
- the Pornic casino: construction of a new establishment with a projected net floor area of 3,400 sq.m, for an estimated amount of €13.0m including land;
- the Saint-Amand-les-Eaux Pasino, with the extension of the games room.

5.2.4 DIVESTMENT PROGRAMME

Following the riders to the syndicated loan dated 25 January 2011 and 19 December 2011, the subject of disposal of assets is not so significant for Groupe Partouche, given the revocation of the early repayment clause in the event that the divestment programme initially planned is not implemented. Considering the initiation of a Safeguard Procedure for Groupe Partouche SA, the only obligation attached to this programme remains the commitment made by Financière Partouche, in the scope of the shareholders' pact entered by BCP and Financière Partouche (refer to Section 18.3), to facilitate the implementation of a disposal of assets programme with the objective of carrying out disposals for a minimum overall amount of €25m by 31 December 2014. As of the end of January 2014, this commitment was met.

Nevertheless, the divestment programme remains in effect and may concern hotels and business goodwill, which represent a much more highly sought-after asset than a casino.

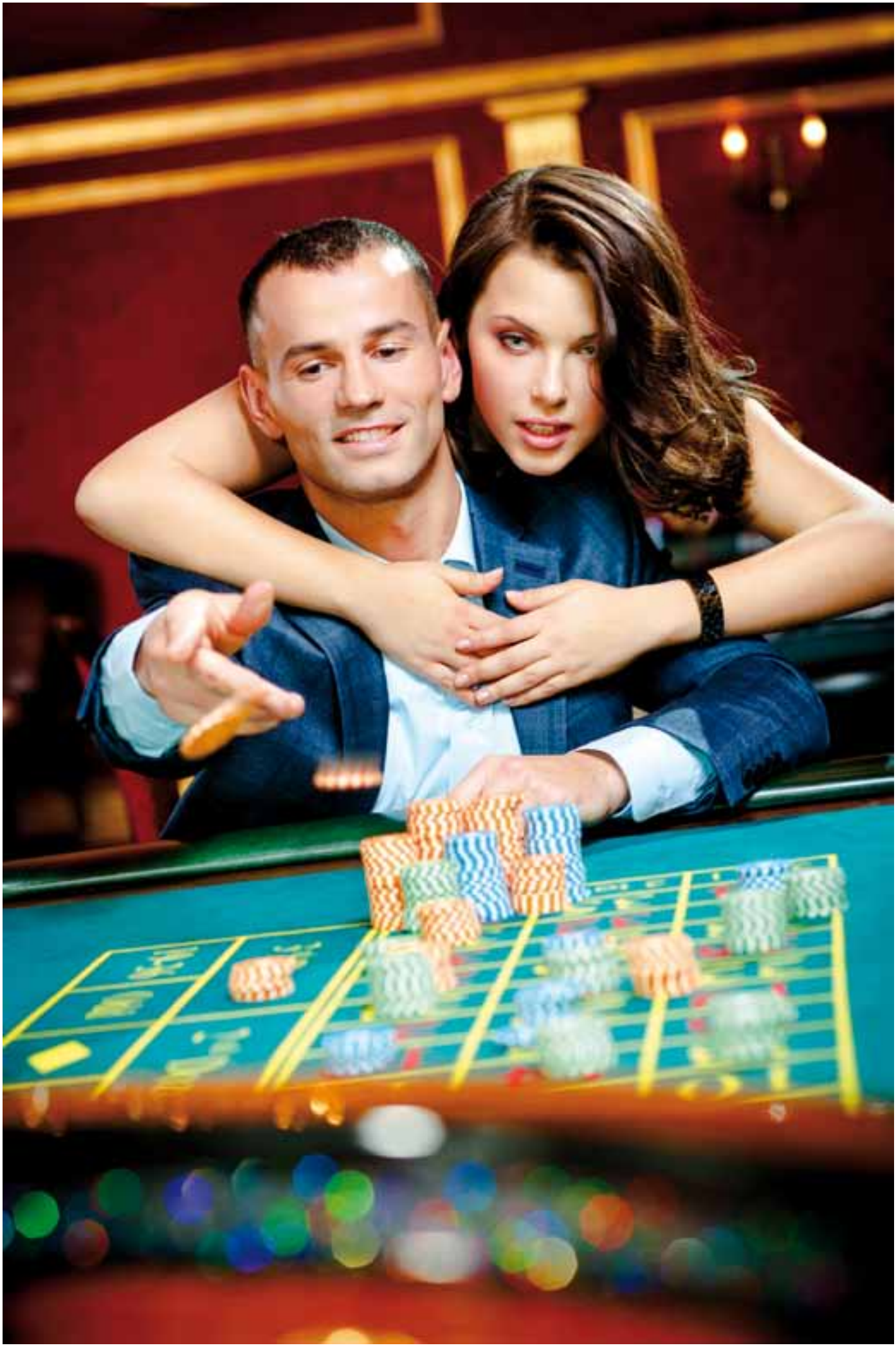
5.2.5 RELATIONS BETWEEN INVESTMENTS AND FINANCING ACTIVITIES

Until the initiation of a Safeguard Procedure for Groupe Partouche SA on 30 September 2013, the syndicated loan contained several different clauses, non-compliance with which could have rendered the loan immediately payable (cf. details in the previous Reference Documents), notably including:

- financial coverage ratios (covenants) for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale;
- a €30m upper limit for self-financed annual investments;
- a debt limit in absolute terms.

The initiation of the Safeguard Procedure for Groupe Partouche SA prohibits all repayment of the loan (principal and interest).

The initiation of the Safeguard Procedure for Groupe Partouche SA may lead to the conclusion of an agreement with the company's creditors. The development of this plan authorises the consideration of the Group's relevant investment needs; carrying out these investments essentially depends on the Group's present and future cash surpluses.



BUSINESS OVERVIEW 06



6.1 PRINCIPAL ACTIVITIES AND NOTABLE CHANGES IN 2013

PRINCIPAL ACTIVITIES

Historically, Groupe Partouche's main business activity has concerned the casino sector, with gaming establishments that occasionally include hotels. More recently, the Group has also positioned itself on the online gaming market.

BREAKDOWN OF TURNOVER BY ACTIVITY

TURNOVER €000 AT 31 OCTOBER	2013	%	2012	%	2011	%
Casinos	390 036	89,4 %	407 981	90,5 %	417 710	89,9 %
Hotels	33 166	7,6 %	33 325	7,4 %	34 593	7,5 %
Interactive Division	7 803	1,8 %	6 204	1,4 %	6 932	1,5 %
Other transactions	5 373	1,2 %	3 440	0,7 %	5 070	1,1 %
TOTAL	**436 378**	**100,0 %**	**450 951**	**100,0 %**	**464 304**	**100,0 %**

Groupe Partouche has been a major casino operator in France since the beginning of its activity, and is also present in other countries, mainly Belgium and Switzerland.

BREAKDOWN OF TURNOVER BY GEOGRAPHIC AREA

TURNOVER €000 AT 31 OCTOBER	2013	%	2012	%	2011	%
France	362 958	83,2 %	380 491	84,4 %	393 682	84,8 %
Europe (excl. France)	71 939	16,5 %	68 636	15,2 %	69 114	14,9 %
Outside Europe	1 480	0,3 %	1 823	0,4 %	1 508	0,3 %
TOTAL	**436 378**	**100,0 %**	**450 951**	**100,0 %**	**464 304**	**100,0 %**

COMMUNICATION AND MARKETING

Without question, the key thread running through the Group's many events in 2013 was the celebration of 40 years in business. Throughout the year, a series of "40th Anniversary Special" offers provided the opportunity to thank patrons with inventive games like "The Winning Hand", which attracted 25,000 players each week, and more than €1,150,000 in winnings claimed by the Group's faithful clientele between 30 April and 27 December 2013.

Actively pursuing its growth objectives, the Group also launched new games in 2013, such as "Casino War" and

electronic roulette, which met with great success among both long-standing and new patrons. Further launches are in the cards for 2014.

A number of the Group's flagship establishments, including the Lyon Vert, have redesigned all of their interior spaces, in order to modernise their casinos as well as their peripheral businesses. The Forges-les-Eaux casino completed a total refurbishment of its premises and has reconceptualised its offerings, applying a segmentation scheme that organises games in line with its players' likes and dislikes.

The Players Plus loyalty programme has also been overhauled to provide still more benefits to its members.

Lastly, Groupe Partouche continued to invest in corporate philanthropy, patronage and sponsorship opportunities, thus reaffirming its role as a major participant in the cultural life of communities in France.

6.1.1 CASINOS

Casinos are the Group's major activity. In France, the Order of 14 May 2007 defines a casino as an establishment containing "three distinct segments: entertainment, restaurants and gaming, all of which are combined under a single management structure, without any individual segment being run separately". France authorises the following games, among others:

TABLE GAMES:

Games played against the house:

- Boule
- American, English or French roulette
- Casino War
- Blackjack, Stud Poker, Hold'em Poker

Games played against other players:

Texas Hold'em Poker and Omaha Poker 4 high

Electronic versions of table gables:

Electronic roulette

SLOT MACHINES:

A slot machine is legally defined as a gaming device that, upon inserting a coin or other form of payment, automatically triggers a system resulting in the display of a random combination of symbols, with certain combinations winning varying amounts of money for the player.

Slot machines may be linked together to build up a progressive jackpot. This system may connect machines located in different establishments.

INNOVATIONS:

Leveraging its extensive experience in the gaming sector, Groupe Partouche stays abreast of the latest technological advances to round out its offerings for the enjoyment of its patrons.

For instance, the Group's smart card gaming system now offers the option for games in ticket mode. All forms of payment are thus accepted by the Group's machines: cash, cards, tickets and chips. The unique feature offered by Groupe Partouche is the possibility to combine two payment methods (cards and tickets).

Drawing on its pioneering role in wide-area progressive (WAP) systems – Groupe Partouche was the first casino operator in France to propose a multi-site jackpot under the name "Megapot" – the Group has continued to expand upon this concept in order to meet the demands of its patrons. Along these lines, Groupe Partouche has introduced a second multi-site jackpot for poker, called "Megapok".

Groupe Partouche is still the only operator in France able to offer its patrons a multi-site jackpot, thereby resulting in sizable jackpots as high as several million euros for an initial bet of no more than three euros.

Smart card technology now powers a broad range of offerings made available to the Group's patrons.

Groupe Partouche has forged partnerships with major gaming equipment manufacturers (Williams, Bally, Aristocrat, Aruze and Novomatic), through which it has been able to offer its patrons exclusive access to new machines, prior to their official release nationwide.

Groupe Partouche works closely with research and development laboratories operated by major automatic gaming equipment brands to suggest new product concepts and improve slot machine system functions.

The panoply of gaming options offered by the Group was further enriched recently with the installation of a number of electronic roulette machines, which continue to be extremely popular with patrons.

A) LEGAL AND REGULATORY FRAMEWORK

According to French Law, gaming activity is prohibited and can result in prosecution under the terms set out in the Law of 12 July 1983. The Act of 15 June 1907 created an exception to this prohibition, allowing casinos to be opened in seaside and health resorts and thermal spas, prior to 3 March 2009, in towns or cities where a casino was regularly operated at that date, in tourist resorts (the reform brought in by the Act of 14 April 2006 simplified and updated the rules on official tourist resorts by combining the six previous official categories into a single "tourist resort" category (station de tourisme). Act no. 88-13 of 5 January 1988 allowed casinos to be opened in official tourist municipalities and official tourist towns/cities and resorts constituting the main town or city in a conurbation with more than 500,000 inhabitants and contributing more than 40%, together with other local authorities as the case may be, to the operation of a "national centre for dramatic arts" (centre dramatique national), a national theatre, a national orchestra or an opera house regularly staging at least 20 opera performances per season.

Since the publication of Order 2012-351 of 12 March 2012, the texts referred to above have been codified in the Internal Security Code (Book III: Special administrative police; Title II: Games of chance, casinos and lotteries).

Licences to open casinos are granted by the Interior Minister 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 Law) have been met, and following approval by the Interior Minister, who is advised by the Games Advisory Committee. These licences are temporary in nature, with a limited validity of no more than five years.

The Commission consultative des jeux (advisory committee on gaming) established by the French Ministry of the Interior has 12 members, including 8 senior civil servants representing the competent ministries, 1 senator and 1 député representing the Parliament, and 2 mayors appointed by France's national association of mayors of listed resorts. It is chaired by a special councillor of the French Council of State.

Its remit is confined to primary applications for gaming authorisation renewals, applications to increase the number of gaming tables authorised and applications to increase the number of authorised slot machines only where they exceed the threshold of 500 machines. A Decree and an Order dated 29 July 2009 radically altered the authorisation criteria for slot machines. Since this date, the number of slot machines authorised in a casino has been determined by reference to a ratio of the number of machines to the number of gaming tables, which is laid down by the casino gaming regulations. The first gaming table gives entitlement to 50 slot machines and each of the subsequent tables gives entitlement to 25 additional machines.

This reform was a major advance for casinos in giving them greater control over the definition of their gaming offer. By this means, the gaming supply can now be adapted to the specific features of the local market and customers' wishes without having to embark on an unwieldy administrative procedure requiring notification by the betting and gaming commission at the elapse of a 4- or 5-month application processing period. These adaptations are now implemented by the Interior Ministry under applicant-initiated declaration procedures with a short processing period, affording better responsiveness to market changes. In the same spirit of reform, additional improvements were made to the regulation through amending orders and resolutions dated 29 July 2010. Significant features of these texts include the addition of a new form of poker called Omaha High 4 poker to the list of authorised table games, as well as the raising of the threshold under which employee multi-tasking is accepted from 50 to 75 slot machines. The management of employees in the establishments of this category has thus been optimised. The gaming licence, which is formalised by an order made by the Interior Minister, sets the number and type of authorised games (roulette, black jack, etc.), the minimum bet, as well as the opening and closing times of gaming rooms. It should also be noted that, further to an amending order dated 29 July 2011, closing times for table games and slot machines were separated on a trial basis in 2012, allowing table games to close before slot machines. This possibility was confirmed by an order dated 14 February 2013, allowing casinos to better adjust the availability of table games to match customer demand (with the priority on opening tables during peak periods only), and thus to make productivity savings.

It should also be noted that this same order dated 14 February 2013 helps limit handling valuables in the presence of the public, notably by allowing cash to be counted at the end of play in a dedicated counting room equipped with a video protection system.

The "Casino War" game, which is very popular in Las Vegas, was successfully trialled in several French casinos in 2012, including two subsidiaries of Groupe Partouche. It was then registered as a game played "against the house" as defined in Decree n° 59-1489 of 22 December 1959, as one of the games that may be authorised in casinos, by Decree n° 2013-389 of 7 May 2013.

Fourteen establishments were authorised to extend their table gaming offer before the summer season to include this card game, which is popular with many players thanks to its simple rules and rapid play.

The slot machine market has also witnessed several technical developments, today made possible by the latest regulatory changes, such as multi game and multi denomination slot machines, as well as "community" games that are of greater interest to new generations of gamers. It should be noted that slot machines are legally required to pay out at least 85% of their takings, and that only French supply and maintenance companies with experience in electronics and licensed by the Ministry of the Interior are authorised to supply and maintain such machines and adjust their settings. Such companies are required to inspect the entire portfolio of slot machines three times a year.

New rules have entered into force since the end of the financial year:

- The publication of Decree 2013-1112 of 4 December 2013 amended the Internal Security Code, including in particular the legislative section on casinos, by specifying that the list of newly authorised casino games will in future be set out in straightforward decrees rather than decrees of the Conseil d'Etat. This new provision will make it possible to shorten lead times between testing a new game and launching it in casinos.
- An Order of 6 December 2013, published on 14 December 2013, authorised, inter alia, "Lucky Ladies" (a variant of Blackjack), the option of a "Bad Beat Jackpot" for table games like Texas Hold 'Em, electronic Blackjack, and the option of offering electronic roulette with an automatic trigger, thus making the game available to players whenever the casino is open to the public.

Finally, the industry is awaiting the publication of a decree confirming the rules of new games that have already been tested: Wheel of Fortune, Ultimate Poker, three-card poker and Rampo.

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

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

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

The administration and running of casinos and the rules for gaming operations are subject to strict regulations that have been considerably updated in recent years under pressure from gaming trade unions. These regulations are set out in the Decree of 22 December 1959, as amended, the Orders of 23 December 1959, 14 May 2007 and 29 October 2010, as amended, and codified texts including, in particular, the General Local Authorities Code (procedures governing levies), the General Tax Code (taxes on automatic machines), the Civil Code (aleatory contracts), the Monetary and Financial Code (anti-money laundering and counter-terrorist financing), the Electoral Code and the Tourism Code.

B) TAX LEVIES

Tax levies are applied to gross gaming revenue (which represents the total sum of money left by players at table games and slot machines) after deducting a 25% tax allowance, and in certain cases, an additional maximum allowance of 5% for high quality artistic productions and/or an additional 5% allowance for investments in hotel and thermal spa facilities.

The progressive scale of taxes payable to the French state based on casinos' Gross Gaming Revenue is indicated in the table below:

GROSS GAMING REVENUE

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

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

During the financial year ended 31 October 2010, a reform in the way gaming levies are calculated, which the industry had been eagerly awaiting for several years, was introduced through the addition of new provisions to the Online Gaming Law (Article 55) of 12 May 2010. The reform means that the basis on which the levy is calculated for gaming tables is no longer the same as that for slot machines (Article L.2333-54 of the CGCT, the French general code for local authorities). This is a departure from the method of calculating the levy on the aggregate of gross gaming revenue from table games and slot machines. This use of distinct bases on which the levy is calculated for table games and slot machines means that casinos will pay a lower levy rate on table game revenue.

Local authorities levy a maximum rate of 15% on the same tax base as the State levy, and they also receive 10% of the amount levied by the State. 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. Furthermore, since the introduction of the Act of 12 May 2010 opening up online gaming to competition and regulation, a portion of levies raised on online table games, not exceeding €10,150,000, is paid over to local councils within whose geographical boundaries are one or more casinos open to the public, in proportion to those casinos' gross gaming revenue.

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

From 1996, a 3% CRDS (Contribution to the Repayment of Social Debt) tax has been levied on gross gaming revenue, followed in 1997 by a 3.40% CSG (General Social Contribution) levy on slot machine gross gaming revenue.

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

The Decree of 12 April 2002, which took effect on 1 May 2002, stipulated that gaming levies be based on the actual revenue taken in by slot machines, with a rebate of no more than 15% (unless the theoretical revenue is higher than the rebated actual revenue). The ministerial Order of 28 October 2008 cancels the provisions concerning the 15% rebate coefficient set out in the ministerial Order of 12 April 2002.

Lastly, it is worth noting that a consequence of the coming into effect of the statutory instruments on casino taxation – also published on 29 October 2010 - is that the costs of controlling gaming tables and slot machines have been removed, as of the 2009-2010 financial year. Casinos are also no longer required to make provision or establish a bank guarantee corresponding to the amount of levy that the casino is likely to pay on its GGR.

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

C) CASINO OPERATIONS

Groupe Partouche, via its directly or indirectly owned subsidiaries, held 50 casinos at 31 October 2013; 42 of these establishments are located in France and eight in other countries.

The Group generated 73.3% of its turnover from gaming, which remains the dominant business sector. Groupe Partouche's 50 casinos are spread throughout France and abroad as follows:

FRANCE - REGIONS	COMMUNE IN WHICH THE CASINO IS LOCATED
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, LE HAVRE
BASSE-NORMANDIE	CABOURG, AGON-COUTAINVILLE
BRETAGNE	PLÉNEUF-VAL-ANDRÉ, PLOUESCAT, LA TRINITÉ-SUR-MER
PAYS DE LA LOIRE	PORNICHET, PORNIC
POITOU-CHARENTES	LA ROCHE-POSAY, LA TREMBLADE
LORRAINE	CONTREXÉVILLE, PLOMBIÈRES-LES-BAINS
RHÔNE-ALPES	LYON, LA TOUR DE SALVAGNY, SAINT-GALMIER, DIVONNE-LES-BAINS, ANNEMASSE, HAUTEVILLE-LOMPNES
AUVERGNE	ÉVAUX-LES-BAINS, VICHY (LES 4 CHEMINS ET GRAND CAFÉ), ROYAT
AQUITAINE	ANDERNOS, ARCACHON, SALIES-DE-BÉARN
LANGUEDOC-ROUSSILLON	PALAVAS-LES-FLOTS, LA GRANDE-MOTTE
PROVENCE - ALPES - CÔTE D'AZUR	GRÉOUX-LES-BAINS, AIX-EN-PROVENCE, LA CIOTAT, BANDOL, HYÈRES, CANNES, JUAN-LES-PINS, NICE

COUNTRIES OUTSIDE FRANCE	COMMUNE IN WHICH THE CASINO IS LOCATED
BELGIUM	KNOKKE, OSTENDE, CHAUDFONTAINE, DINANT
TUNISIA	DJERBA, TABARKA
SWITZERLAND	MEYRIN, CRANS-MONTANA

D] CASINO OPERATING CONCESSIONS

A casino operating concession never exceeds 20 years in France. At 31 October 2013, Groupe Partouche had 42 casinos in France with a concession contract and a ministerial authorization for gaming operations.

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

To date, Groupe Partouche has never lost a gaming concession.

E] ÉCHÉANCIER DES CONCESSIONS

YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2014	0
2015	5
2016	6
2017	6
2018	3
2019	1
2020	3
2021	3
2022	4
2023	2
2024	1
2025	0
2026	0
2027	1
2028	3
2029	2
2030	0
2031	0
2032	2

F] ANCILLARY ACTIVITIES OF CASINOS

The Group's casinos generate a portion of their turnover from complementary activities, such as catering and entertainment; beyond the contractual obligation attaching to the very definition of a casino, these are regarded as a prime means of receiving and entertaining customers under optimum conditions. Some of the larger establishments, such as St-Amand-les-Eaux, Forges-les-Eaux or La Roche Posay, have integrated hotel accommodation affording hospitality on a grander scale.

The majority of establishments provide private-function areas, on a scale and of a style varying widely according to purpose, with customised, high-quality entertainment to enliven the functions. Lastly, the presence in some resorts of spas affords customers "relaxation and well-being" solutions, with well-being and beauty treatments as well as themed spa cures.

At 31 October 2013, the Group operated:

- 12 hotels from 3* to 4*L with more than 530 rooms;
- 128 restaurants: diners, gourmet restaurants, theme restaurants;
- 5 health spas and 2 golf courses.

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

- le casino de Forges-les-Eaux ;
- le casino de Saint-Amand-les-Eaux ;
- le casino du Havre ;
- le casino de Divonne-les-Bains ;
- le casino du Lyon Vert à La Tour de Salvagny ;
- le casino de Hyères ;
- le casino de La Roche-Posay ;
- le casino de Dieppe ;
- le casino de Salies-de-Béarn ;
- le casino de La Trinité-sur-Mer.

6.1.2 HOTELS

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

These independent hotels are the following:

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

6.1.3 INTERACTIVE DIVISION

A) A MAJOR STRATEGIC SHIFT IN POKER ACTIVITIES IN 2013

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

Within the Interactive division, the Partouche Gaming France subsidiary secured a licence to operate online poker in France on 25 June 2010 and began trading on 6 July 2010.

After years of effort in this business area, which continued to post losses, Groupe Partouche announced in a press release dated 14 September 2012 that it was refocusing the Group's strategy, affecting not only online poker but also casino activities. The Group went on to shut down its French online gaming operations on 17 June 2013.

This decision was a consequence of the unsuitable approach adopted when the online gaming market was opened up in spring 2010:

- All operators were given the option of offering online poker, unlike in Belgium, where only existing bricks-and-mortar operators were allowed to offer it. At the same time, Française des Jeux maintained its monopoly in online lotteries.
- All those operators who had previously illegally offered online poker were granted authorisation without being required to pay any compensation in relation to the business they had already done in France, as had been the case in Spain; this meant that these foreign operators were able to use the profits they had made to fund huge marketing and communication campaigns.
- Online poker has been unable to break even, in spite of an abnormally low levy rate that gave it an unfair advantage relative to poker games offered by bricks-and-mortar casinos.

Against this backdrop, Groupe Partouche decided that it was pointless to try to make online poker profitable in France and opted instead to focus its human and financial resources on its traditional activities.

Over the 2013 financial year, the main changes that arose from this strategic shift in poker activities within Groupe Partouche were as follows:

- on the one hand, an initial reduction in activities and resources in favour of the partouche.fr website, particularly in terms of marketing and communication costs and customer service, followed by the cessation of the online games offering in France on 17 June 2013;
- on the other hand, the suspension of all «home» tournament circuits in Partouche casinos, including the cessation of the Partouche Poker Tour circuit.

These actions had a dual aim: to reduce costs arising from poker activities in France and to establish more promising partnerships.

As a result, the Group has been able to enter into new partnerships with the world leaders WMS and Bwin.Party in Belgium, where work has already begun on TV broadcasting agreements covering interactive casino games (see Section 6.2.3, "Belgian gaming market").

B) REGULATORY FRAMEWORK

IN FRANCE

With the advent of the Internet, followed by mobile telephones and interactive television, the gaming sector has access to new distribution channels. Law No. 2010-476 on the opening of the gambling and online gaming sector to competitors and on the regulation of these sectors was adopted by the French National Assembly and the Senate on 12 May 2010. The legislation provides for admission of operators authorised by a new authority called ARJEL (Autorité de réglementation des jeux en ligne - on-line betting and gaming regulatory authority) solely in the following activity sectors: bets on horse racing, sports betting and poker.

Pursuant to VII of Article 21 of Law n° 2010-476 of 12 May 2010, the online gaming regulatory authority draws up and updates the list of authorised operators, and specifies the categories of gaming, betting or lottery activity that these operators may offer. This list is published in the French official gazette.

As at 3 February 2012, there were 35 operators authorised by ARJEL, including 23 authorised for poker; as at 16 December 2013, there were only 18 such operators, 13 of which were authorised for poker. This means that nearly half of operators have withdrawn from the market.

These figures reflect a market that has matured very quickly, whose potential has ultimately fallen short of the expectations of both operators and observers, and which is currently dominated by two operators in the online poker market.

ONLINE GAMING TAXATION

Operators are liable for taxation of:

- 7.5% of players' bets on sports and horse racing
- 2% of players' poker bets

The GGR of poker online is the sum cashed from each cash game played hand (average levy of 4.35%) or of each tournament (average levy of 10% of the buy-in). Levies amounted to 30.8% of GGR for financial year 2013.

BELGIUM

This subject is explored in Section 6.2.3, "Belgian gaming market".

C) COMPANIES

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

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

Partouche Images offers an array of interactive game shows associated with its online games offering;

Partouche Productions is a production company for televised programmes and events;

Partouche Tournois previously organised logistical arrangement for poker tournaments but is now inactive;

Quarisma is an interactive platform dedicated to the real-time management of quality services between customers and casino operators; in 2013, it generated a consolidated turnover in the amount of zero.

Appolonia (Caskno) manages casino information systems as well as data exchange equipment and networks;

Partouche Interactive Holdings is the entity that controls Partouche Interactive Gibraltar, whose role is now limited to administrative supervision;

International Gambling Systems is a provider of online gaming technologies in Belgium, considered a type E licensed provider by the Belgian gaming authorities;

Partouche Betting Malta has a gaming licence in Malta, which it has sublicensed to Partouche Interactive Malta;

Partouche Interactive Malta, a Malta-based company, has a sports betting sublicence for a platform developed by France Pari and used to run the sports betting site «livebetting.com» internationally, which should soon be discontinued;

Partouche Gaming France used to hold an online poker licence in France. The company started operating on 6 July 2010 and ceased its activity on 17 June 2013.

For more details on the Interactive Division, please refer to Sections 9.1 and 20.2.1 of the Reference Document.

6.1.4 OTHER ACTIVITIES

Groupe Partouche's other activities are marginal, accounting for fewer than two percentage points of total turnover. They mainly include holding companies, real estate companies and the thermal-spa activity in Aix-en-Provence.

6.2 MAIN MARKETS

6.2.1 FRENCH GAMING MARKET

THE CASINO SECTOR

For the financial year ended 31 October 2013, gross gaming revenue for the entire French casino sector totalled €2,180m, down 4.17%. GGR from slot machines accounted for €1,962m, i.e. 90.1% of the total, down 4.47%. GGR from table games was down 1.4% from the previous year.

Gaming levies on GGR represented 53.9% for the 2012/2013 financial year.

France's casino industry counts 198 authorised casinos on the national territory (up 2 from the preceding financial year), more than two thirds of which are run by groups. The market's main players are as follows:

NAMES OF GROUPS IN FRANCE	NUMBER OF CASINOS OPERATED	ACTUAL 2013 GROSS GAMING REVENUE (IN €M)
GROUPE PARTOUCHE SA	42	528,1
GROUPE BARRIÈRE SAS	33	708,9
GROUPE JOA	20	175,6
GROUPE TRANCHANT	16	184,5
GROUPE COGIT	9	79,9
GROUPE ÉMERAUDE	8	66,1
SMCFC	2	49,3

Source: Statistics report on the 2012-2013 season, Central Racing and Gaming Department

6.2.2 SWISS GAMING MARKET

Switzerland has a total of 21 casinos. Eight of them are operated under a type-A concession (type-A or large casinos), while the remaining thirteen hold a type-B concession (type-B casinos).

The difference between type-A concessions and type-B concessions relates to the limitations imposed on type-B casinos. Indeed, the latter are limited to 250 slot machines for which bets are limited to CHF 25 and winnings are limited to CHF 25,000. Casinos can have several jackpot systems for which the maximum amount is limited to CHF 200,000 for type-B casinos. Concerning table games, type-B casinos can only offer 3 types of games with limited bets. Only type-A casinos can offer a multisite jackpot. The following table presents the main regulatory differences between type-A casinos and type-B casinos:

	SWITZERLAND - MAIN DIFFERENCES BETWEEN TYPE-A CASINOS AND TYPE-B CASINOS	
	TYPE-B CASINO	TYPE-A CASINO
Number of slot machines	Limited to 250	Unlimited
Bets at slot machines	Limited to CHF 25	Unlimited
Wins at slot machines	Limited to CHF 25,000	Unlimited
Several jackpot systems	Amount limited to CHF 200,000	Unlimited
Type of table games	Limited to 3 (for example: English roulette, blackjack, poker)	Unlimited
Bets at table games	English roulette: limited to CHF 200 straight bet Blackjack: limited to CHF 1,000 Poker: limited to CHF 200	Unlimited

Swiss casinos offer games of chance, provided by table games and slot machines. The slot machines can be linked up to form a jackpot. In order to award a licence in respect of a slot machine or a jackpot system, the Swiss Gaming Commission (CFMJ) must be in possession of an assessment report prepared by an authorised certification firm.

IN 000 CHF	2012	2011	CHANGE
Gross gaming revenue	757'521	824'789	-8,1 %
Tax levies on casinos	373'625	419'254	-10,8 %
Net gaming revenue	383'896	405'535	-5,3 %

(Source: 2012 CFMJ Report)

In 2012, for the fourth consecutive year, the Swiss casino sector sustained a fall in GGR of 8.1% (decrease of 5.1% in 2011, 7.2% in 2010 and of 5.6% in 2009). This decline is due mainly to the strength of the Swiss franc versus the euro, competitive offerings in neighbouring countries and the general economic downturn. In accordance with Swiss law, the use of electronic communications networks to offer gaming services is prohibited. Following the recommendation of the Swiss Gaming Commission (CFMJ), the Swiss government ordered the Federal Department of Justice and Police (DFJP) in April 2009 to prepare an amendment to the legal framework governing the gaming sector to allow for some flexibility in relation to this ban. Another objective was the development of targeted tools to take effective action against illegal online gaming. The planned flexibility in legal provisions should allow for the granting of concessions to online gaming operators. In autumn 2012, the working group established for this purpose by the DFJP and spearheaded by the CFMJ presented its final report along with a preliminary draft proposal. The political committee charged with drafting the new gaming legislation following the adoption of the new constitutional article by Swiss voters and Switzerland's cantons in a referendum on March 11, 2012, which is chaired by the federal councillor Simonetta Sommaruga and consists of representatives of the cantons and the Swiss Confederation, took official notice of this final report and the accompanying draft proposal in December 2012.

6.2.3 BELGIAN GAMING MARKET

The regulatory authority in Belgium is the Belgian Gaming Commission, which falls under the Ministry of Justice.

A. CASINOS

Licensed games consist of roulette, blackjack, poker in all its forms and slot machines.

The Belgian market consists of nine casinos (Knokke, Ostend, Blankenberge, Middelkerke, Brussels, Chaudfontaine, Spa, Namur and Dinant).

Following its disposal of the Knokke and Dinant casinos at the end of 2013, Groupe Partouche now owns two casinos in Belgium: Ostend and Chaudfontaine.

Information on 2013 market developments was not available at the date at which this Annual Report was drafted.

For information, in 2012 total GGR for casinos in Belgium fell 4.22% year on year, from €41.4m in calendar year 2011 to €40.1m in calendar year 2012 (source: Internal communications from Belgian casinos). The main reason for this decline is the anti-tobacco law, which prohibited smoking in casinos with effect from summer 2011.

The market share (based on GGR from table games and slot machines, not including online gaming) of the four casinos owned by Groupe Partouche (Knokke, Ostend, Chaudfontaine and Dinant) amounted to 36.8% as at 31 December 2012, representing an increase of 0.50 points relative to end-2011, attributable to the increase in GGR from slot machines. Groupe Partouche is the only casino group in Belgium to have installed slot machines in so-called smoking rooms where smoking is allowed.

B. ONLINE CASINOS

In Belgium, licences to operate online casinos (type A+ licences) are only granted to casinos holding a type A licence. There are nine such licences in Belgium.

The following casinos have licences to operate online casinos (type A+ licences):

- **Dinant:** the Dinant casino was granted a type A+ licence in March 2012. Since 1 November 2010, this licence has been operated under the name www.partouche.be (during the initial period, on a trial basis). In December 2013, as part of the disposal of the Dinant casino, www.partouche.be was transferred to the Chaudfontaine casino.
- **Knokke:** the Knokke casino was granted a type A+ licence in December 2012. Starting in February 2013, this licence was operated under the name www.jackpotparty.be as part of a joint operation between the Knokke casino and WMS. Given the disposal of the Knokke casino, www.jackpotparty.be was first transferred to the Dinant casino's website, and WMS then ended its use of this licence at the end of December 2013.
- **Ostend:** since February 2013, an A+ licence has been operated under the name www.bwin.be as part of a joint operation between the Ostend casino and Bwin.Party.

C. GAMING LEVIES IN BELGIUM

Gaming levies fall under the authority of the Belgian regions, namely Wallonia for the Group's Chaudfontaine and Dinant casinos and Flanders for the Group's Knokke and Ostend casinos.

There are three types of levies in Belgium, all based on GGR.

Levies on GGR for table games

- In Wallonia:

From	€0.00 – €1,360,000	33%
More than	€1,360,000	44%

- In Flanders:

From	€0.00 – €865,000.00	33%
More than	€865,000.00	44%

Levies on GGR for slot machines (common to both regions)

From	€0.00 - €1,199,999	20%
From	€1,200,000 – €2,449,999	25%
From	€2,450,000 – €3,699,999	30%
From	€3,700,000 – €6,149,999	35%
From	€6,150,000 – €8,649,999	40%
From	€8,650,000 – €12,349,999	45%
From	€12,350,000	50%

Levies on online GGR (common to both regions)

From	€1	11%

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

The financial years 2008 to 2013 were affected by the following exceptional events:

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

6.4 ISSUER'S DEGREE OF DEPENDENCY

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

Please refer to Section 4.2.11 "Casino public service concessions and gaming licences".

6.5 EVIDENCE PROVIDING THE BASIS FOR THE COMPETITIVE POSITION DECLARATION

Please refer to Section 6.2, in which the Group's position with regard to its competitors and the sources used are shown.

ORGANISATIONAL STRUCTURE

07

7.1 INTERNAL ORGANISATION OF THE GROUP

Groupe Partouche SA is a holding company for a group of leisure industry companies that operate casinos, hotels, restaurants, dancehalls and bars. As the Group's parent company, its shares are traded on Compartment C of the NYSE Euronext stock exchange in Paris. Groupe Partouche SA, which does not directly operate the establishments of the Group, fulfils a guidance role, ensuring that its consolidated companies benefit from its knowledge, resources and skills, particularly in terms of human and technical resources. Upon their requests, it provides its consolidated companies with a package of services defined under a head office services agreement. These services notably cover intellectual services in the areas of strategic planning, marketing, communication, business development, administration, legal affairs, finance and information technology.

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

For the financial year ended 31 October 2013, the total amount received under head office services agreements was €11,135k excluding VAT.

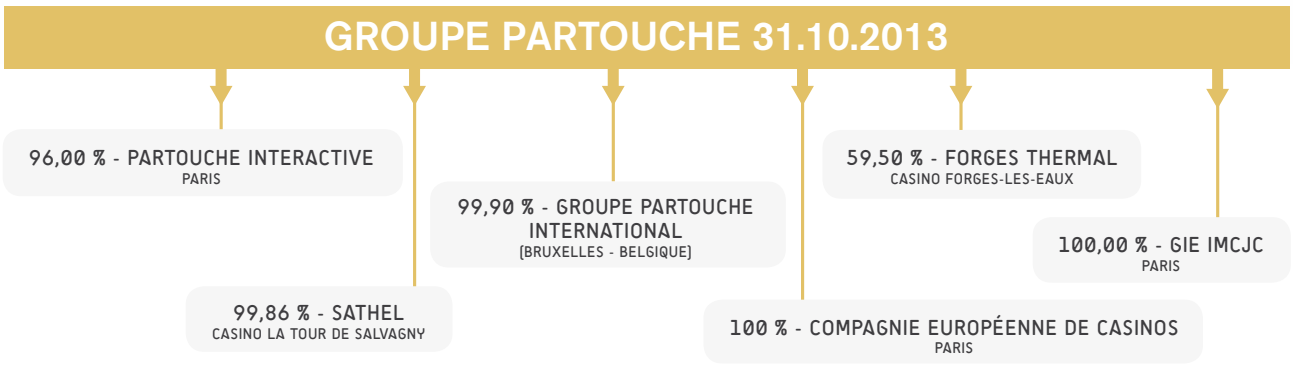
Furthermore, Groupe Partouche SA maintains a parent-subsidiary relationship with each of the consolidated companies, for which the main related elements for the year ended 31 October 2013 are centralised cash management and the administration of a French tax consolidation structure.

As the Group's holding company, which does not have any independent operating activity of its own, Groupe Partouche SA has substantial fixed assets with €555m in net value, essentially attributable to investments in the Group's subsidiaries. The other significant portion comprises receivables of €198m, net of provisions, mainly relating to the Group's subsidiaries.

Groupe Partouche SA's liabilities and equity comprise €403m in equity, €25m in the current account of the majority shareholder Financière Partouche, €157m in current accounts of the subsidiaries and €235m in bank debt.

7.2 GROUP STRUCTURE

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





99,90 % - GROUPE PARTOUCHE INTERNATIONAL
(BRUXELLES - BELGIQUE)

- 99,99 % → **STÉ DU CASINO DE DJERBA** — Casino de Djerba (Tunisie)
- 99,00 % → **CASINO NUEVO SAN ROQUE** — Casino de San Roque (Espagne)
- 99,90 % → **CASINO DE CHAUDFONTAINE** — Chaudfontaine (Belgique) *
- **GRAND CASINO DE TABARKA** — Casino de Tabarka (Tunisie) ← 99,99 %

96,00 % - PARTOUCHE INTERACTIVE
PARIS

- 95,07 % → **QUARISMA** — Paris
- 75,43 % → **PARTOUCHE PRODUCTION** — (ex Sogimage) Paris
- 100,00 % → **PARTOUCHE TECHNOLOGIES** — (ex Que des Jeux) Saint-Avertin
- 75,46 % → **PARTOUCHE IMAGES** — (ex New Screens) Paris
- 100,00 % → **PARTOUCHE TOURNOIS** — Paris
- 100,00 % → **WORLD SERIES OF BACKGAMMON** — Londres
- 70,00 % → **APPOLONIA** — Antibes
- 100,00 % → **PARTOUCHE INTERACTIVE HOLDINGS** — Gibraltar
- **PARTOUCHE INTERACTIVE GIBRALTAR** — Gibraltar ← 100,00 %
- 100,00 % → **PARTOUCHE BETTING** — (ex Atlas Sports et Games) Malte
- 49,99 % → **PARTOUCHE INTERACTIVE MALTA** — Malte
- 100,00 % → **PARTOUCHE GAMING** — France

59,50 % - FORGES THERMAL
CASINO FORGES-LES-EAUX

- 20,00 % → **CASINO DE VICHY** — Casino Vichy « Les 4 Chemins » ← 79,93 %
- 20,00 % → **ÉLYSÉE PALACE HÔTEL** — Vichy ← 79,68 %
- 17,24 % → **CHM** — Vichy ← 76,63 %
- 20,00 % → **ÉLYSÉE PALACE EXPANSION** — Vichy ← 79,68 %
- **SOCIÉTÉ DE L'ÉLYSÉE PALACE** — Vichy ← 99,97 %
- 30,00 % → **INTERNATIONAL CASINO OF MADRID** — Egypte
- 98,69 % → **CASINO DE DIVONNE** — Casino Divonne-les-Bains
- 99,93 % → **CASINO D'ANNEMASSE** — Casino Annemasse
- 0,04 % → **SCI L'ARVE** — Annemasse ← 99,96 %
- 100,00 % → **CASINO DE HAUTEVILLE** — Casino Hauteville-Lompnes
- 57,00 % → **CASINO CRANS-MONTANA** — Casino Crans-Montana (Suisse)
- **SOCIÉTÉ D'EXPLOITATION DU CASINO DE DIVONNE** — Divonne-les-Bains ← 100,00 %



GROUPE PARTOUCHE 31.10.2013

100,00 % - GIE IMCJC
PARIS

- 100,00 % → CASINO TRINITÉ-SUR-MER — Casino La Trinité-sur-Mer
- 97,25 % → HÔTEL INTERNATIONAL DE LYON — Hôtel Hilton Lyon
- 100,00 % → STÉ DU GRAND CASINO DE LYON — Casino Lyon
- 99,99 % → CANNES BALNÉAIRE — Cannes
- 100,00 % → CASINO POINTE CROISETTE — Casino Cannes
- 100,00 % → STÉ IMMOBILIÈRE CANNOSTA — Hôtel 3.14 Cannes
  - 100,00 % ← KIOUSK — Cannes
- 100,00 % → STÉ DU CASINO DE SAINT-AMAND — Casino Saint-Amand-les-Eaux
- 90,10 % → LE TOUQUET'S — Casino Calais
- 100,00 % → NUMA — Casino Boulogne
- 99,53 % → STÉ DU CASINO DU TOUQUET — Casino Le Touquet
  - 99,72 % ← BARATEM — Le Touquet
- 100,00 % → JEAN METZ — Casino Berck-sur-Mer
- 100,00 % → SACBM — Casino Dieppe
- 100,00 % → STÉ DU CASINO DE CABOURG — Casino Cabourg

- 100,00 % → CASINO DU HAVRE — Casino Le Havre
- 99,99 % → SCI RUE ROYALE — Paris
- 100,00 % → PARTOUCHE IMMOBILIER — Paris
- 100,00 % → SCI FONCIÈRE VITTEL ET CONTREX — Contrexéville
- 100,00 % → HÔTEL COSMOS — Hôtel Contrexéville
- 100,00 % → STÉ EXPL. CASINO ET HÔTELS — Casino Contrexéville
  - 100,00 % ← GRANDS HÔTEL DU PARC — Hôtel Contrexéville
- 99,99 % → SCI LES THERMES — Aix-en-Provence
  - 99,80 % ← HÔTEL AQUABELLA — Hôtel Aix-en-Provence
  - 100,00 % ← SARL THERM'PARK — Aix-en-Provence
  - 0,06 % → CENTRE BALNÉOTHÉRAPIE AIX — Aix-en-Provence — 99,94 % ←
- 99,03 % → CASINO DE LA TREMBLADE — Casino La Tremblade
  - 1,00 % → SCI LA TREMBLADE — La Tremblade — 99,00 % ←
- 100,00 % → PARTOUCHE SPECTACLES — Paris
- 100,00 % → GROUPEMENT CASINOS — Paris

LÉGENDE

- Casinos
- Autres entités

* 0,10 % sont détenus par Belcasinos



99,86 % - SATHEL
CASINO LA TOUR DE SALVAGNY

- 98,09 % → **STÉ DU CASINO DE ROYAT** — Casino de Royat
- 61,99 % → **STÉ DU CASINO DU GRAND CAFÉ** — Casino Vichy
- 61,06 % → **SCMAT** — Casino Aix-en-Provence
- **CASINO LES FLOTS BLEUS** — Casino La Ciotat
- 100,00 % → **SEK** — Juan-les-Pins
- 55,00 % → **SCI DE L'EDEN BEACH CASINO** — Juan-les-Pins
- **STÉ DE L'EDEN BEACH CASINO** — Casino Juan-les-Pins
- 99,00 % → **SNC GARDEN BEACH HÔTEL** — Hôtel Méridien Juan-les-Pins
- 1,00 % → **SCI HÔTEL GARDEN PINÈDE** — Juan-les-Pins
- **HOLDING GARDEN PINÈDE** — Juan-les-Pins
- 90,91 % → **CASINO DE PALAVAS** — Casino Palavas-les-Flots
- 90,00 % → **SCI PALAVAS INVESTISSEMENT** — Palavas-les-Flots
- 99,84 % → **STÉ DU CASINO LE LION BLANC** — Casino Saint-Galmier

- 1,91 % → **STÉ DU CASINO DE ROYAT**
- 38,63 % → **SCMAT**
- 99,96 % → **CASINO LES FLOTS BLEUS**
- 0,02 % → **CASINO LES FLOTS BLEUS**
- 45,00 % → **SCI DE L'EDEN BEACH CASINO**
- 98,34 % → **STÉ DE L'EDEN BEACH CASINO**
- 1,44 % → **STÉ DE L'EDEN BEACH CASINO**
- 1,00 % → **SNC GARDEN BEACH HÔTEL**
- 99,00 % → **SCI HÔTEL GARDEN PINÈDE**
- 100,00 % → **HOLDING GARDEN PINÈDE**
- 9,09 % → **CASINO DE PALAVAS**
- 10,00 % → **SCI PALAVAS INVESTISSEMENT**
- 0,16 % → **STÉ DU CASINO LE LION BLANC**

- 0,05 % → **CASINO DE COUTAINVILLE** — Casino Coutainville
- 0,03 % → **STÉ DU CASINO D'ARCACHON** — Casino Arcachon
- **LUDICA** — Paris
- 99,99 % → **GRAND CASINO DE BANDOL** — Casino Bandol
- 95,24 % → **CASINO DE LA GRANDE-MOTTE** — Casino La Grande-Motte
- **CIE DÉVT TOURISME HYÉROIS** — Casino Hyères
- **CASINO DU PALAIS DE LA MÉDITERRANÉE** — Casino Nice
- **CPLXE CCIAL DE LA ROCHE-POSAY** — Casino La Roche-Posay
- 99,00 % → **SCI GAFA** — La Roche-Posay
- 80,00 % → **SARL HÔTEL DU CHÂTEAU** — La Roche-Posay
- 99,90 % → **SCI PARC DE POSAY** — La Roche-Posay

- 99,78 % → **LE MIAMI**
- 89,51 % → **CASINO DE COUTAINVILLE**
- 98,68 % → **STÉ DU CASINO D'ARCACHON**
- 100,00 % → **LUDICA**
- 4,74 % → **CASINO DE LA GRANDE-MOTTE**
- 99,90 % → **CIE DÉVT TOURISME HYÉROIS**
- 100,00 % → **CASINO DU PALAIS DE LA MÉDITERRANÉE**
- 89,70 % → **CPLXE CCIAL DE LA ROCHE-POSAY**
- 1,00 % → **SCI GAFA**
- 0,10 % → **SCI PARC DE POSAY**

LE MIAMI — Casino Andernos



GROUPE PARTOUCHE 31.10.2013

100 % - COMPAGNIE EUROPÉENNE DE CASINOS
PARIS

- 100,00 % → **PLOMBINOISE DE CASINO** — Casino Plombières
- 100,00 % → **CASINO DU MOLE** — Casino Pornic
- 1,00 % → **SCI LES MOUETTES** — Pornic
- 99,00 % → **CASINO DU MOLE** — Casino Pornic
- 100,00 % → **CASINO DE SALIES-DE-BÉARN** — Casino Salies-de-Béarn
- 100,00 % → **CASINO D'ÉVAUX-LES-BAINS** — Casino Évaux-les-Bains
- 100,00 % → **CASINO DE PORNICHET** — Casino Pornichet
- 100,00 % → **SOC. EXPL. CASINO LA ROTONDE** — Casino Val-André
- 100,00 % → **SINOCA** — Hôtel Val-André
- 1,00 % → **SCI JMB** — Val-André
- 99,00 % → **SOC. EXPL. CASINO LA ROTONDE** — Casino Val-André
- 100,00 % → **GRD CASINO DE GRÉOUX** — Casino Gréoux-les-Bains
- 99,99 % → **SCI RÉSIDENCE LES JARRES** — Gréoux-les-Bains
- 0,01 % → **GRD CASINO DE GRÉOUX** — Casino Gréoux-les-Bains
- 96,99 % → **DÉVT DE LA BAIE DE KERNIC** — Casino Plouescat

- 99,99 % → **BELCASINOS** — Bruxelles (Belgique)
- **VZW** — (Belgique) — 100,00 % → **BELCASINOS** — Bruxelles (Belgique)
- **CHAUDFONTAINE LOISIRS** — Casino de Chaudfontaine (Belgique) — 99,99 % → **BELCASINOS** — Bruxelles (Belgique)
- **NV CASINO KURSAAL OSTENDE** — Casino de Ostende (Belgique) — 99,98 % → **BELCASINOS** — Bruxelles (Belgique)
- 1 % → **CKO BETTING** — Ostende (Belgique)
- 99 % → **BELCASINOS** — Bruxelles (Belgique)
- **CASINO DE DINANT** — Dinant (Belgique) — 99,99 % → **BELCASINOS** — Bruxelles (Belgique)
- 100,00 % → **BEST GAMING CORPORATION** — Reno (USA)
- 40,00 % → **CASINO LAC MEYRIN** — Casino Meyrin (Suisse)
- **INTERNATIONAL GAMBLING SYSTEMS** — (Belgique) — 19,00 % → **BELCASINOS** — Bruxelles (Belgique)
- **SIKB IMMO** — Knokke (Belgique) — 100,00 % → **VZW** — (Belgique)
- 0,49 % → **SA ECK** — Casino de Knokke (Belgique)
- 99,51 % → **BELCASINOS** — Bruxelles (Belgique)

LÉGENDE

- Casinos
- Autres entités



08 PROPERTY, PLANT AND EQUIPMENT

8.1 EXISTING OR PLANNED MAJOR ITEMS OF PROPERTY AND EQUIPMENT

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

The Group holds the property ownership, directly or under long leases, of 29 out of the 49 casinos operated in 2013, and rents the buildings of the remaining 20 under classic commercial leases or local authority occupancy agreements. It also owns 18 hotels out of the 19 the Group operates.

The Group's main real estate assets, based on floor space, are as follows:

ESTABLISHMENT	LEGAL STATUS	FLOOR SPACE
Aix-en-Provence casino	Long lease agreement	9,907 sq.m
Cannes 3.14 hotel	Full ownership	3,445 sq.m
Contrexéville casinos and hotels	Full ownership	13,398 sq.m
Divonne-les-Bains casino, hotel and golf course	Full ownership	16,399 sq.m
Forges-les-Eaux casino and hotel	Full ownership	34,273 sq.m
Juan-les-Pins casino and hotel	Full ownership	12,280 sq.m
Casino de La Grande-Motte	Long lease agreement	8,248 sq.m
La Tour de Salvagny casino and hotel	Full ownership	12,243 sq.m
Lyons casino and hotel	Long lease agreement	22,605 sq.m
Saint-Amand-les-Eaux casino	Long lease agreement	10,584 sq.m

At 31 October 2013, Groupe Partouche had 5,497 slot machines installed in France and 968 machines installed abroad.

In view of the market's maturity and the amendment of the regulations concerning the installation of these machines (see Section 6.1.1.a "Statutory framework"), the number of slot machines is not expected to develop significantly.

The planned tangible fixed assets are detailed in Sections 5.2.2 "Major investments in progress" and 5.2.3 "Major investments either scheduled or arising from firm commitments made by the Group's executive bodies".

8.2 STATUS AND VALUATION OF THE PROPERTY PORTFOLIO

With regard to its fully-owned property assets, in 2005 Groupe Partouche commissioned a real estate expert to provide the Group with a summary estimate of its properties located in France; the estimate is based primarily on applying market values to premises considered "occupied", except those that are commonly known to be vacant. This study was completed at the end of 2005 and has since been updated, most recently in December 2011. This latest update was included in Groupe Partouche's 2012 Reference Document.

Since this latest update, no further updates have been made, and considering the absence of recent references, information on the valuation of the property portfolio is no longer provided.

8.3 PROPERTY ASSETS OWNERSHIP POLICY AND DIVESTMENT PROGRAMME

The general policy is to own the property allocated to casinos in order to render the business sustainable.

Following the riders to the syndicated loan dated 25 January 2011 and 19 December 2011, the subject of disposal of assets is not so significant given the revocation of the early repayment clause in the event that the divestment programme initially planned is not implemented. Considering the initiation of a Safeguard Procedure (procédure de sauvegarde) for Groupe Partouche SA, the only obligation attached to this programme remains the commitment made by Financière Partouche, in the scope of the shareholders' pact entered by BCP and Financière Partouche (refer to Chapter 18.3), to facilitate the implementation of a disposal of assets programme with the objective of carrying out disposals for a minimum overall amount of €25m by 31 December 2014. As of the end of January 2014, this commitment was met.

Beyond this commitment, the divestment programme remains in effect and may notably concern hotels, buildings and business goodwill, which represent a much more highly sought-after asset than a casino.

8.4 EXISTENCE OF ASSETS USED BY THE GROUP BELONGING TO SENIOR EXECUTIVES OR THEIR FAMILY

Significant assets operated by the Company and belonging to the senior executives or their family are owned by Financière Partouche, i.e.:

- a property complex housing the premises of the Le Touquet casino;
- a portion of a building located on rue de Saussure in Paris (17th arrondissement) housing the registered offices of Groupe Partouche SA and of several other Group companies.

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

There are no environmental constraints likely to have a significant impact on the utilisation of property assets, given the nature of the service activities related to these property assets.


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09 REVIEW OF FINANCIAL POSITION AND RESULTS

9.1 FINANCIAL POSITION AND RESULTS OF THE GROUP

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

- The Group's financial position and results for the financial year ended 31 October 2011 prepared according to IFRS/IAS as adopted by the European Union and shown on page 54 et seq. of the Company's Reference Document that was registered with the AMF on 28 February 2012 under no. D.12-0112;
- The Group's financial position and results for the financial year ended 31 October 2012 prepared according to IFRS/IAS as adopted by the European Union and shown on page 56 et seq. of the Company's Reference Document that was registered with the AMF on 27 February 2013 under no. D.13-0087;

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

9.1.1 MAIN CHANGES IN CONSOLIDATION SCOPE AND BUSINESS ACTIVITIES

The few changes in the Group's consolidation scope in financial year 2013 had only a minor impact. The following should be noted:

- **Consolidation of CKO Betting Ostende**

In order to extend our online gaming offering in Belgium to include sports betting, the Belgian Gaming Commission required us to obtain a specific gaming licence. To this end, a new company holding such a licence was acquired at the end of the first half of 2013. Under the terms of the partnership agreement, sports betting activities in Belgium are operated by Bwin, with revenue recognised by this new company, CKO Betting Ostende.

- **Consolidation of Partouche Interactive Malta using the equity method**

During the first half of the year, Partouche Interactive sold 50% of its interest in Partouche Interactive Malta and entered into an agreement with the buyer enabling the latter to operate the sports betting licence in Malta. Since Groupe Partouche Interactive no longer has significant influence over Partouche Interactive Malta, the latter is now consolidated using the equity method.

Furthermore, Groupe Partouche recognised the following companies as held-for-sale assets in accordance with IFRS 5: the Knocke casino, SIKB Immo, the Dinant casino, the Hauteville-Lompnes casino and real estate assets in Reno (USA).

9.1.2 POSITION AND TRENDS FOR GROUP ACTIVITY IN THE FINANCIAL YEAR ENDED 31 OCTOBER 2013

ACTIVITY OF THE GROUP

The Group's turnover experienced another decline during financial year 2013. Consolidated turnover for the year ended 31 October 2013 amounted to €436.4m compared with €451.0m in 2012, down by 3.2%.

Changes in Group turnover by quarter:

€M	2013	2012	CHANGE
First quarter	115,5	124,2	-7,0 %
Second quarter	104,2	103,7	0,5 %
Third quarter	109,1	112,8	-3,3 %
Fourth quarter	107,7	110,3	-2,4 %
Total consolidated turnover	**436,4**	**451,0**	**-3,2 %**

The breakdown of Group turnover is summarised in the following table:

SUMMARY OF 2013 TURNOVER

€M		2013	2012	CHANGE	% CHANGE
	France	56,4	56,1	0,3	0,5 %
	Abroad	27,7	24,6	3,1	12,7 %
GGR OF TABLE GAMES		84,0	80,6	3,4	4,2 %
% OF ACTUAL GGR		13,1 %	12,0 %		
	France	471,8	504,5	-32,8	-6,5 %
	Abroad	86,2	87,9	-1,7	-1,9 %
GROSS REVENUE FROM SLOT MACHINES		558,0	592,4	-34,5	-5,8 %
% OF ACTUAL GGR		86,9 %	88,0 %		
	France	528,1	560,6	-32,5	-5,8 %
	Abroad	113,9	112,5	1,4	1,3 %
GROSS GAMING REVENUE (TOTAL)		642,0	673,1	-31,1	-4,6 %
	France	277,5	296,2	-18,7	-6,3 %
	Abroad	44,9	46,5	-1,6	-3,4 %
GROUP LEVIES		322,4	342,6	-20,3	-5,9 %
	France	52,5 %	52,8 %		
	Abroad	39,4 %	41,3 %		
LEVY PERCENTAGE		50,2 %	50,9 %		
	France	250,6	264,5	-13,8	-5,2 %
	Abroad	69,0	66,0	3,0	4,6 %
RECOGNISED NET GAMING REVENUE		319,7	330,4	-10,8	-3,3 %
% OF TOTAL TURNOVER		73,3 %	73,3 %		
	France	112,3	116,0	-3,7	-3,2 %
	Abroad	4,4	4,5	-0,1	-3,0 %
TURNOVER EXCLUDING NGR		116,7	120,6	-3,8	-3,2 %
% OF TOTAL TURNOVER		26,7 %	26,7 %		
	France	363,0	380,5	-17,5	-4,6 %
	Abroad	73,4	70,5	2,9	4,1 %
TURNOVER		436,4	451,0	-14,6	-3,2 %

GGR FOR THE GROUP

Overall GGR fell 4.6% in financial year 2013. This decline was driven by slot machines (down 5.8%), with GGR for table games up 4.2% or €3.4m, mainly thanks to the increased contribution to GGR made by online gaming in Belgium.

GAMING BUSINESS IN FRANCE

In France, GGR from table games increased by a modest 0.5%, mainly driven by growth at Pasino de La Grande-Motte (up €1.1m), which enjoyed the full-year benefit of its new Pasino opened in July 2012.

GGR from slot machines fell 6.5% (down €32.8m), adversely affected not only by the market decline linked to a combination of lower traffic and lower average spend but also, for some operations, by new competition, such as that linked to the opening of the casino in La Seyne-sur-Mer.

At the financial year close, the Group was operating 5,497 slot machines, down 104 units.

GAMING BUSINESS ABROAD

In 2013, GGR from foreign gaming activities was boosted by new contributions in Belgium from online casino gaming licences, operated in partnership with WMS and Bwin.Party, and from the sports betting licence operated in partnership with Bwin.Party.

A breakdown of foreign GGR is as follows:

€M	2013	2012	DIFFERENCE	%
GGR: "bricks and mortar" casinos	106,0	111,2	-5,2	-4,7 %
GGR: online	5,6	1,3	4,3	-
GGR: sports betting	2,3	-	2,3	-
GGR outside France	113,9	112,5	1,4	1,3 %

GGR from table games grew by 12.7% (up €3.1m), mainly driven by the increased contribution by online and sports betting arising from the group's Belgian licences, presented under "GGR from table games".

Adjusted to exclude this contribution, GGR from table games at foreign casinos fell sharply to €19.8m from €23.2m in 2012 (down 15.0%), mainly because of the ban on smoking, which took effect in casinos during the year.

GGR from slot machines fell by only 1.9% thanks to strong performance at Belgian casinos.

LEVIES

Levy rates fell for both French GGR (down from 52.8% in 2012 to 52.5% in 2013 due to the sliding scale used) and foreign GGR (down from 41.3% to 39.4% due to the lower rate applied to GGR from online gaming and sports betting).

As a result, after deducting these levies from the Group's GGR, net gaming revenue fell by only 3.3% or €10.8m to €319.7m, compared with €330.4m in 2012.

TURNOVER EXCLUDING NET GAMING REVENUE

Turnover excluding net gaming revenue (NGR) broke down as follows:

TURNOVER EXCLUDING NET GAMING REVENUE	2013	2012	CHANGE
Casinos, excluding net gaming revenue	72,4	77,6	-6,7 %
Hotels	33,2	33,3	-0,5 %
Partouche Interactive	7,8	6,2	25,8 %
Other	3,4	3,4	-2,2 %
Total consolidated turnover excluding NGR	**116,7**	**120,6**	**-3,2 %**

Revenue excluding NGR declined mainly in the French casino sector (down €5.0m), driven by declines in customer numbers and spending.

Hotel revenue held steady, with declines at the Cannes and Contrexéville hotels offset by moderate growth at the Lyon Hilton and the Aix-en-Provence Aquabella.

In line with the strategic reorientation announced in September 2012 (see Section 6.1.3 of this reference document), 2013 was a transitional financial year for the Interactive division. In particular, French online poker activities ceased in June 2013. Revenue for the Interactive division grew in spite of Partouche Gaming France ceasing trading part way through the year, thanks to a Partouche Technologies campaign worth more than €2m.

There were no major changes in revenue from the "Other" sector, which held steady.

CONSOLIDATED RESULTS

16.3% growth in current operating profit

In spite of a €14.6m drop in revenue, Group current operating profit grew by €4.4m thanks to efforts by the Group's management teams resulting in a significant €18.9m reduction in operating expenses.

In 2013, the decline in operating profitability at casinos was more than offset by improvements in other business sectors (see Section 20, Note 22, "Segment information").

As one would expect given casinos' high fixed operating expenses, the 4.4% (€17.9m) decline in revenue in the casino sector resulted in a decline in current operating profit, though this was limited to €4.7m, mainly thanks to an €8.7m reduction in personnel expenses and a €2.3m reduction in fixed asset depreciation, amortisation and impairment charges.

Current operating profit for the Interactive sector increased by €5.3m for the reasons set out above, together with savings on external and personnel expenses.

Current operating profit in the hotels sector improved by €0.6m thanks to cost savings, particularly at the Group's hotels in Cannes (Hôtel 3.14) and Contrexéville (Hôtel Cosmos).

Finally, current operating profit for the "Other activities" segment improved by €3.2m, mainly driven by savings on external expenses at the holding company, Groupe Partouche S.A.

At consolidated level, other purchases and expenses decreased by €5.8m, with reductions in most line items. Notable changes were as follows: advertising expenses fell by €6.4m, mainly because of reduced activity in the Interactive division and in sports sponsorship; conversely, subcontracting expenses increased by €4.5m due to the development of online gaming in Belgium.

Taxes and related expenses increased by 2.3% or €0.4m, mainly driven by an increase in payroll taxes.

Personnel expenses decreased by €10.8m. This reduction was driven by the employment competitiveness tax credit (effective as of 2013), reductions in staffing at some sites (driven, inter alia, by the cessation of some promotional activities, including in particular poker tournaments, and the outsourcing of certain activities) and a corresponding reduction in the employee profit-sharing expense.

Fixed asset depreciation, amortisation and impairment charges totalled €40.7m, down €2.8m relative to the previous year (favourable impact).

Other current operating income and expenses represented an €8.3m expense (stable year on year).

As such, current operating profit totalled €31.1m, up 16.3% year on year, representing 7.1% of revenue compared with 5.9% in 2012, in spite of the further decline in activity seen in the financial year.

Non-current operating profit (loss) represented a net expense of €14.5m, compared with a net expense of €17.6m in 2012. This consisted mainly of the following:

- €12m in impairment charges:
  - €13m in impairment charges on goodwill, of which €4.2m was linked to the Partouche Technologies subsidiary and the remainder to five casinos;
- the reversal of a €1.1m provision for impairment of assets (in Reno, USA);
- a €2.7m loss on the disposal of the San Roque casino premises.

Given the improvement in both current and non-current operating profit, total operating profit increased sharply by 82.0% or €7.5m, reaching €16.6m, or 3.8% of revenue.

Net financial income (expense) represented a net expense of €10.4m.

Net financial expenses fell as a result of the combined effects of the repayment of bank borrowing, a lower average annual interest rate than the previous year and a fall in interest rate hedging costs. However, the reduction in financial income and the setting aside of a provision for a non-consolidated equity interest resulted in an overall decline in net financial income (expense).

The Group's total tax expense was €10.3m, compared with €9.7m in 2012; this consisted of €6.4m in corporate income tax and €3.9m in the CVAE added value contribution tax.

The Group posted a net loss of €4.2m, lower than the net loss posted in 2012 (€8.6m). The Group's share of this net loss was a loss of €13.1m and the minority interest share, essentially related to the Swiss casinos, was a profit of €8.9m.

BALANCE SHEET

Notable changes in the Group's consolidated balance sheet were as follows:

- a €48.6m reduction in the net value of non-current assets, mainly driven by:
  - a €15.9m reduction in goodwill on acquisitions (including a €13.0m reduction as a result of impairment charges for the year and a €3.1m reduction arising from the reclassification of assets as held-for-sale assets),
  - a €25m net reduction in property and equipment;
- a €13.6m decrease in cash;
- an €11.9m increase in held-for-sale assets linked to disposals in progress (the Group's Belgian casinos in Knokke and Dinant, real estate assets in Reno and the Hauteville-Lompnes casino);
- a €12.5m reduction in Group equity, mainly driven by the €13.1m loss attributable to the Group for the year;
- a €12.7m reduction in net debt following, in particular, payment of the 30 April 2013 instalment of €10m.

The following table summarises the Group's capital structure at the period-end, and thus after initiation of the Safeguard Procedure (procédure de sauvegarde) pertaining to the holding company, Groupe Partouche SA:

€M AT 31 OCTOBER	2013	2012
Equity	333,7	346,7
Consolidated EBITDA	72,0	73,9
Gross debt (*)	268,0	280,7
Cash net of levies (**)	84,4	87,5
Net debt	183,6	193,2
Net debt / shareholders equity (gearing ratio)	0,55	0,56
Net debt / consolidated EBITDA (leverage ratio)	2,5x	2,6x

(*) The notion of gross debt includes bank borrowings and restated capital leases, accrued interest, miscellaneous borrowings and financial debts, banking facilities and financial instruments.

(**) Excluding unavailable cash of €8.0m in 2012.

RECENT EVENTS AND OUTLOOK

The Group made significant progress with its divestment programme towards the end of the 2013 financial year and in the early part of the 2014 financial year, completing the following transactions:

- In October 2013, the property complex housing the former San Roque casino in Spain was sold for €2.0m;
- In December 2013, the holding company Belcasinos completed the sale of the Knokke casino and the associated real estate assets for a price of €16.5m;
- In December 2013, the holding company Belcasinos completed the sale of the Belgian casino in Dinant for a price of €10.75m;
- Also in December 2013, the property complex in Reno (USA) was sold for €1.6m;
- In January 2014, the sale of the Hauteville-Lompnes casino was completed for a price of €1.45m.

As well as this total income of more than €32m from asset disposals, the former casino in La Grande-Motte and unused premises in Vichy are still covered by undertakings to sell, with both sales due to complete during the current financial year (for €4.5m and €3.3m respectively).

Key events in financial year 2014 will include the end of the Safeguard Procedure (procédure de sauvegarde) for the holding company, Groupe Partouche SA, which is currently in a six-month observation period due to expire on 30 March 2014.

ACTIVITY OF SUBSIDIARIES

GGR BY ENTITY			
€000 AT 31 OCTOBER	2013	2012	2011
CASINO-MEYRIN	51 954	54 212	54 057
CASINO-AIX-EN-PROVENCE	47 811	52 227	55 417
CASINO-CHARBONNIÈRE (LYON VERT)	43 209	48 082	50 093
CASINO-SAINT-AMAND	33 897	35 555	36 009
CASINO-LYON (PHARAON)	32 672	35 314	35 881
CASINO-DIVONNE	32 592	34 000	32 990
CASINO-FORGES	30 626	32 549	32 432
CASINO-ANNEMASSE	23 976	25 818	26 259
CASINO-LA GRANDE-MOTTE	23 891	20 156	18 049
CASINO-PORNICHET	17 369	17 830	19 494
CASINO-HYÈRES	17 104	19 316	19 982
CASINO-OSTENDE (Belgium)	17 012	13 811	13 712
CASINO-NICE-PALAIS	14 974	15 061	17 153
CASINO-CANNES-PALM BEACH	14 065	14 132	15 051
CASINO-CRANS-MONTANA (Switzerland)	14 061	15 227	16 885
CASINO-LA ROCHE-POSAY	13 893	14 658	15 140
CASINO-LE HAVRE	13 874	15 038	16 094
CASINO-KNOKKE (Belgium)	12 655	12 082	12 489
CASINO-JUAN-LES-PINS	12 031	12 807	14 304
CASINO-ROYAT	11 942	11 881	12 876
CASINO-BANDOL	11 532	15 231	17 439
CASINO-PALAVAS	11 278	12 568	13 927
CASINO-SAINT-GALMIER	11 049	10 874	11 681
CASINO-PORNIC	8 780	9 814	10 520
CASINO-DIEPPE	8 726	9 031	9 359
CASINO-VICHY-GRAND CAFÉ	8 130	7 803	8 015
CASINO-PLOUESCAT	7 652	8 120	8 723

GGR BY ENTITY			
€000 AT 31 OCTOBER	**2013**	**2012**	**2011**
CASINO-DINANT (Belgium)	7 392	7 623	6 659
CASINO-CHAUDFONTAINE (Belgium)	7 290	7 906	8 157
CASINO-BOULOGNE	6 643	7 338	7 829
CASINO-CALAIS	6 507	7 218	7 492
CASINO-LA CIOTAT	6 447	6 466	6 397
CASINO-BERCK	5 878	6 693	6 632
CASINO-CABOURG	5 505	5 849	6 024
CASINO-VAL ANDRÉ	4 607	4 645	4 712
CASINO-ANDERNOS	4 550	4 603	4 897
CASINO-AGON COUTAINVILLE	4 335	4 469	4 460
CASINO-VICHY 4 CHEMINS	4 317	4 378	5 136
CASINO-ARCACHON	3 846	4 683	5 415
CASINO-TOUQUET	3 801	4 271	4 522
CASINO-PLOMBIÈRES	3 683	3 973	4 185
CASINO-GRÉOUX-LES-BAINS	3 314	3 303	3 424
CASINO-CONTREXÉVILLE	3 041	3 450	3 643
CASINO-HAUTEVILLE	2 421	2 772	2 614
CASINO-ÉVAUX	2 226	2 549	2 702
CASINO-LA TRINITÉ	2 112	2 074	2 182
CASINO-LA TREMBLADE	2 097	2 214	2 206
CASINO-SALIES	1 707	1 808	1 793
CASINO-DJERBA (Tunisia)	1 284	1 612	1 211
CASINO TABARKA (Tunisia)	-	-	32
CKO BETTING OSTENDE (Belgium) (*)	2 255	-	-
TOTAL PBJ	**642 013**	**673 092**	**696 354**

(*) GGR from this entity is related to sports betting.

TURNOVER BY ENTITY			
€000 AT 31 OCTOBER	**2013**	**2012**	**2011**
CASINO-MEYRIN (Switzerland)	26 346	27 135	26 943
CASINO-AIX-EN-PROVENCE	25 920	27 996	29 973
CASINO-DIVONNE	25 320	25 711	24 584
CASINO-CHARBONNIÈRE (LYON VERT)	23 446	27 463	28 467
CASINO-FORGES	22 222	23 208	23 068
CASINO-SAINT-AMAND	21 521	22 411	22 571
CASINO-LYON (PHARAON)	15 087	16 177	16 317
CASINO-LA GRANDE-MOTTE	13 665	10 475	9 455
CASINO-OSTENDE (Belgium)	11 722	9 010	8 899
CASINO-ANNEMASSE	11 179	12 048	12 272

TURNOVER BY ENTITY			
€000 AT 31 OCTOBER	2013	2012	2011
CASINO-CRANS-MONTANA (Switzerland)	10 977	12 040	13 056
CASINO-LE HAVRE	10 296	10 798	11 344
CASINO-PORNICHET	9 974	9 991	10 829
CASINO-KNOKKE (Belgium)	9 901	8 998	9 204
CASINO-CANNES-PALM BEACH	9 423	11 414	11 413
CASINO-HYÈRES	8 808	9 826	10 121
CASINO-NICE PALAIS	8 262	8 584	9 509
CASINO-LA ROCHE-POSAY	7 998	8 405	8 539
CASINO-ROYAT	6 612	6 574	6 819
CASINO-JUAN-LES-PINS	6 496	6 776	7 245
CASINO-PORNIC	6 218	6 739	7 080
CASINO-SAINT-GALMIER	6 144	6 146	6 456
CASINO-BANDOL	5 854	7 646	8 516
CASINO-DIEPPE	5 676	5 857	6 300
CASINO-PALAVAS	5 670	6 500	7 245
CASINO DINANT (Belgium)	5 664	5 869	5 298
CASINO-VICHY GRAND CAFÉ	5 505	5 595	5 782
CASINO-CHAUDFONTAINE (Belgium)	5 153	5 494	5 606
CASINO-CABOURG	4 930	5 007	5 046
CASINO-PLOUESCAT	4 520	4 824	5 155
CASINO-BOULOGNE	4 136	4 505	4 733
CASINO-VAL ANDRÉ	3 874	3 866	3 863
CASINO-CALAIS	3 659	4 021	4 222
CASINO-BERCK	3 627	4 007	3 907
CASINO-LA CIOTAT	3 566	3 546	3 508
CASINO-LE TOUQUET	3 183	3 429	3 638
CASINO-VICHY 4 CHEMINS	3 079	3 195	3 565
CASINO-ANDERNOS	2 795	2 822	3 001
CASINO-ARCACHON	2 560	3 067	3 418
CASINO-AGON COUTAINVILLE	2 513	2 693	2 672
CASINO-PLOMBIÈRES	2 326	2 556	2 711
CASINO-GRÉOUX-LES-BAINS	2 164	2 095	2 135
CASINO-SALIES	2 121	2 209	2 076
CASINO-CONTREXÉVILLE	1 951	2 276	2 433
CASINO-HAUTEVILLE	1 733	1 910	1 727
CASINO-ÉVAUX	1 645	1 873	2 009
CASINO-LA TRINITÉ	1 578	1 768	1 851
CASINO-LA TREMBLADE	1 548	1 616	1 609
CASINO-DJERBA (Tunisia)	1 468	1 811	1 469

TURNOVER BY ENTITY			
€000 AT 31 OCTOBER	2013	2012	2011
CASINO TABARKA (Tunisia)	-	-	28
CASINO-SAN ROQUE	-	-	25
TOTAL CASINOS	**390 036**	**407 981**	**417 710**
HÔTEL-LYON-HIL	11 628	11 270	11 751
HÔTEL-JUAN-GARDEN BEACH	7 682	7 690	7 978
HÔTEL-AIX-AQUABELLA	6 548	6 392	6 314
HÔTEL-CANNES-3.14	5 654	6 103	6 661
HÔTEL-CONTREX-COSMOS	1 502	1 682	1 757
HÔTEL-VAL-ANDRÉ-SINOCA	129	147	105
HÔTEL-CONTREX-GRAND HÔTEL DU PARC	24	41	27
TOTAL HOTELS	**33 166**	**33 325**	**34 593**
PARTOUCHE IMAGES	2 566	2 383	2 319
PARTOUCHE TECHNOLOGIES	2 483	88	134
APPOLONIA	1 425	1 081	907
PARTOUCHE GAMING FRANCE	1 159	2 564	3 487
PARTOUCHE BETTING LTD	135	0	0
PI GIBRALTAR	33	89	35
PARTOUCHE PRODUCTION	2	0	2
PARTOUCHE TOURNOIS	0	0	-
INTERNATIONAL GAMBLING SYSTEMS	-	0	47
PARTOUCHE INTERACTIVE	-	-	-
WS BACKGAMMON	-	-	-
TOTAL INTERACTIVE DIVISION	**7 803**	**6 205**	**6 932**
THERMES-AIX - CBAP (Centre de Balnéothérapie)	2 416	2 495	2 513
CKO BETTING OSTENDE	2 007	-	-
BARATEM	438	374	410
SARL THERM'PARK	177	173	160
GROUPE PARTOUCHE	127	213	50
ÉLYSÉE PALACE (EPSA)	88	88	86
SCI RUE ROYALE	46	43	45
PARTOUCHE IMMOBILIER	35	0	-
CANNES BALNÉAIRES	13	7	6
CASINO VIRGINIAN DE RENO	13	13	11
PARTOUCHE SPECTACLES	6	29	14
CHM	4	4	11

TURNOVER BY ENTITY			
€000 AT 31 OCTOBER	2013	2012	2011
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	2	2	3
BELCASINOS	0	0	0
CINÉMA ÉLYSÉE VICHY	-	-	1 760
TOTAL OTHER	5 373	3 440	5 070
TOTAL TURNOVER	436 378	450 951	464 304

9.2 FINANCIAL POSITION AND RESULTS OF THE COMPANY (PARENT COMPANY FINANCIAL STATEMENTS)

The key events in the 12-month period under review, which ran from 1 November 2012 to 31 October 2013, were as follows:

- During the 2013 financial year, Groupe Partouche was faced with the risk of failing to comply with one of the financial ratios stipulated in the loan agreement entered into with a syndicate of banks led by Natixis. Since such non-compliance could have resulted in the loan becoming immediately repayable in full, negotiations were entered into with the syndicate with a view to restructuring the syndicated loan. However, these negotiations were unsuccessful.

  Consequently, on 20 September 2013, Groupe Partouche petitioned the Paris Commercial Court to initiate a Safeguard Procedure (procédure de sauvegarde) in accordance with the provisions of Article L.620-1 of the French Commercial Code.

  In a judgment dated 30 September 2013, the Paris Commercial Court initiated a Safeguard Procedure (procédure de sauvegarde) to protect Groupe Partouche, accompanied by a six-month observation period expiring on 30 March 2014.
- On 30 October 2013, the company acquired Grand Casino de Lyon from its subsidiary Hôtel International de Lyon for a value of €20m. This transfer was authorised by the Paris Commercial Court. It will be paid for by offsetting the amount of the transfer against receivables by no later than 30 April 2014.

Revenue in the financial year totalled €12.6m, mainly consisting of €11.1m in fees paid by subsidiaries. Operating income totalled €13.4m, compared with €14.7m in 2012.

Operating expenses were down significantly by 13.7% (€2.8m), mainly due to "Other purchases and external expenses" (down €2.0m) and "Personnel costs and expenses" (down €0.5m).

The company posted an operating loss for the year of €4.3m, lower than the loss posted the previous year (€5.7m).

Financial income totalled €46.2m, including €25.7m in dividends paid by subsidiaries. It increased by €6.4m, mainly thanks to provision reversals on securities and current accounts totalling €14.0m related to the liquidation of SA and SCI Lydia. Financial expenses were down €6.7m, decreasing from €58.0m to €51.3m in 2013, with a €2.0m reduction in interest related to the syndicated loan and a €1.6m reduction in the cost of rate hedging instruments. The company posted a net financial expense of €5.1m, compared with a net financial expense of €18.2m in 2012.

Total non-recurring items represented a loss of €13.8m, essentially influenced by the liquidations of SA and SCI Lydia for an exceptional expense of €14m. The impacts of the liquidations of SA and SCI Lydia (financial expense and non-recurring items) offset each other, and therefore had a neutral impact on the net loss for the financial year.

Under its tax consolidation agreement, the company recognised a tax saving of €9.8m in respect of the year ended 31 October 2013.

In light of the above items, the company posted a net loss of €13.2m, compared with a net loss of €10.4m in 2012.

With the exception of the change in current accounts and associated provision, notable changes in balance sheet assets consisted of a €19.3m increase in "Other investments" (non-current financial assets), mainly linked to the acquisition of Grand Casino de Lyon from the company's subsidiary Hôtel International de Lyon for a value of €20m, and a €4.4m decrease in cash.

Given the loss for the year, shareholders' equity decreased by €13.2m and borrowings and debt decreased by €10.0m due to the payment of the €11.5m syndicated loan instalment on 30 April 2013 and a €1.5m increase in unpaid accrued interest. Other debt totalled €197.9m (up €30.8m), mainly consisting of intra-group current accounts and a €20m debt to Hôtel International de Lyon arising from the acquisition of Grand Casino de Lyon.

9.3 PROPOSED APPROPRIATION OF PROFIT (LOSS) FOR FINANCIAL YEAR 2013

The proposed appropriation of profit (loss) for financial year 2013 is as follows:

Net loss for the financial year	-13 231 196
Retained earnings	-13 231 196
Which, after appropriation, amounts to:	131 682 569



10 CASH AND CAPITAL RESOURCES

10.1 INFORMATION CONCERNING THE GROUP'S EQUITY

Please refer to Note 14 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2013.
Please refer to Note 14 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2012.
Please refer to Note 14 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2011.

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

Please refer to Note 27 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2013.
Please refer to Note 27 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2012.
Please refer to Note 27 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2011.

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

10.3.1 FINANCIAL STRUCTURE, CASH FLOWS

Please refer to Note 17 of Section 20.2.1 related to bank debt and to Note 13 of Section 20.2.1 relating to cash and cash equivalents for financial year 2013.

Please refer to Note 17 of Section 20.2.1 related to bank debt and to Note 13 of Section 20.2.1 relating to cash and cash equivalents for financial year 2012.

Please refer to Note 17 of Section 20.2.1 related to bank debt and to Note 13 of Section 20.2.1 relating to cash and cash equivalents for financial year 2011.

Please refer to Note 1 of Section 20.2.1 and to Section 4.1.1 for information on the Safeguard Procedure (procédure de sauvegarde) for Groupe Partouche SA.

10.3.2 CASH POOLING AGREEMENT

Groupe Partouche has a signed cash pooling agreement with all of its subsidiaries.

This agreement provides a strong incentive to subsidiaries to invest their cash surpluses with Groupe Partouche SA to obtain a rate of return on cash that is higher than the market rates. Groupe Partouche SA can thereby ensure the cash requirements of certain subsidiaries are met and can invest the cash surpluses in an optimal manner. This management is carried out by the Finance Department.

This organisation thus allows a certain measure of independence to be achieved in the cash management of subsidiaries.

It should be noted that the Swiss casinos (Meyrin and Crans-Montana), in light of applicable regulations, invest their cash surpluses themselves.

10.3.3 RESTRICTIONS ON THE TRANSFER OF FUNDS FROM ABROAD

For the two Swiss casinos owned by the Group, Meyrin and Crans-Montana, the country's legal constraints prohibit the transfer of funds except for dividend distributions.

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

Please refer to Section 4.1.2 "Liquidity risks" and Section 5.2.5 "Relations between investments and financing activities".



11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

Groupe Partouche does not carry out any research and development activity in its casino and hotel business.

Nevertheless, Groupe Partouche invests in innovative projects through its subsidiary Partouche Interactive.

Partouche Images devotes a major part of its research and development budgets to implementing and improving dynamic, interactive systems for broadcasting and enabling participation in games made available both on television and online.

Partouche Images already has its own unique system that allows real-time interaction with a TV game show using a smartphone, a tablet or a computer.

Appolonia and Partouche Technologies focus their efforts on designing and developing applications, information systems and electronic products dedicated to use in casinos (virtual slot machine chip system to replace physical chips, various digital games, management software, etc.).

All these projects have one aim in common: improving customer service and optimising costs.

12 TREND INFORMATION



The following press release was published by Groupe Partouche at the close of business on Wednesday, 12 February 2014:

OPTION TO PURCHASE THE OSTEND AND CHAUDFONTAINE CASINOS

Groupe Partouche has granted a call option covering the entire share capital of the companies operating the Ostend and Chaudfontaine casinos in Belgium to the company having acquired the Dinant casino.

If carried out, this transaction would involve the sale of the Group's shares in the Belcasinos holding company.

This change in the control of two casinos remains subject to the explicit approval of the Belgian Gaming Commission.

The A+ operating licences for the divested casinos would be transferred along with the physical premises. With respect to its own online activities, Groupe Partouche has already put in place solutions to ensure the continuity and development of this business in Belgium.

Once the results of this call option are brought to its attention, Groupe Partouche undertakes to inform the market without delay.

FINANCIAL INFORMATION

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Alain Cens, Chief Financial Officer — info-finance@partouche.com

The following press release was published by Groupe Partouche on Wednesday, 19 February 2014:

FINANCIAL INFORMATION FOR THE FIRST QUARTER OF FINANCIAL YEAR 2013–14

BUSINESS ACTIVITY

1. NET GAMING REVENUE

AT 31 JANUARY, IN MILLIONS OF EUROS	2014	2013	CHANGE
GGR	152,3	159,1	-4,2 %
Levies	-64,6	-69,3	-6,9 %
Net gaming revenue	**87,7**	**89,7**	**-2,2 %**

GGR for the first quarter of the current financial year was down 4.2% or €6.8m overall, including a 5.8% decline in France (GGR of €123.0m) affecting table games as well as slot machines.

Establishments outside France recorded an increase of 2.9% or €0.8m in GGR, in a period marked by the following main developments:

- GGR for sports betting, not a factor in the same period the previous year, made a contribution of €1.6m;
- the Knokke casino was deconsolidated at 1 November and was therefore included in Group results for only one month, as compared with three in financial year 2012–13, resulting in a GGR decline of €2.1m;
- online GGR recorded in Belgium contributed €2.7m, as against €0.4m in the same period the previous year.

Total NGR reached €87.7m, benefiting from lower levy rates in France (sliding scale for levies) and the contribution of NGR from sports betting (€1.6m), subject to very low levies. Total NGR thus fell by only 2.2%, compared with the 4.2% drop in total GGR.

2. GROUP REVENUE

AT 31 JANUARY, IN MILLIONS OF EUROS	2014	2013	CHANGE
Casinos	103,6	108,0	-4,0 %
Hotels	4,2	4,9	-14,6 %
P. Interactive	1,1	1,7	-36,0 %
Other	2,4	0,9	160,0 %
Total consolidated turnover	**111,3**	**115,5**	**-3,7 %**

Turnover excluding NGR recorded the following impacts over the period:

- a €0.9m decline in turnover from casinos' related activities and a €0.7m drop in hotel turnover due to the difficult economic environment;
- the continued adverse trend affecting the Interactive division (down €0.6m).

The improvement in turnover generated by Other activities is explained by the NGR for sports betting.

IMPORTANT TRANSACTIONS AND FINANCIAL POSITION

It should be noted that Groupe Partouche has granted a call option covering the entire share capital of the companies operating the Ostend and Chaudfontaine casinos in Belgium (see press release of 12 February 2014) and that Groupe Partouche SA, currently under a Safeguard Procedure, is preparing a plan to restructure its debt that will be submitted for the approval of its creditors and the Paris Commercial Court.

FINANCIAL INFORMATION

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COMPANY PROJECTIONS AND TARGETS

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The Company does not communicate projections or targets.

14.1 INFORMATION ON MANAGEMENT BODIES

14.1.1 SUPERVISORY BOARD

BOARD MEMBER IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
PATRICK PARTOUCHE **BORN ON** **13 JUNE 1964 IN ORAN (ALGERIA)** 71,311 shares held	Co-opted to replace Mr. Isidore Partouche by decision of the Supervisory Board of 18 March 2011 approved by AGM of 29 April 2011	31 October 2013	Chairman of the Supervisory Board	Chairman of the Executive Board of Financière Partouche SA	Director: SA Société européenne des grands restaurants (Paris) SA Ispar Holding (Fribourg) Member of the Board of Directors: SAS Mereal Biometrics Chairman: Groupe Partouche Bahamas Limited (Bahamas)

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

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FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

IN FRANCE:

Chairman of the Supervisory Board of Groupe Partouche SA (with Executive Board and Supervisory Board)
Chairman of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board)
Chairman of the Board of Directors: SA Partouche Interactive (Paris)
Chairman: SAS Partouche Immobilier (Paris)
Deputy General Manager: SAS Compagnie européenne de casinos (Paris)
Deputy General Manager and Director: SA Eden Beach Casino (Juan-les-Pins), SA Cannes Balnéaire (Cannes), SAS Casino de la Pointe Croisette (Cannes)

Director: SAS Casino de Saint-Amand (Saint-Amand-les-Eaux), SAS Le Touquet's (Calais), SAS du Casino et des Bains de Mer (Dieppe), SAS Société d'exploitation du Casino de Contrexéville, SAS Grand Casino de Lyon, SA Forges Thermal (Forges-les-Eaux), SA Société du Grand Casino d'Annemasse (Annemasse), SA Société touristique thermale et hôtelière de Divonne - TTH (Divonne-les-Bains), SAS Partouche Technologies (Saint-Avertin), SAS Société d'exploitation du Casino de Divonne - SECD (Divonne-les-Bains)

Corporate Manager: SARL SEK (Juan-les-Pins)
Member of the Executive Committee: SAS Partouche Images (Paris)
Permanent Representative:
- Legal entity of SAS Compagnie européenne de casinos (Paris), director of SAS Développement de la baie de Kernic (Plouescat), SAS Casino de Pornichet (Pornichet) and SAS Casino de Mole (Pornic);
- Legal entity of SARL SEK (Juan-les-Pins), corporation manager of SCI de l'Eden Beach Casino (Juan-les-Pins)

OUTSIDE FRANCE:

Chairman of the Board of Directors: SA Belcasinos (Belgium), SA Grand Casino de Djerba (Tunisia)
Director: SA SIKB IMMO NV (Belgium), SA ECK Casino Knokke (Belgium) until 30/11/2013, SA Grand Casino de Tabarka (Tunisia), SA Casino Kursaal Oostende (Belgium), Club Privé du Casino de Knokke (Belgium), SA CKO Betting (Belgium)
Deputy Director: SA Chaudfontaine Loisirs (Belgium)
Permanent Representative: SA Groupe Partouche, director of SA Groupe Partouche International (Belgium)

BOARD MEMBER IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
ISIDORE PARTOUCHE BORN ON 21 APRIL 1931 IN TREZEL (ALGERIA) 3,173,646 shares held	AGM of 20 June 1996	31 October 2013	Vice-Chairman of the Supervisory Board	Chairman of the Supervisory Board of Financière Partouche SA	IN FRANCE Managing Director: SA Société européenne des grands restaurants (Paris) Director: SA Socle (Lille), SA Losc (Lille) OUTSIDE FRANCE Chairman: Société Enderbury GR LTD (Cayman Islands) Chairman: SA Ispar Holding (Fribourg)
GASTON GHRENASSIA AKA ENRICO MACIAS BORN ON 11 DECEMBER 1938 IN CONSTANTINE (ALGERIA) 70 shares held	Co-opted to replace Mr. Jacques Benhamou by decision of the Supervisory Board of 11 December 1998	31 October 2013	Member of the Supervisory Board	Singer	Deputy General Manager, Director: SA Société européenne des grands restaurants (Paris)
HUBERT BENHAMOU BORN ON 15 DECEMBER 1948 IN TIARET (ALGERIA) 29,533 shares held	AGM of 29 April 2011	31 October 2016	Member of the Supervisory Board	Managing Director of Société Touristique Thermale Hôtelière de Divonne	Director: SA Shal & Co (Luxembourg)

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)
IN FRANCE Vice-Chairman of the Supervisory Board of Groupe Partouche SA (with Executive Board and Supervisory Board) Chairman of the Supervisory Board of Financière Partouche SA (with Executive Board and Supervisory Board) Chairman: SAS Compagnie européenne de casinos – CEC (Paris), SAS Société du Casino de Saint-Amand (Saint-Amand-les-Eaux) Director: SAS Casinos du Touquet (Le Touquet), SAS du Casino et des Bains de mer (Dieppe), SAS Grand Casino de Cabourg (Cabourg), SAS Société du Casino municipal de Royat (Royat), SAS Casino de Palavas (Palavas-les-Flots), SA Forges Thermal (Forges-les-Eaux), SA Sathel (La Tour de Salvagny), SA Société touristique thermale et hôtelière de Divonne - TTH Divonne (Divonne-les-Bains), SA Société de brasseries et casinos "Les Flots Bleus" (La Ciotat), SA Cannes Balnéaire (Cannes), SA Société du casino municipal d'Aix Thermal (Aix-en-Provence), SA Eden Beach Casino (Juan-les-Pins), SAS Holding Garden Pinède (Juan-les-Pins) Corporate Manager: SCI Foncière de Vittel et Contrexéville (Contrexéville), SCI Les Thermes (Aix-en-Provence), Société civile immobilière et mobilière Partouche "SCIMP" (Paris) Permanent representative of: - Legal entity of SA Groupe Partouche, Director of SA Miami (Andernos) - Legal entity of SAS Compagnie européenne de casinos, Director of SAS Casino de La Grande-Motte. **OUTSIDE FRANCE** Chairman, Corporate Director: SA Groupe Partouche International - GPI (Belgium) Director: SA Le Grand Casino de Djerba (Tunisia), International Gambling Systems IGS (Belgium)
Member of the Supervisory Board of Financière Partouche SA (with Executive Board and Supervisory Board) Director: SA Société du Casino d'Arcachon
IN FRANCE Managing Director: SA Société Touristique Thermale et Hôtelière de Divonne TTH (Divonne-les-Bains) Deputy General Manager, Director: SA du Casino d'Hauteville-Lompnes Director: SA Société du Grand Casino d'Annemasse, Société d'exploitation du Casino de Divonne - SECD (Divonne-les-Bains) **OUTSIDE FRANCE** Chairman of the Board of Directors, Director, Member: Club privé du Casino de Knokke (Belgium) Director: SA ECK Casino Knokke (Belgium) until 30 November 2013, SA Groupe Partouche International (Belgium), SA Grand Casino de Djerba (Tunisia)

BOARD MEMBER IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
WALTER BUTLER **BORN ON 16 AUGUST 1956 IN RIO DE JANEIRO (BRAZIL)** 1 share held	AGM of 29 April 2011	31 October 2016	Member of the Supervisory Board	Managing Director of Butler Capital Partners SA	Managing Director: WB Finance et Partenaires SA, Butler Capital Partners SA, WB Debt Partners SA Chairman: Eden Innovations SAS, DOC SA Chairman of the Board of Directors: Anov Expansion SAS Corporate Manager: Amstar Entreprises SARL, SCI 30 Albert 1er Director: Adit SA Member of the Supervisory Board: Corum Asset Management SAS Representing Butler Capital Partners as Chairman: Financière Accès Industrie SAS, Accès Investissement SAS Permanent representative of Butler Capital Partners on the Supervisory Board: Accès Industrie SA, Vssa Holding SAS, Virgin Stores SA Permanent representative of Butler Capital Partners on the Board of Directors: Holdings Sports & Événements SA, Anov France SAS Permanent representative of Butler Capital Partners on the Supervisory Committee: Colfilm SAS Director of the following English companies: Butler Investment Managers Limited, Butler Management Limited, BST Butler Technologies and Butler Safe Technologies UK Chairman of the Board of Directors of the following Swiss companies: Butler Safe Technologies (Switzerland), Nexis Fibers Holding Chairman of the Supervisory Board of the German company: Safetic AG Director of the Belgian company: BML Belgium

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

BOARD MEMBER IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
LISE NOBRE **BORN ON 26 JUNE 1965 IN MARSEILLE (FRANCE)** 1 share held	AGM of 29 April 2011 Resigned on 12/12/2012	31 October 2016	Permanent representative of Butler Capital Partners Member of the Supervisory Board		Corporate Manager: Lumen Equity Deputy General Manager: Parvilla SAS Director: Lisi SA
BUTLER CAPITAL PARTNERS PERMANENT REPRESENTATIVE LISE NOBRE 766,212 shares held	Co-opted on 12 December 2012 to replace Lise Nobre, who resigned	31 October 2016	Member of the Supervisory Board		Chairman: SAS Financière Accès Industrie, SAS Accès Investissement, SAS Tendances management Member of the Supervisory Board: SA Accès Industrie, SAS Financière Sernam, SAS VSSA Holding, SA Virgin Stores, SAS Christian Bernard Member of the Supervisory Committee: SAS Colfilm Director: SA Holding Sports et Événements, SA Adit, SAS Anov Expansion, SAS Anov France
DANIEL COHEN **BORN ON 27 OCTOBER 1962 IN CASABLANCA (MOROCCO)** 12,600 shares held	Supervisory Board Meeting held on 13 December 2011 in replacement of Maurice Sebag, who resigned	31 October 2013	Member of the Supervisory Board	Chairman of SAS Zalis	Chairman: SAS Zalis (Toulouse) Corporate Manager: SCI Cohen Investissements (Toulouse)

The business address of the members of the Supervisory Board with regard to their functions within Groupe Partouche is the registered office of Groupe Partouche (141 bis rue de Saussure - 75017 Paris - France).
(*) The aforementioned mandates are in force except for those whose date of expiration is expressly indicated.

	FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

14.1.2 MEMBERS OF THE EXECUTIVE BOARD

BOARD MEMBER IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)	
FABRICE PAIRE **BORN ON 10 OCTOBER 1969 IN MONTMORENCY (VAL D'OISE)** 2,671 shares held	Supervisory Board of 3 November 2008 Appointment renewed on 30 October 2013	30 October 2019	Chairman of the Executive Board		Member of the Executive Committee: SAS Mereal Biometrics Corporate Manager: SCI Haute Bourgeois (Paris) Director: SA Ispar Holding (Fribourg)	

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

IN FRANCE :
Chairman: SAS Ludica (Paris), SAS Grand Casino de Bandol, SAS Compagnie pour le développement du tourisme hyérois, SAS Partouche Gaming France (Paris), SAS Partouche Technologies (Saint-Avertin), SAS Société d'Exploitation du Casino et Hôtels de Contrexéville, SAS Grand Casino de la Trinité (La Trinité-sur-Mer)
General Manager, Director: SA Partouche Interactive (Paris)
Deputy General Manager, Director: SA Société du Casino d'Hauteville-Lompnes
Deputy General Manager: SAS Partouche Spectacles et Événements (Paris) since 18 November 2013, SAS Compagnie européenne de casinos (Paris) since 13 December 2013
Member of the Executive Committee: SAS Partouche Images (Paris)
Director: SAS Le Touquet's (Calais), SAS Développement de la Baie de Kernic (Plouescat), SAS Casino de Pornichet, SAS Casino du Mole (Pornic), SAS Société du Casino municipal de Royat, Société d'exploitation du Casino de Divonne - SECD (Divonne-les-Bains), SAS Casinos de Vichy, SA Société des Chemins de Fer et Hôtel de Montagne aux Pyrénées CHM (Vichy), SA Élysée Palace Expansion (Vichy), SAS Casino de La Grande-Motte, SAS Casino de Palavas (Palavas-les-Flots)
Management Accountant: GIE Institut des métiers clients des jeux et des casinos I.M.C.J.C (Troyes)

Permanent Representative:
- Legal entity of SAS Compagnie européenne de casinos, Director of SA Casino de Coutainville, SA Le Miami (Andernos)
- Legal entity of SA Groupe Partouche, Director of SA Complexe commercial de la Roche-Posay, SAS Plombinoise de Casino, SAS Société d'exploitation du Casino de la Rotonde (Pléneuf-Val-André), SAS Casino du Grand Café (Vichy), SAS Société du Casino du Palais de la Méditerranée (Nice), SAS Casino de Salies-de-Béarn, Société d'activités thermales hôtelières et de loisirs - Sathel (La Tour de Salvagny), SAS du Grand Casino de Gréoux-les-Bains, SA Société du Casino d'Arcachon, SAS Société du Grand Casino de Cabourg, SAS Casino d'Evaux-les-Bains, SAS Grand Casino du Havre, SAS Casino de la Tremblade, SAS Le Casino de la Pointe Croisette (Cannes), SA Société touristique thermale et hôtelière de Divonne (Divonne-les-Bains), SA Société Forges Thermal (Forges-les-Eaux), SA Eden Beach Casino (Juan-les-Pins), SAS Casino Le Lion Blanc (Saint-Galmier)
- Legal entity of SA Groupe Partouche, Corporate Manager of SCI Rue Royale (Paris)

Corporate Manager: SARL Société du Casino de Bourbon Lancy, SARL Quarisma (Paris), SARL Partouche Tournois (Paris)
Co-Corporate Manager: SARL Appolonia (Antibes) since 11 December 2013

OUTSIDE FRANCE:
Director: SA Chaudfontaine Loisirs (Belgium), SA Casino Kursaal Oostende (Belgium), SA CKO Betting (Belgium)
Deputy Director:SA Belcasinos (Belgium), SA Casino de Chaudfontaine (Belgium)
Deputy Director / Member: Cercle privé du Casino de Spa (Belgium), Club privé du Casino d'Oostende (Belgium)

BOARD MEMBER IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)	
ARI SEBAG **BORN ON 25 SEPTEMBER 1961 IN TIARET (ALGERIA)** 56,826 shares held	Supervisory Board of 20 June 1996 Appointment to Executive Board renewed on 30 October 2013	30 October 2019	Member of the Executive Board	Member of the Executive Board, General Manager of Financière Partouche SA	Corporate Manager: SCI Elisa (Paris) General Manager: Groupe Partouche Bahamas Limited	
KATY ZENOU **BORN ON 6 AUGUST 1961 IN TIARET (ALGERIA)** 99,693 shares held	Supervisory Board of 20 June 1996 Appointment to Executive Board renewed on 30 October 2013	30 October 2019	Member of the Executive Board	Member of the Executive Board, General Manager of Financière Partouche SA		
M. JEAN-FRANCOIS LARGILLIÈRE 1 share held	Supervisory Board of 30 October 2013	30 October 2019	Member of the Executive Board	Deputy General Manager, Director of SA Société touristique thermale et hôtelière de Divonne		

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)
IN FRANCE : General Manager and Member of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board) Managing Director: SA Forges Thermal (Forges-les-Eaux) Chairman: SAS Société du Casino et Bains de Mer de Dieppe, SAS Casino du Grand Café (Vichy), SAS Partouche Spectacles et Événements "PSE" (Paris), SAS Casino de Salies de Béarn, SAS Casino Le Lion Blanc (Saint-Galmier), SAS Société d'exploitation du Casino de Divonne - SECD (Divonne-les-Bains), SAS Casino municipal de Royat (Royat), SAS Développement de la Baie de Kernic (Plouescat), SAS Casinos de Vichy (Vichy) Chairman of the Board of Directors: SA Le Miami (Andernos), SA Société du Casino d'Arcachon, SA Élysée Palace Hôtel (Vichy) Chairman: Association Biennale d'Art Contemporain du Havre - ABACH Deputy General Manager, Director: SAS Grand Casino du Havre General Manager: Partouche Immobilier SAS (Paris) Director: SA Casino de Coutainville, SAS Casino de la Tremblade, SA Cannes Balnéaires (Cannes), SAS Holding Garden Pinède (Juan-les-Pins), SAS Société du Grand Casino de Cabourg (Cabourg), SAS Grand Casino de La Trinité, SA Partouche Interactive (Paris), SAS Partouche Technologies (Saint-Avertin), SAS Casino de la Pointe Croisette (Cannes), SAS Le Touquet's (Calais), SAS Société du Casino de Saint-Amand (Saint-Amand-les-Eaux), SAS Société du Grand Casino de Gréoux-les-Bains, SAS Plombinoise de Casino (Plombières-les-Bains), SA Société de L'Élysée Palace (Vichy), SA Société d'activités thermales hôtelières et de loisirs Sathel (La Tour de Salvagny), SAS Partouche Gaming France (Paris) Corporate Manager: SARL Partouche Productions (Paris), Co-Corporate Manager: SARL Appolonia (Antibes), SARL Hôtel Cosmos (Contrexéville), SARL Grands Hôtels du Parc (Contrexéville) Member of the Executive Committee: SAS Partouche Images (Paris) Permanent Representative: - Legal entity of SA Groupe Partouche, Director of SAS Numa (Boulogne), SAS Grand Casino de Bandol, SAS Casino de Pornichet, SAS Compagnie pour le développement du tourisme hyérois (Hyères), SAS Casino de La Grand Motte, SAS Casino du Mole (Pornic), SAS Société d'Exploitation du Casino et Hôtels de Contrexéville, SA Société des Brasseries et Casinos "Les Flots Bleus" (La Ciotat), SA Société du Grand Casino d'Annemasse, SA Société du Casino d'Hauteville-Lompnes, SAS Jean Metz (Berck) - Legal entity of SAS Compagnie européenne de casinos, Director of SAS Casino d'Évaux-les-Bains, SA Complexe commercial de la Roche-Posay, SAS Société du Casino du Palais de la Méditerranée (Nice), and SAS Société d'eploitation de la Rotonde (Pléneuf-Val-André) **OUTSIDE FRANCE:** Director: SA Groupe Partouche International - GPI (Belgium), SA Casino Kursaal Oostende (Belgium), SA Chaudfontaine Loisirs (Belgium) Member: Cercle Privé du Casino de Spa (Belgium) Permanent Representative: SA Groupe Partouche International, Director of SA Grand Casino de Djerba (Tunisia)
IN FRANCE : General Manager and Member of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board) Managing Director: SA Société de L'Élysée Palace (Vichy) Deputy General Manager and Director: SAS Casino du Touquet (Le Touquet) Director: SAS Numa (Boulogne-sur-Mer), SA Baratem (Le Touquet), SAS Partouche Gaming France (Paris), SAS Casino de Pornichet Permanent representative of the following legal entities: - Groupe Partouche SA, Director of SA Cannes Balnéaire (Cannes), and SAS Société du Casino Municipal de Royat - SAS Compagnie européenne de Casinos, Director of SAS Compagnie pour le développement du tourisme hyérois **OUTSIDE FRANCE:** Director: SA Groupe Partouche International - GPI (Belgium)
IN FRANCE : Director and Deputy General Manager: SA Société touristique thermale et hôtelière de Divonne (Divonne-les-Bains) Director: SA Société du Casino d'Hauteville-Lompnes (resigned on 27 January 2014)

BOARD MEMBER IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)	
ALEXANDRE SCHULMANN BORN ON 10 JANUARY 1974 IN LESQUIN (FRANCE) 0 shares held	Supervisory Board of 8 June 2011	2 November 2013 Term not renewed by the Supervisory Board on 30 October 2013	Member of the Executive Board	Managing Director of Société du Casino municipal d'Aix Thermal		

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

(*) The aforementioned mandates are in force except for those whose date of expiration is expressly indicated.

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

IN FRANCE :
Chairman: SAS du Grand Casino de Gréoux-les-Bains
Managing Director: SA Société du casino municipal d'Aix Thermal (Aix-en-Provence), SA Casino de Coutainville (Coutainville)
Director: SAS Grand Casino de Bandol, SAS Compagnie pour le développement du tourisme hyérois (Hyères), SA Société de brasseries et casinos "Les Flots Bleus" (La Ciotat), SA Complexe commercial de La Roche-Posay (La Roche-Posay), SAS Casino d'Evaux-les-Bains, SAS Société du Casino du Palais de la Méditerranée (Nice), SAS Société d'exploitation du casino de la Rotonde (Pléneuf-Val-André), SA Le Miami (Andernos), SAS Casino du Mole (Pornic), SAS Casino de la Tremblade, SAS Casino du Grand Café (Vichy)

Permanent Representative:
- Legal entity of SAS Compagnie européenne de Casinos, Director of SA Société du Casino d'Arcachon, SAS Plombinoise de Casino (Plombières-les-Bains), SAS Casino de Salies-de-Béarn
- Legal entity of SA Groupe Partouche, Director of SAS Développement de la Baie de Kernic (Plouescat), SAS Grand Casino de la Trinité-sur-Mer, SAS Casinos de Vichy
Corporate Manager: SARL Therm'Park (Aix-en-Provence), SCI Résidence Les Jarres (Gréoux-les-Bains)

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

DIRECTION OF RELATIONSHIP ▸▸	ISIDORE PARTOUCHE	GASTON GHRENASSIA	PATRICK PARTOUCHE	HUBERT BENHAMOU	WALTER BUTLER	DANIEL COHEN	ARI SEBAG	KATY ZENOU	FABRICE PAIRE	ALEXANDRE SCHULMANN	JEAN-FRANCOIS LARGILLIERE
ISIDORE PARTOUCHE	-	-	Father	Uncle	-	-	Uncle	Uncle	-	Great-uncle	-
GASTON GHRENASSIA	-	-	-	-	-	-	-	-	-	-	-
PATRICK PARTOUCHE	Son	-	-	Cousin	-	-	Cousin	Cousin	-	Second cousin	-
HUBERT BENHAMOU	Nephew	-	Cousin	-	-	-	Cousin	Cousin	-	Second cousin	-
WALTER BUTLER	-	-	-	-	-	-	-	-	-	-	-
DANIEL COHEN	-	-	-	-	-	-	-	-	-	-	-
ARI SEBAG	Nephew	-	Cousin	Cousin	-	-	-	Cousin	-	Uncle	-
KATY ZENOU	Niece	-	Cousin	Cousin	-	-	Cousin	-	-	Second cousin	-
FABRICE PAIRE	-	-	-	-	-	-	-	-	-	-	-
ALEXANDRE SCHULMANN	Grand-nephew	-	Second cousin	Second cousin	-	-	Nephew	Second cousin	-	-	-
JEAN-FRANCOIS LARGILLIÈRE	-	-	-	-	-	-	-	-	-	-	-

14.1.4 PROFESSIONAL EXPERIENCE

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

▸ **Patrick Partouche** arrived in France in 1965. He terminated his university studies in 1982 to join the business founded by his father Isidore Partouche. He took on his first operational position in the group at age 25, when he was appointed General Manager of the Dieppe casino, and held this position from 1989 to 1993. In 1993, he became Managing Director of Casino Eden Beach in Juan-les-Pins. In 1998, he took part in the acquisition of the Carlton casino and of Palm Beach in Cannes, which he obtained the authorisation to open in August 2002. As General Manager of Groupe Partouche until 2004, he assumed responsibility for the Group's business in South East France and was also in charge of marketing, communication and new technologies. He focused particularly on strategic issues and questions. He was Chairman of the Executive Board of Groupe Partouche from 31 January 2005 until 18 March 2011, when he was co-opted to the Supervisory Board.

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

▸ **Hubert Benhamou** arrived in France in 1962 at the age of 13. He actively participated in the growth of the Group

by managing several significant establishments from 1973 to 1996. He then held the position of Chairman of the Executive Board of Groupe Partouche until 31 January 2005. He remained CEO and an Executive Board member of Groupe Partouche until 2007, after which he took part in representing the profession as Chairman of the Syndicat des Casinos Modernes de France and in restoring the fortunes of Groupe de Divonne, acquired in September 2005.

▸ **Lise Nobre**, graduate of HEC. Since May 2009, she has been a partner of Butler Capital Partners, an investment fund specialised in specific situations. Prior to that, she spent 22 years in the private equity of PAI Partners, where she was a partner in charge of the «Industries» division and a member of the investment committee until 2008. From 1986 to 2008, she was successively in charge of growth capital and influence capital, and then, after spending four years in charge of financial management, she headed up LBO Europe. Throughout these years, she held various management positions in mid-sized companies in France, Spain, Italy and Germany.

▸ **Walter Butler** is a graduate of the ENA and head of the tax inspectorate. He is Chairman of Butler Capital Partners, which he founded in 1991. Over the last twenty years, Butler Capital Partners has invested in dozens of European companies including BDDP, Ipsos, Groupe Flo, SNCM, PSG, France Champignon, 1001 Listes, and Atys.
Before founding Butler Capital Partners, Butler was Executive Director of Goldman Sachs in New York. He was Chairman of the AFIC, member of the French Council for Economic Analysis. He is a member of the steering committee of the French Strategic Investment Fund (FSI).

▸ **Daniel Cohen** has managed several medium-sized and large companies in the technology sector. He created several companies and subsidiaries where he managed growth, mergers, restructuring in preparation for the stock listing of the following sectors: video games, multimedia, computing, technology, media, audio-visual, and telecoms. These companies gave him the latitude to manage units from 10 to 500 employees. An expert in strategy and the founding chairman of Zalis, which he created at the end of 2001, he managed around 50 assignments, acquired a reputation in turning round ailing companies thanks to his expertise in risk management, regarding both technical and financial aspects.

▸ **Fabrice Paire** has a degree in Internal Audit and Chartered Accountancy (equivalent) (University of Paris Dauphine). He started his career with an Audit and Advisory firm, where he became a partner. He was in charge of the statutory audits of many of Groupe Partouche's casinos. He joined the latter in 2001 as administrative manager. Patrick Partouche appointed him company secretary of the Group in 2005; he became Managing Director in 2008 and Chairman of the Executive Board of the Group in 2011.

▸ **Ari Sebag** has a degree in business law and tax (University Paris 1 - 1984). After spending three years with a law firm and an experience in audiovisual production, he joined Groupe Partouche in 1989 as General Manager of Forges-Les-Eaux Casino. As General Manager and member of the Executive Board of Groupe Partouche following its initial public offering in 1995, he focuses on international business development while assuming operating responsibility of the establishments in northwest France.

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

▸ **Alexandre Schulmann** acquired expertise in the casino business by having carried out management functions within several of the Group's subsidiaries since 1995, when he was first appointed to the Agadir Casino in Morocco. He then took over the management of the Boulogne-sur-Mer Casino followed by the Cabourg Casino and participated in creating and launching the Le Havre Pasino. He has been in charge of the Aix-en-Provence Pasino for the last four years.

▸ **Jean-François Largillière** has a degree from the Compiègne school of hotel management. He began his career at the Voile d'Or in Saint-Jean Cap Ferrat, then joined the Accor Group at the Grand Hôtel de Cabourg and completed several training programmes at the Académie Accor. He then took part in the opening of the Park Hotel in Aix-les-Bains on the occasion of the 1992 Winter Olympics. It was during this period that he joined Groupe Partouche, when it acquired the Européenne de gestion hôtelière (EGH). He pursued his career in several of the Group's hotel establishments, including the Mercure Centre Thiers in Nancy and the Méridien Part-Dieu in Lyon, and in February 2003 he was appointed general manager of the Aquabella hotel in Aix-en-Provence. In November 2008, he took the reins of the Domaine de Divonne hotel, an establishment containing a casino with 292 slot machines and table games, a 4-star hotel with 133 rooms, and an 18-hole golf course.

14.1.5 ADDITIONAL INFORMATION

During the Supervisory Board meeting held on 12 December 2012, the company Butler Capital Partners, permanently represented by Lise Nobre, who resigned from her mandate as of the same date, was co-opted by the Supervisory Board.

No member of the Board has been elected by the personnel.

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

14.1.6 CONDEMNATIONS, BANKRUPTCIES, SANCTIONS, ETC.

To the best of the company's knowledge, none of these people has been subject to the following during the five years prior to the date of registration of this document:

- condemnation for fraud;
- bankruptcy, sequestration of assets, liquidation as company officer, executive partner or CEO;
- prohibition by a court of law to act as a member of a management, executive or supervisory body of the issuer or participate in the management or the business operations of the issuer;
- incrimination and/or official public condemnation handed down by statutory or regulatory authorities (including designated professional bodies).

14.2 CONFLICTS OF INTEREST WITHIN ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.2.1 INDEPENDENCE OF EXECUTIVE BODIES

The company is not aware of any potential conflicts of interest between responsibilities towards the issuer of any of the members of the Executive Board, or members of the Supervisory Board and their private interests and/or other duties.

At its meeting of 10 December 2013, the Supervisory Board selected five qualification criteria outlined by the MiddleNext code for independent members of the Supervisory Board, namely that the member:

- is not an employee or corporate officer of the company or of any other Group company, and has not been over the past three years;
- is not a client, supplier or banker, in a material sense, of the company or group, or for which the company or group represents a significant proportion of its business;
- is not a reference shareholder of the company;
- does not have any close family ties with a corporate officer or reference shareholder of the company;
- has not been an auditor of the company over the past three years.

It is stated that none of the members of the administrative, management and supervisory bodies are concerned by the provisions of Section 14.2.2 (arrangements or understandings entered into) of Annex I of Commission Regulation (EC) No. 809-2004.

Finally, no restrictions have been accepted by any member of the management, executive or supervisory bodies in respect of the disposal, within a specific period, of their interest in the share capital of the issuer, aside from the partial lock-up commitment agreed upon with BCP, discussed in Section 18.3.

14.2.2 TRANSACTIONS IN SECURITIES BY GROUPE PARTOUCHE SENIOR EXECUTIVES

Members of the Supervisory Board must own at least one share. Otherwise, no restrictions have been accepted by any member of the management, executive or supervisory bodies in respect of the disposal, within the period of their ownership interest in the share capital of the issuer.

No Executive Board or Supervisory Board members acquired any shares during the financial year ending 31 October 2013, nor have they done as of this writing.

14.3 INTERNAL RULES OF PROCEDURE FOR THE SUPERVISORY BOARD

On 27 October 2005, the Supervisory Board decided to draw up the following internal rules of procedure covering the guiding principles for its operations.

ARTICLE 1. STRATEGIC ORIENTATIONS

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

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

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

ARTICLE 2. INFORMATION PROVIDED TO THE MEMBERS OF THE SUPERVISORY BOARD

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

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

On the occasion of at least each review of the quarterly, half-yearly and annual financial statements, it seeks information from the finance director and the accounts department, and reviews the scope of the consolidated companies.

When it reviews the half-year and annual financial statements, in addition consulting with the finance and accounts directors, the Supervisory Board questions the Auditors and receives their observations.

ARTICLE 3. CONTROL BY THE SUPERVISORY BOARD

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

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

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

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

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

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

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

ARTICLE 4. OPTION TO ENTRUST A MISSION TO A MEMBER OF THE SUPERVISORY BOARD

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

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

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

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

ARTICLE 5. SUPERVISORY BOARD COMMITTEES

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

In these Rules of Procedure, the Supervisory Board sets forth the roles and responsibilities of each of these committees.

Each committee drafts proposals, prepares recommendations or issues opinions, as applicable, in its particular area of expertise. To achieve these ends, the committees may decide to commission studies as necessary to facilitate the deliberations of the Supervisory Board.

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

Each committee decides how often meetings take place at the registered office or any other location set by its Chairman, who convenes each meeting at least five calendar days before the meeting date. The Chairman of each committee also establishes the agenda for its meetings and forwards this information to the Chairman of the Supervisory Board.

To reach a quorum, at least half of the members of a committee need be present.

Each committee deliberates on the basis of a simple majority of its present or represented members.

The Chairman of each committee may decide to invite one or several external persons without voting rights to certain meetings. He informs the Chairman of the Supervisory Board of the names of the persons he wishes to invite to a meeting.

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

- Each committee handles all matters falling within the area of expertise assigned to it by these rules of procedure and determines its own annual schedule;
- It may be referred by the Supervisory Board with any matter falling within its specific area of expertise, and each committee may request that the Chairman of another committee convene a meeting with a specific agenda.

Each committee may decide, if required, on its other operational procedures. On a regular basis, it ensures that, under the responsibility of its Chairman, its rules and operational procedures help the Supervisory Board take valid decisions on matters in its field of competence.

ARTICLE 6. AUDIT COMMITTEE

The Audit Committee is responsible for the internal management control procedures and the reliability and clarity of the information to shareholders, banks and markets.

The Audit Committee effects an annual and half-year examination of the financial statements 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, and reviews their audit reports.

It studies modifications of accounting standards applied in the preparation of financial statements, as well as any non-compliance with such standards.

Any event exposing the Group to a significant risk is referred by the Chairman of the Supervisory Board to the Audit Committee for its review.

The Audit Committee may request that an internal or external audit or survey be performed on any subject that it considers to be relevant to its mission. Should it decide that such an audit or survey is required, its Chairman notifies the Supervisory Board.

The expenses incurred for all missions of the Audit Committee, and in particular for surveys and audits performed, are paid by the company.

The Audit Committee may convene a meeting on any matter it considers to be relevant to its mission.

ARTICLE 7. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and 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 whose remuneration exceeds 120,000 euros.

The committee does not determine the allocation methods for bonuses in advance.

ARTICLE 8. MEETINGS OF THE SUPERVISORY BOARD

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

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

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

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

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

ARTICLE 9. PARTICIPATION AT MEETINGS BY THE SUPERVISORY BOARD VIA VIDEOCONFERENCING

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

Where the place that the Supervisory Board is convened is not the registered office of the company, the Chairman takes necessary measures to ensure that the members of the Su-

pervisory Board who have decided to attend the meeting can participate via the abovementioned means.

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

The videoconferencing methods chosen must meet technical specifications guaranteeing effective participation in the meeting whose deliberations must be communicated without interruption. Should the equipment used not meet such specifications, the members in question shall not be deemed present and, in the absence of a quorum, the meeting of the Supervisory Board shall need to be adjourned.

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

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

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

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

ARTICLE 10. DUTY OF CONFIDENTIALITY IMPOSED UPON MEMBERS OF THE SUPERVISORY BOARD

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

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

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

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

ARTICLE 11. DUTY OF INDEPENDENCE IMPOSED UPON MEMBERS OF THE SUPERVISORY BOARD

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

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

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

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

The members of the Supervisory Board must refrain from:

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

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

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

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

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



15 REMUNERATION AND BENEFITS

15.1 AMOUNT OF REMUNERATION AND BENEFITS IN KIND PAID

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

The total remuneration paid to the Executive and Supervisory bodies during the financial year ended 31 October 2013 amounted to 1,768,614 euros.

15.1.2 REMUNERATION OF COMPANY OFFICERS

A) SUMMARY OF THE REMUNERATION OF EACH SENIOR EXECUTIVE OFFICER

Pursuant to the provisions of Article L.225-102-1 of the French Commercial Code, all remuneration that is received during the financial year ended 31 October 2013 from Groupe Partouche, is summarised in the table below on an individual basis:

FINANCIAL YEAR ENDED	31/10/2013		31/10/2012		31/10/2011	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
MEMBERS OF THE SUPERVISORY BOARD						
Patrick Partouche – Chairman of the Supervisory Board						
Fixed Remuneration	518 085	518 085	518 085	518 085	400 838	400 838
Exceptional Remuneration						
Directors' fees						
Benefits in kind (*)	6 915	6 915	6 915	6 915	6 915	6 915
TOTAL	525 000	525 000	525 000	525 000	407 753	407 753
Isidore Partouche – Vice Chairman of the Supervisory Board						
Fixed Remuneration	120 000	120 000	152 000	152 000	216 000	216 000
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	120 000	120 000	152 000	152 000	216 000	216 000
Marcel Partouche – deceased on 17 January 2011						
Fixed Remuneration					42 798	42 798
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL					42 798	42 798
Maurice Sebag – Member of the Supervisory Board (resigned in December 2011)						
Fixed Remuneration	0	0	154 179	154 179	154 179	154 179
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	0	0	154 179	154 179	154 179	154 179
Gaston Ghrenassia – Member of the Supervisory Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	0	0	0	0	0	0
Hubert Benhamou – Member of the Supervisory Board						
Fixed Remuneration	18 000	18 000	40 000	40 000	18 900	18 900
Exceptional Remuneration						
Directors' fees						
Benefits in kind	7 997	7 997	7 987	7 987	2 654	2 654
TOTAL	25 997	25 997	47 987	47 987	21 554	21 554

FINANCIAL YEAR ENDED	31/10/2013		31/10/2012		31/10/2011	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Walter Butler – Member of the Supervisory Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	0	0	0	0	0	0
Lise Nobre – Member of the Supervisory Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	0	0	0	0	0	0
Daniel Cohen – Member of the Supervisory Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	0	0	0	0		
MEMBERS OF THE EXECUTIVE BOARD						
Fabrice Paire, Chairman of the Executive Board						
Fixed Remuneration	318 000	318 000	318 000	318 000	256 517	256 517
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	318 000	318 000	318 000	318 000	256 517	256 517
Ari Sebag – Member of the Executive Board & General Manager						
Fixed Remuneration	402 583	402 583	402 583	402 583	374 583	374 583
Exceptional Remuneration						
Directors' fees						
Benefits in kind (*)	8 117	8 117	8 006	8 006	10 180	10 180
TOTAL	410 699	410 699	410 589	410 589	384 763	384 763
Katy Zenou – Member of the Executive Board & General Manager						
Fixed Remuneration	233 924	233 924	233 924	233 924	233 924	233 924
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL	233 924	233 924	233 924	233 924	233 924	233 924

FINANCIAL YEAR ENDED	31/10/2013		31/10/2012		31/10/2011	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Alexandre Schulmann – Member of the Executive Board						
Fixed Remuneration	125 394	125 394	123 866	123 866	51 841	51 841
Exceptional Remuneration						
Directors' fees (**)	9 600	9 600	8500	8 500		
Benefits in kind						
TOTAL	134 994	134 994	132 366	132 366	51 841	51 841
Moise Serero – Member of the Executive Board						
Fixed Remuneration					184 645	184 645
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL					184 645	184 645
Jean-François Largillière – Member of the Executive Board (***)						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefits in kind						
TOTAL						

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

(**) Attendance fees paid in respect of corporate office held at Casino municipal d'Aix Thermal.

(***) Given that Mr Largillière's appointment started on 30 October 2013, no remuneration has been recognised in respect of the financial year ending 31 October 2013.

All items are fixed amounts.

B) STOCK OPTIONS AWARDED DURING THE FINANCIAL YEAR TO EACH SENIOR EXECUTIVE OFFICER BY THE ISSUER AND/OR ANY OTHER SUBSIDIARY

Company officers have not in the past benefited from - and do not currently benefit from - any stock options.

C) PERFORMANCE SHARES AWARDED TO EACH SENIOR EXECUTIVE OFFICER

Company officers have not in the past benefited from - and do not currently benefit from - any performance shares.

D] EMPLOYMENT CONTRACTS, SPECIFIC RETIREMENTS PLANS, INDEMNITIES FOR DEPARTURES, NON-COMPETITION CLAUSE IN FAVOUR OF THE SENIOR EXECUTIVE OFFICERS

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		INDEMNITIES OR ADVANTAGES DUE OR LIKELY TO BE DUE UPON DEPARTURE OR CHANGE OF POSITION		INDEMNITIES RELATED TO A NON-COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
SUPERVISORY BOARD								
Patrick Partouche *Chairman of the Supervisory Board* *First nomination:* *18 March 2011* *End of office:* *31 October 2013*		X		X		X		X
Isidore Partouche *Vice-Chairman of the Supervisory Board* *First nomination:* *20 June 1996* *End of office:* *31 October 2013*		X		X		X		X
Gaston Ghrenassia *Member of the Supervisory Board* *First nomination:* *11 December 1998* *End of office:* *31 October 2013*		X		X		X		X
Hubert Benhamou *Member of the Supervisory Board* *First nomination:* *29 April 2011* *End of office:* *31 October 2016*		X		X		X		X
Walter Butler *Member of the Supervisory Board* *First nomination:* *29 April 2011* *End of office:* *31 October 2016*		X		X		X		X
Lise Nobre *Member of the Supervisory Board* *First nomination:* *29 April 2011* *Resigned on 12 December 2012*		X		X		X		X
Daniel Cohen *Member of the Supervisory Board* *First nomination:* *13 December 2011* *End of office:* *31 October 2013*		X		X		X		X

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		INDEMNITIES OR ADVANTAGES DUE OR LIKELY TO BE DUE UPON DEPARTURE OR CHANGE OF POSITION		INDEMNITIES RELATED TO A NON-COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
EXECUTIVE BOARD								
Fabrice Paire (*) *Chairman of the Executive Board* *First nomination:* *3 November 2008* *End of office:* *30 October 2019*	X			X		X		X
Ari Sebag *Member of the Executive Board – General Manager* *First nomination:* *20 June 1996* *End of office:* *30 October 2019*		X		X		X		X
Katy Zenou *Member of the Executive Board – General Manager* *First nomination:* *20 June 1996* *End of office:* *30 October 2019*		X		X		X		X
Alexandre Schulmann (**) *Member of the Executive Board* *First nomination:* *8 June 2011* *Term expired on 2 November 2013 and not renewed by the Supervisory Board on 30 October 2013*	X			X		X		X
Jean-François Largillière (***) *Member of the Executive Board* *First nomination:* *30 October 2013* *End of office:* *30 October 2019*	X			X		X		X

(*) Pre-existing employment contract with Groupe Partouche SA.
(**) Pre-existing employment contract with the subsidiary SCMAT – Casino d'Aix-en-Provence.
(***) Pre-existing employment contract with the subsidiary STTH – Domaine de Divonne.

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

No directors' fees were paid by Groupe Partouche to the members of the Supervisory Board for the 2012–13 financial year.

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

The total amount set aside in respect of retirement benefits at the end of the past financial year for all persons listed in Section 14.1 was €21,408 exclusive of social security contributions.





16 OPERATION OF DIRECTORS' AND EXECUTIVE BODIES

16.1 APPOINTMENTS OF DIRECTORS AND EXECUTIVE COMPANY OFFICERS

The appointments of Isidore Partouche, Patrick Partouche, Daniel Cohen and Gaston Ghrenassia as members of the Supervisory Board will expire at the end of the Annual Shareholders' Meeting convened to approve the financial statements for the year ended 31 October 2013.

The renewal of these appointments will therefore be put to a vote by the shareholders upon the next Annual Ordinary Shareholders' Meeting.

The appointments of Hubert Benhamou, Walter Butler and Butler Capital Partners, represented by Lise Nobre, will expire at the end of the Annual Ordinary Shareholders' Meeting convened to approve the financial statements for the year ended 31 October 2016.

The appointments of the members of the Executive Board expired on 2 November 2013.

At its meeting of 30 October 2013, the Supervisory Board decided to renew the appointments of the following members of the Executive Board for an additional term of six financial years, i.e. until 30 October 2019: Katy Zenou, Fabrice Paire and Ari Sebag. It decided not to renew the appointment of Alexandre Schulmann, and proceeded with the appointment of Jean-François Largillière to the Executive Board.

16.2 SERVICE CONTRACTS PROVIDING FOR BENEFITS UPON TERMINATION OF EMPLOYMENT

See Special report of the Statutory Auditors, Section 19.

SERVICE CONTRACTS INVOLVING FINANCIÈRE PARTOUCHE SA

Financière Partouche SA holds 64,335,843 shares of the 96,815,591 shares with a par value of €2 each that make up Groupe Partouche SA's share capital, i.e. 66.45%.

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

Furthermore, Groupe Partouche and Financière Partouche are parties to a subordinated shareholder advance agreement, concluded on 26 August 2003, governing the advance granted by Financière Partouche to Groupe Partouche, which has been amended and supplemented by three riders, signed on 26 April 2005, 30 September 2005 and 30 October 2009. Upon the completion of negotiations with the pool of banks, this amended and supplemented agreement contained the following main clauses:

1. SHAREHOLDER ADVANCE AGREEMENT

The maturity date for the shareholder advance is 31 December 2015.

The outstanding debt on the shareholder advance bears interest at a rate equal to the 1-, 2-, 3- or 6-month Euribor plus a margin of 2.00% per annum.

Loans made to Groupe Partouche SA under the shareholder advance can only be repaid in accordance with the terms and

conditions of subordination set forth below. They are currently frozen until the end of the observation period expiring 30 March 2014.

2. SUBORDINATION

Before the Safeguard Procedure (procédure de sauvegarde) was initiated, repayment of the syndicated loan took precedence over the repayment of the shareholder advance. No dividends or interest were paid by Groupe Partouche to Financière Partouche under the subordinated shareholder advance or for any other motive except for repayments from surplus cash flow (see Section 4.1.2 "Liquidity risk").

SERVICE CONTRACTS INVOLVING ISPAR HOLDING SA

Ispar Holding SA is controlled and chaired by Isidore Partouche. This company provides assistance and advisory services to the Group's casinos in Switzerland.

It holds 2,012,731 shares in the Company, representing 2.08% of the share capital.

SERVICE CONTRACTS INVOLVING SHAL & CO SA

Shal & Co, a company controlled and chaired by Hubert Benhamou, entered into a management consultancy agreement with Groupe Partouche for some of its subsidiaries.

Except for the information given here above and as provided in 16.2 of Annex I of Commission Regulation (EC) No. 809-2004, there are no other service contracts entered into by members of the administrative, management and supervisory bodies of the issuer or of any of its subsidiaries providing for benefits upon termination of employment.

16.3 EXECUTIVE AND SUPERVISORY BOARDS

16.3.1 EXECUTIVE BOARD

See Articles 16 to 19 of the Articles of Association.

COMPOSITION OF THE EXECUTIVE BOARD

Fabrice Paire, Chairman
Ari Sebag, Member and Co-Managing Director
Katy Zenou, Member and Co-Managing Director
Alexandre Schulmann, Member

Since 2 November 2013:
Fabrice Paire, Chairman
Ari Sebag, Member
Katy Zenou, Member
Jean-François Largillière, Member

MEETINGS OF THE EXECUTIVE BOARD

The Executive Board met six times during the financial year ended 31 October 2013, and three times after the balance sheet date from 1 November 2013 to 17 February 2014, with an attendance rate of 100%.

FUNCTIONING OF THE EXECUTIVE BOARD

As provided by Article 18.1 of the Articles of Association, the Executive Board's decisions are taken based on the majority of the votes of its members. Voting by proxy is prohibited. In the event of a tie, the Chairman casts the deciding vote.

For more information, please refer to Section 21.2.2 of this document.

MAIN WORK PERFORMED IN FINANCIAL YEAR 2012–13

The meetings of the Executive Board during the financial year ended 31 October 2013 were concerned with the preparation and presentation of the detailed activity reports submitted to the Supervisory Board at the end of quarterly, half-yearly and annual periods. These reports allow the Supervisory Board to completely fulfil its role.

MEETINGS TO REVIEW THE ACCOUNTS

- Quarterly: 10 December 2012 (Q4 2011–12), 18 February 2013 (Q1 2012–13), 10 June 2013 (Q2 2012–13), 9 September 2013 (Q3 2012–13);
- Interim consolidated financial statements: 17 June 2013;
- Consolidated financial statements for the year ended 31 October 2012: 21 January 2013.

THE EXECUTIVE BOARD MET THREE TIMES AFTER THE BALANCE SHEET DATE TO CONDUCT THE FOLLOWING ITEMS OF BUSINESS:

- On 9 December 2013, to review the business results for Q4 2012–13 and draw up its report to the Supervisory Board;
- On 27 January 2014, to review the parent company and consolidated financial statements for the year ended 31 October 2013, as well as the certification of the report containing labour, social and environmental information drawn up by Compta Durable, designated in accordance with the relevant laws and regulations, and to approve the content of the management report to be submitted to the Supervisory Board as well as the wording of the resolutions to be submitted for the approval of the shareholders;
- On 17 February 2014, to review the business results for Q1 2013–14 and draw up its report to the Supervisory Board;

16.3.2. SUPERVISORY BOARD

See Articles 20 to 23 of the Articles of Association.

COMPOSITION OF THE SUPERVISORY BOARD

Supervisory Board:

Patrick Partouche, Chairman

Isidore Partouche, Vice-Chairman

Gaston Ghrenassia, Member

Walter Butler, Member

Hubert Benhamou, Member

Daniel Cohen, Member

Butler Capital Partners, with Lise Nobre serving as its permanent representative since her resignation from the Board on 12 December 2012.

FUNCTIONING OF THE SUPERVISORY BOARD

Please refer to Section 21.2.2 of this document.

MEETINGS OF THE SUPERVISORY BOARD

During the financial year ended 31 October 2013, the Supervisory Board met seven times, with an attendance rate of more than 90%, and three times after financial year-end.

PREPARATORY WORK IN ADVANCE OF BOARD MEETINGS

Supervisory Board members receive accounting documents and, in Shareholders', all documents relating to the items on the agenda for the Board meeting, 10 days before the meeting, on average.

EVALUATION OF SUPERVISORY BOARD MEMBERS

Methods used by the Group to evaluate the performance of Supervisory Board members, in line with the recommendations of the Viénot report, aim above all to provide assurance to shareholders that Supervisory Board members have the skills and expertise necessary to carry out their responsibilities.

This is one of the chief concerns of the Chairman of the Supervisory Board and dovetails with the working methods applied within the Group.

Currently, each member of the Supervisory Board has either over 30 years' experience together with a highly honed set of skills and knowledge of the leisure business, and particularly of gaming establishments and the management of live shows, events and restaurants or, in the case of Ms Nobre (permanent representative of BCP SA) and Mr Butler, expertise in business development and investment as well as financial strategy and, in the case of Mr Cohen, in risk management.

The Supervisory Board evaluates the performance of its members once a year. During the financial year under review, this evaluation was on the agenda of the meeting on 10 December 2013 and did not identify any failings with the potential to adversely impact the Company.

Company officers do not receive any variable component of remuneration based on individual or collective performance or progress.

MAIN WORK PERFORMED IN FINANCIAL YEAR 2012–13

The meetings of the Supervisory Board were concerned, first and foremost, with the review of the activity reports and the parent company and consolidated financial statements submitted by the Executive Board at the end of quarterly, half-yearly and annual periods. These meetings were often attended by Executive Board members, in order to provide additional information and answers to any questions raised by the Supervisory Board.

The Supervisory Board was thus able to completely fulfil its role.

During the financial year under review, the Supervisory Board met seven times.

IT REVIEWED THE EXECUTIVE BOARD'S REPORTS ON

- Quarterly business activity: on 12 December 2012 (Q4 2012 business activity), 19 February 2013 (Q1 2013 business activity), 11 June 2013 (Q2 2013 business activity), and 10 September 2013 (Q3 2013 business activity), and after the balance sheet date: on 10 December 2013 (Q4 2013 business activity) and 19 February 2014 (Q1 2014 business activity);
- The interim consolidated financial statements: 25 June 2013;
- The parent company and consolidated financial statements for the year ended 30 October 2012: 30 January 2013.

DURING THE FINANCIAL YEAR UNDER REVIEW, THE SUPERVISORY BOARD ALSO MET TO CONDUCT THE FOLLOWING ITEMS OF BUSINESS:

- **12 December 2012:**
  - Officially noted the resignation from the Board of Lise Nobre, co-opting Butler Capital Partners, permanently represented by Ms Nobre, to temporarily replace her, which appointment was confirmed at the Annual General Meeting of 10 April 2013,
  - Authorised the signature of three agreements subject to the provisions of Article L.225-86 of the French Commercial Code;
- **30 January 2013:**
  - Heard the report by the Audit Committee, following its meeting of 23 January 2013, on the 2012 annual financial statements,
  - Reviewed the report by the Executive Board on the parent company and consolidated financial statements for the year ended 31 October 2012;
- **11 June 2013:**
  - Decided to form a new committee of the Supervisory Board tasked with closely monitoring the process of renegotiating the syndicated bank loan with the banking pool,
  - Authorised the signature of an agreement subject to the

provisions of Article L.225-86 of the French Commercial Code,

- Authorised the conversion of one of its subsidiaries' casino businesses into a separate subsidiary via a partial transfer of assets;

- **25 June 2013:**
  - Heard the report by the Audit Committee on the interim financial statements to 30 April 2013, following that committee's meeting of 18 June 2013,
  - Reiterated the powers of Fabrice Paire associated with his respective positions as Chairman of the Executive Board and company secretary,
  - Heard the Debt Monitoring Committee on the progress of negotiations with the syndicate of banks;

- **10 September 2013:**
  - Heard the Executive Board on its intended strategy for 2014,
  - Heard the Debt Monitoring Committee on the progress of negotiations with the syndicate of banks;

- **30 October 2013:**
  - Reappointed the Executive Board, whose members' terms of office were due to expire on 2 November 2013,
  - Appointed the Chairman of the Executive Board,
  - Reiterated the authorisation to dispose of the premises of the San Roque casino (Spain),
  - Authorised the sale of a property located in Reno (USA),
  - Authorised the sale of the securities or movable and immovable assets, as the case may be, of six of its subsidiaries,
  - Reviewed and signed off compensation paid to members of the Executive Board.

AFTER THE BALANCE SHEET DATE, THE SUPERVISORY BOARD MET THREE TIMES TO CONDUCT THE FOLLOWING ITEMS OF BUSINESS:

- **10 December 2013:**
  - Authorised the Executive Board to dispose of various assets in France and Belgium,
  - Heard a presentation by the Executive Board on the repayment plan to be submitted to the creditors under the safeguarding procedure,
  - Reviewed the operation of the Supervisory Board and the performance of executives,
  - Defined independence criteria for Board members;

- **28 January 2014:**
  - Heard the observations of the Audit Committee, following its meeting on 27 January 2014, on the annual financial statements for the year ended 31 October 2013,
  - Authorised the signature of an agreement subject to the provisions of Article L.225-86 of the French Commercial Code,

- **18 February 2014:**
  - Reviewed a report by the Executive Board on the company's activities in the first quarter of the 2013-14 financial year,
  - Heard the Chairman of the Executive Board on the progress of the safeguarding procedure,
  - Reviewed the offer submitted to the Executive Board to purchase the premises and business of a subsidiary,
  - Re-examined one of the authorisations to dispose of assets granted on 30 October 2013,
  - Authorised the company to take out unemployment insurance for senior executives not covered by the general scheme.

16.4 CORPORATE GOVERNANCE PRACTICES

Groupe Partouche SA refers to MiddleNext's governance code for small and medium-sized French listed companies issued in December 2009.

Since the Extraordinary Shareholders' Meeting of 20 June 1996, the Company has been governed by an Executive Board and a Supervisory Board.

The decision to adopt this structure was made in order to ensure compliance with principles of corporate governance that have since been adopted under French law. Moreover, recent developments in the legal framework have further reinforced transparency requirements.

This dual structure encourages a clear separation between, on the one hand, the functions of the Company's operational management, which is carried out by the four members of the current Executive Board, and on the other hand, the control function, which is permanently exercised by a Supervisory Board, at present consisting of seven members.

It should also be noted that the Supervisory Board meets very frequently, with an attendance rate of over 90%. Its members review all necessary documents and information obtained in advance of Supervisory Board meetings, during which each item on the agenda is discussed in detail. Moreover, since October 2005 and as advocated by the AMF's terms of reference for the implementation of corporate governance principles for small- and mid-cap companies, the company has applied a set of internal rules (see Section 14.3) that governs the procedures to be followed by the Supervisory Board and sets out the duties of its members.

TABLE SUMMARISING COMPLIANCE WITH THE MIDDLENEXT CORPORATE GOVERNANCE CODE

	RECOMMENDATIONS	GROUPE PARTOUCHE
EXECUTIVE POWER	Appropriate skills	Yes: multiple complementary skills
	Executives not isolated	Yes: Executive Board
	Level and type of compensation	In line with recommendations No severance benefits No supplementary pension No share options or bonus shares No variable compensation
	Combining employment contracts with corporate office: left to the discretion of the Supervisory Boar	A reasoned yes: Fabrice Paire, Chairman of the Executive Board, was Chief Administrative Officer from 2001 to 2005, after which he was corporate secretary. In light of his experience and in the interests of the company, he retained his employment contract after being appointed to the Executive Board; in any event, his duties in the two positions he holds are completely separate, as reiterated by the Supervisory Board on 25 June 2013. In the interests of the company, Jean-François Largillière, a specialist in hotels and catering, retained his employment contract as Operations Director after being appointed to the Executive Board.
SUPERVISORY POWER	Rules of procedure	All recommendations followed apart from that on the rules for determining compensation; there is, however, an Appointments and Compensation Committee.
	Compliance	All recommendations followed
	Composition of the Supervisory Board: at least two independent members	Yes, since 1 January 2014
	Choice of members Prior communication of experience and skills	Yes
	Terms of office: appropriate to the company's specific circumstances, subject to the limitations laid down in law	Yes
	Information provided to the members of the Supervisory Board	In line with recommendations
	Number and frequency of meetings	In line with recommendations
	Formation of committees No obligation for committees other than the audit committee. Option of forming an audit committee or convening the Board to perform the duties of the audit committee.	Two standing committees - Appointments and Compensation - Audit, with one independent member since 1 January 2014
	Assessment of the Board's work	In line with recommendations
	Compensation	In line with recommendations: No severance benefits No supplementary pension No share options or bonus shares No variable compensation (bonuses) No directors' fees
	Corporate officers' obligations in respect of number of shares and multiple directorships	In line with recommendations
"SOVEREIGN" POWER	No specific recommendations	All critical areas covered

As the above table shows, with effect from 1 January 2014 Groupe Partouche is compliant with all the recommendations of the MiddleNext corporate governance code with the exception of the recommendation calling for rules for determining compensation.

Moreover, the composition of the Supervisory Board, which until April 2011 had only four members, has since changed considerably, with the appointment of three new members by the Ordinary Annual Shareholders' Meeting of 29 April 2011, including the first woman to serve on the Board, followed by the co-optation on 13 December 2011 of risk management expert Daniel Cohen, to replace Maurice Sebag, who had resigned.

Furthermore, since 8 June 2011 there have once again been Supervisory Board committees. In particular, there are two standing committees – the Audit Committee and the Appointments and Compensation Committee – together with temporary committees as and when deemed necessary, such as the Debt Monitoring Committee (see Section 14.3 and Articles 5, 6 and 7 of the rules of procedure):

- The Audit Committee has four members: Hubert Benhamou, Chair; Patrick Partouche; Daniel Cohen, appointed 31 January 2012; and Lise Nobre, in her capacity as permanent representative of BCP SA. This committee has met regularly since its formation. In particular, in the past financial year, it met: on 23 January 2013 with the Statutory Auditors to verify the annual parent company and consolidated financial statements and to assess, at the close of the 2011-12 financial year, the process of preparing financial reporting and the effectiveness of the internal control and risk management procedures in place within the Group (see the Chairman's report in Section 16.5.1); on 18 June 2013 to review the interim consolidated financial statements; and after the financial year-end on 27 January 2014 with the Statutory Auditors to review the parent company and consolidated financial statements for the year ended 31 October 2013 and to assess, at the close of the 2012-13 financial year, the process of preparing financial reporting and the effectiveness of the internal control and risk management procedures in place within the Group. The committee's members also verified that the Statutory Auditors were independent and had fulfilled their engagement.
- The Appointments and Compensation Committee has three members: Isidore Partouche, Chair; Walter Butler; and Patrick Partouche. This committee is tasked with preparing and submitting to the Board its opinion on proposed executive compensation of any kind, as well as on changes pertaining to management personnel within the Group whose compensation exceeds €120,000 a year.
- The Debt Monitoring Committee was formed by the Supervisory Board at its meeting of 11 June 2013. This committee was formed for a fixed period linked to its purpose, and will cease to exist once efforts to renegotiate the Group's syndicated bank debt have concluded. It has four members: Isidore Partouche, Chair; Patrick Partouche; Walter Butler; and Lise Nobre in her capacity as permanent representative of BCP SA. It is tasked with closely monitoring the process of renegotiating the syndicated bank loan.
- The working group formed on 8 June 2011 for a period of six months no longer exists.

With effect from 1 January 2014, Daniel Cohen, who sits on the Audit Committee, meets all five criteria laid down in the MiddleNext code and adopted by the Supervisory Board at its meeting of 10 December 2013 to qualify members of the Supervisory Board as independent, namely:

- An independent member must not be an employee or executive director of the company or a company belonging to its group, nor must they have been one at any time in the past three years.
- An independent member must not be a significant customer, supplier or banker of the company or its group or for which the company or its group represents a significant proportion of its business.
- An independent member must not be the company's major shareholder.
- An independent member must not be closely related to a corporate officer or major shareholder.
- An independent member must not have been an auditor of the company at any time in the past three years.

Furthermore, all committee members have genuine expertise in the areas of corporate governance, financial information and risk management, acquired while serving in their previous positions either within the Company or within other companies where they currently hold or formerly held key positions for a number of years. At all times, they carry out their work in accordance with the guidelines contained in the AMF report issued on 22 July 2010.

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

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

To the Shareholders,

Pursuant to the provisions of Article L. 225-68 of the French Commercial Code, as amended by Article 117 of the French Financial Security Act, it is my responsibility as Chairman of the Supervisory Board of Groupe Partouche SA to present (i) the conditions under which the Board's work is prepared and organised and (ii) the internal control procedures implemented by your Company during the financial year ended 31 October 2013, procedures which apply to all consolidated majority-controlled subsidiaries.

This report was prepared with the assistance of the Company's operational and functional divisions, and draws on MiddleNext's governance code for small- and mid-cap companies issued in December 2009. It should also be noted that the Board reviewed the key points requiring special attention, as set out in this code.

You are also informed that:

- Corporate governance practices are set out in Section 16.4;
- The methods used to determine remuneration for corporate officers are set out in Section 15.1.2;
- The terms under which shareholders may attend Shareholders' Meetings are set out in items III and V of Article 27 of the Articles of Association;
- The information required by Article 225-100-3 of the French Commercial Code is presented in Sections 18 and 21 of this report. In particular, this includes:
  - the capital structure of the company in Section 18.1,
  - voting rights in Section 18.2,
  - transfers of shares in Section 21.2.6,
  - rights attached to shares in Section 18.1,
  - change of control in Section 18.4,
  - rules applicable to the appointment of members of the Executive Board as well as amendments to the Articles of Association in 21.2.2 and 21.2.5,
  - powers granted to the Executive Board in 21.2.2;
- And finally, changes in share capital in 21.2.8;
- There are no agreements providing for severance payments to the members of the Executive Board or employees in the event of resignation, dismissal or loss of employment due to a takeover bid;
- Nor are there any agreements into which the Company has entered that would be amended or terminated in the event of a change in control of the Company;
- There is no provision for any audit in the event of an employee share scheme.

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

Information on the conditions under which the Supervisory Board's work is prepared and organised is set out in the Board's internal rules, as summarised in Section 16.3.2 above. This information relates in particular to:

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

INTERNAL CONTROL PROCEDURES IMPLEMENTED

Although the Company's internal control procedures are not defined by any framework, Groupe Partouche has drawn on MiddleNext's governance code for small and mid-cap companies issued in December 2009 for their implementation.

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

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

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

By helping prevent and control risks that could affect the Company's ability to achieve its objectives, the internal control system plays a key role in the management and coordination of the Company's various activities.

However, internal control arrangements cannot provide an absolute guarantee that the Company's objectives will be achieved.

In the specific case of Groupe Partouche, which operates in an environment of decentralised functions and responsibili-

ties, internal control arrangements are based on a set of rules, policies, procedures and practices intended to ensure that the required measures are implemented to control risks liable to have a material impact on the Group's assets or the achievement of its objectives.

SCOPE OF INTERNAL CONTROL

In order to achieve these objectives, the Group's internal control procedures are implemented within each subsidiary under the responsibility of the heads of operational and functional divisions at all levels of the organisation. Each person involved in internal control within the organisation is thus made aware of his or her role and responsibilities.

The internal control system therefore applies across Groupe Partouche, which consists of Groupe Partouche SA and all its fully consolidated entities.

IMPLEMENTATION OF INTERNAL CONTROL OBJECTIVES

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

IDENTIFICATION, ASSESSMENT, MONITORING AND CONTROL OF RISKS

The internal control procedures are part of an ongoing process of identifying, evaluating and managing risks that may affect the Group's ability to achieve its predetermined objectives.

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

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

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

The main risk factors are described in Section 4. The methods implemented to manage and control these risks are set out below.

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

OPERATIONAL CONTROL

Operational control mainly involves ensuring the sustainability and security of the Group's information systems.

Information systems:

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

In order to achieve consistency between individual company and consolidated accounting data, the system is built around a reporting tool and a consolidation system complete with a set of powerful interfaces covering virtually all the Group's activities.

Specific information systems have been implemented within the subsidiaries, enabling day-to-day operational control and feedback concerning revenue from slot machines, recorded GGR and amounts of levies.

In addition, these systems enable the dissemination of information to subsidiaries and ensure that the latter comply with the laws and regulations in force.

Relevant control and risk monitoring procedures:

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

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

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

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

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

The Group is also exposed to IT security risks (see Section 4.2.6).

Its information systems may be vulnerable to attacks (computer viruses, denial of service, etc.), technical failures resulting in the unavailability of software or the theft of data, all of which require that preventive measures be put in place.

For this reason, since 2001 Groupe Partouche has had an information systems department in charge of network and IT system security, which has focused its efforts on improving and securing the network as much as possible, although it remains exposed to the potential risk of total or partial failure.

LEGAL AND REGULATORY COMPLIANCE

Some 76% of the Group's turnover centres on the casino business in France, which has "three distinct segments: gaming, restaurants and entertainment, all of which are combined under a single management structure, without any individual segment being run separately" (Article 1 of the Order of 23 December 1959 relating to the regulation of gaming in casinos).

The management of these activities is therefore rigorously governed by this framework, put in place by gaming regulations, which lay down a very strict set of controls covering the authorisation and organisation of business operations, tax levies by the public authorities and oversight.

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

Legal department:

This department, which reports to the Secretary Shareholders', has the following functions:

- to ensure that Groupe Partouche complies with its legal and regulatory requirements;
- to protect the Group's assets and business as a whole;
- to safeguard the Group's interests, and protect its company officers and employees in the performance of their duties.

Relevant control and monitoring procedures

The legal department is required to advise the Secretary Shareholders' or senior management of sensitive matters that must be reported to them regularly and in particular:

- any changes in laws or regulations applicable to any of the Group's business segments, and in particular to gaming;
- any significant legal proceedings;
- any criminal proceedings against Groupe Partouche or any of its senior executives;
- any requirement for authorisation from the Executive or Supervisory Boards for projects related to developing the Group's business activities or exposing the Group to any specific risk.

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

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

One of the main objectives of internal control is to contribute to the assurance that the Group's accounting and financial information, in particular the parent company and consolidated financial statements, gives a true and fair view of the Group's net assets and business activities, and that this information makes possible the identification and evaluation of risks of any type to which it may be exposed.

STRUCTURE OF THE ACCOUNTING FUNCTION

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

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

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

The consolidated financial statements are audited by the Group's Statutory Auditors.

Information is regularly exchanged with the heads of subsidiaries, which means that any special transactions affecting the subsidiaries may be anticipated.

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

The various steps in the preparation of the consolidated financial statements are described below.

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

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

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

The subsidiaries are provided, on the one hand, with consolidation instructions for the production of consolidation packages, which describe consolidation work through the documents used and the procedures for relaying information, and on the other hand, accounting close information, comprising the schedule of consolidation operations and the list of specific information required for each accounting close.

Finally, the finance department checks for compliance with standards on all matters likely to have an impact on the consolidated financial statements. At its level it also brings together information on all issues reported by subsidiaries for technical evaluation and for making decisions on accounting treatments.

A standardised Group chart of accounts is used by the operating units, in line with specific provisions relating to Shareholders' accounting records for casinos.

Procedural instructions are prepared by the Group's central accounting team for the subsidiaries, particularly to cover the specificities of accounting practices for their business sectors.

These arrangements ensure that accounting data transmitted to Groupe Partouche SA is consistent. The Group's central accounting team organises and schedules accounting close tasks for Groupe Partouche SA's parent company financial statements, and prepares an annual and half-yearly control reference.

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

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

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

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

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

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

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

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

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

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

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

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

Groupe Partouche's central accounting department co-ordinates and supervises the structure of accounting departments across the Group.

Groupe Partouche SA uses a standard accounting information system, the same one in use by all its operating units.

All of the Group's management, financial and accounting systems are regularly updated in accordance with the Group's ongoing requirements as regards financial data reliability and management.

RELEVANT CONTROL AND MONITORING PROCEDURES

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

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

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

Apart from the controls themselves, the Group makes sure that financial employees receive continuous training in order to stay abreast of the latest control techniques suited to the Group's changing requirements in this field.

Finally, the Group regularly assesses internal control points in order to check the pertinence of the models used as regards the reliability and security of financial data, thus ensuring that the risks of any inadequacies relating to these controls are properly managed.

The Group carries out monthly reporting on its accounts and performs half-yearly accounting closes.

The main monthly accounting controls carried out are as follows:

- Verification that accounts are properly kept and maintained;
- Audit of current accounts between Groupe Partouche SA and the other Group entities to ensure that they are properly reconciled and that their content is logical (performed by the head office accounting team);
- Bank reconciliations;
- Verification that turnover figures have been recorded correctly.

Furthermore, the main controls carried out by the finance department are as follows:

- Verification of the reciprocity of the current accounts at Group level;
- Monthly analysis of the results of operating companies;
- More complete balance sheet analyses performed in April and in October at the half-yearly and annual accounting closes alongside the publication of an in-depth analysis of all balance sheet items, off-balance sheet items and changes in financial position.

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

- analysis of operating margins;
- analysis of budget variations;
- analysis of financial indicators and costs;
- analysis of investments;
- analysis of financial income;
- analysis of net borrowings.

HEAD OFFICE MANAGEMENT TEAMS

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

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

The following control and monitoring procedures have been put in place:

■ BUDGET PROCESS

A market-leading software solution supports the Group's entire budget process. This solution uses a single reference framework applicable to all operating units, which ensures the homogeneity of information. The units have decentralised data input modules which feed into a single group-wide database.

This database guarantees the reliability and the traceability of information, in particular by way of Shareholders' controls and automated data validation as well as a set of controls that are specific to the Group's line of business.

The budget process also serves as an effective internal control procedure enabling the analysis of financial flows.

■ MONTHLY FINANCIAL REPORTING

At each month-end, financial reports are generated and submitted to senior management. Meetings are held during which division heads present their monthly activity reports. A comprehensive analysis of results for operating companies is also carried out on a monthly basis. Information entered by accounting teams is imported by the Group's management software package to support this analysis.

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

The key stages of the budget process are as follows:

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

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

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

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

HEAD OFFICE TEAMS RESPONSIBLE FOR CASH MANAGEMENT AND FINANCING

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

Specifically, these teams are responsible for:

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

RELEVANT CONTROL AND MONITORING PROCEDURES

In order to fulfil their responsibilities, the Group's cash management and financing teams have established rules and procedures applicable across the Group, including a procedure relating to signing authorities for bank accounts to limit fraud risk.

Weekly and monthly reports keep senior management informed of the Group's budgeted and actual debt and liquidity levels, the results of risk monitoring activities, maturities of hedging transactions and the status of banking relationships, etc.

FINANCIAL COMMUNICATIONS

The Group's financial communications team reports to the Chief Financial Officer and works from the head office. It is responsible for keeping financial market participants informed of the Company's strategy and the results of its operations.

RELEVANT CONTROL AND MONITORING PROCEDURES

A schedule is drawn up each year summarising all of the Company's financial reporting obligations to the market as well as regulatory and stock market authorities.

The schedule specifies the nature of all specific requirements that must be met over the course of the year, together with their deadlines.

This schedule is distributed internally to the relevant teams.

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

- Monthly audits of all accounting and financial information (operational finance and cash management functions);
- Verification by the Statutory Auditors of information presented in the half-yearly and annual financial statements;
- Finally, the Chief Financial Officer, who is ultimately responsible for compliance with financial reporting requirements, works with the legal department to identify the applicable legal and regulatory reporting obligations relating to risk.

In the year under review, Groupe Partouche continued to implement the strengthened policy introduced in 2011 to increase awareness of the risks associated with its business activities, which also involves reinforced internal control procedures to ensure optimal risk monitoring and management, based in particular on the work of the Audit Committee, all of whose members bring considerable expertise in these areas.

Patrick Partouche
Chairman of the Supervisory Board

16.5.2 REPORT OF THE STATUTORY AUDITORS, PREPARED IN APPLICATION OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

To the Shareholders,

In our capacity as Statutory Auditors of Groupe Partouche SA and in application of the provisions of Article L. 225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your Company, in accordance with the provisions of Article L. 225-68 of the French Commercial Code, for the year ended 31 October 2013.

It is the Chairman's responsibility to prepare and submit for the approval of the Supervisory Board a report on internal control and risk management procedures implemented within the Company and to provide the other information required by Article L. 225-68 of the French Commercial Code, relating in particular to corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and treatment of accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-68 of the French Commercial Code, with the understanding that we are not required to verify the fair presentation of this other information.

We performed our procedures in accordance with professional standards applicable in France.

INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

The applicable professional standards require us to plan and perform our procedures so as to be able to assess the fair presentation of the information in the Chairman's report on the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information.

These standards require in particular that we:

- inform ourselves of the internal control and risk management procedures relating to the preparation and treatment of the accounting and financial information supporting the information presented in the Chairman's report and review any existing documentation;
- inform ourselves of the work done to prepare this accounting and financial information and review any existing documentation;
- ascertain whether appropriate disclosures have been made in the Chairman's report in respect of any material weaknesses in internal controls relating to the preparation and treatment of accounting and financial information that we may have noted in performing our work.

Based on our procedures, we have no comments to make on the disclosures concerning the Company's internal control and risk management procedures relating to the preparation and treatment of accounting and financial information contained in the report of the Chairman of the Supervisory Board prepared in application of the provisions of the last paragraph of Article L. 225-68 of the French Commercial Code.

OTHER INFORMATION

We confirm that the report of the Chairman of the Supervisory Board also contains the other information required by Article L. 225-68 of the French Commercial Code.

Marseille and Paris, on 26 February 2014

MCR Baker Tilly	**France Audit Expertise**
Alexandra Mathieu	Emmanuel Quiniou



17 LABOUR INFORMATION

In accordance with the Grenelle 2 Act of 12 July 2010 and its implementing decree of 24 April 2012, Section 17.1 below presents Groupe Partouche's CSR report on its labour, social and environmental information.

17.1 LABOUR, SOCIAL AND ENVIRONMENTAL INFORMATION

17.1.1 LABOUR INFORMATION

EMPLOYMENT

CATEGORIES AT 31 OCTOBER	2013	2012	2011
Executives	948	956	960
Supervisors and technicians	299	314	320
Non-executives	3 521	3750	3881
Manual labourers	212	222	245
TOTAL	**4 980**	**5 242**	**5 406**

At the end of the financial year, Groupe Partouche had 4,980 employees, down 5% from the previous year. This decrease is due to ongoing adjustments in expenses in response to falling attendance figures recorded by our establishments and efforts to achieve productivity gains, given the current economic climate.

The Group's total payroll including social security payments came to €192.1 million, and the combined total of employee profit-sharing amounts paid by subsidiaries came to €3 million.

Breakdown of workforce by age:

- 18 – 30: 29.90%
- 31 – 50: 53.73%
- Over 50: 16.37%

There was a total of 948 executive-level staff. Non-executive staff totalled 4,032.

Breakdown by geographical area:

- France: 4,493
- Europe (excl. France): 278
- Outside Europe: 209

At 31 October 2013, there were 3,706 employees with permanent contracts and 128 employees with fixed-term contracts working at the casinos.

3.5% of employment contracts were therefore fixed-term contracts.

Turnover for employees with permanent contracts, which was calculated based on the average of the number of employees who left the company and the number of employees hired from 1/11/12 to 31/10/13, divided by the initial number of employees at the beginning of the period, was 8.35%.

WORK ORGANISATION

In most of the subsidiaries, the business involves a work organisation of 7 days a week, with alternating working hours. This is explained by the range of opening hours of casinos and hotels, and by the fact that the establishments are open 7 days a week.

However, the use of part-time work remains very limited: this type of contract represents just 4.65% of the total workforce at Groupe Partouche's French casinos.

The average number of days absent per employee was 5.53 days for the financial year.

LABOUR RELATIONS

During the financial year, a Group committee was constituted in accordance with Articles 2331-1 et seq. of the French Labour Code.

Each subsidiary, irrespective of whether or not it has employee representative bodies, makes sure that lines of communication between management and staff remain open, the key to successful working relationships within the Group. By giving subsidiaries complete autonomy in this area, thus respecting the importance of ensuring a "real-time" approach to staff supervision, management teams are able to effectively adapt to changing local circumstances and employee needs.

Groupe Partouche's subsidiaries are all legally independent of one another and enjoy full autonomy, both as a result of the Group's diversified organisational structure (geographic locations, different sizes of casinos, wide range of activities, collective bargaining agreements, etc.) and in line with gaming regulations in force.

The head office makes available a full set of related software tools (payroll management, human resources information system, training, intranet) as well as administrative support. In addition, the head office serves an advisory role on behalf of its subsidiaries, considered as internal clients, in all areas related to human resources.

While fostering exchanges and ensuring that processes are harmonised across the Group, this organisation also respects the specific characteristics of subsidiaries, allowing each to adopt its own autonomous management approach at the local level, closely reflecting the needs of both staff and clients.

Over the course of the financial year, 103 collective bargaining agreements or action plans were implemented.

731 meetings of representative bodies were organised.

HEALTH AND SAFETY

In France, 29 subsidiaries have a Health and Safety Committee. In the subsidiaries which do not have a works council, the employee representative body has the prerogatives of a Health and Safety Committee.

The rate of work-related accidents (calculated based on the number of working days missed due to work-related accidents, divided by the total number of working days) was 0.7%.

A total of 2 employees have a recognised occupational illness.

In terms of preventing physical strain at work, the human resources information system for French casinos includes information on each employee's exposure to arduous or physically straining factors, which in our industry mainly include working at night and repetitive work. The system also allows for individual risk assessment monitoring.

A reference employee has been designated as a health and safety contact for Group Partouche's French companies.

TRAINING

A total of 33,950 hours of training were provided, most of them by Partouche Académie, the training centre created by Groupe Partouche.

At 31 October 2013, 111 work-study contracts were under way in France.

Groupe Partouche's internal training centre is named Partouche Académie.

Every year, Partouche Académie sends out a catalogue to all the Group's subsidiaries, listing more than one hundred types of training available. The aim of this training is to respond to the problems encountered by employees in their work and to develop their skills, always within a client-oriented perspective.

The training provided by Partouche Académie includes profession-specific topics such as training for games employees, welcome staff and croupiers; regulatory compliance training such as "Fire safety" and "Preventing risks linked to physical activity"; training in "Stage management", "Sound and lighting" or "Safety at performances"; and training in "Personal development and professional efficiency" as well as "Managing stress", "Preventing and managing conflict" and "Improving your public speaking to convince".

All training is carried out on site.

EQUAL TREATMENT

Gender breakdown: women represent 38.4% of the workforce, compared to 34% during the previous financial year.

This increase reflects the efforts being made in favour of professional equality.

ACTIONS IN FAVOUR OF DISABLED EMPLOYEES

As a corporate partner of the France Intégration Handicap (FIH) programme, Groupe Partouche has offered its employees the opportunity to get in touch directly with FIH advisors by e-mail or via the hotline made available to them for the duration of the programme.

Within the Group, this programme gave rise to 30 applications resulting in official recognition of disabled-worker status (RQTH in France) in the 2013 calendar year and 33 in 2012.

The FIH programme, which also involves an internal communications campaign (including posters but also information accompanying pay slips), has helped raise awareness of the fact that disabilities may affect not only one or several colleagues but are a matter of concern for each and every employee. Group employees have expressed considerable interest in the information provided to them.

ANTI DISCRIMINATION POLICY

The anti-discrimination policy is mainly applied by fostering values of tolerance and respect.

To the best of our knowledge, no discrimination-related incidents were recorded or led to a conviction over the course of the financial year.

PROMOTING COMPLIANCE WITH THE INTERNATIONAL LABOUR ORGANISATION'S FUNDAMENTAL PRINCIPLES OF:

- Upholding the freedom of association and the right to collective bargaining
- Eliminating discrimination in respect of employment and occupation
- Eliminating forced or compulsory labour
- Effective abolition of child labour

To the best of our knowledge, Groupe Partouche complies with the International Labour Organisation's fundamental principles regarding the aforementioned points.

No one under the age of 18 is hired by our subsidiaries, other than in the cases of regulated training-related agreements.

17.1.2 SOCIAL INFORMATION

REGIONAL, ECONOMIC AND SOCIAL IMPACT OF BUSINESS ACTIVITY

77.5% of employees hired over the financial year live within a 20-km radius of the subsidiary where they work.

CIVIL SOCIETY STAKEHOLDER RELATIONS

Subsidiaries mainly pursue their commitment through community initiatives, taking advantage of their close ties to local populations. Examples abound, notably in the realm of sporting events and live shows. Through its involvement in numerous sponsorship activities and its support for initiatives pursued by non-profit associations, Groupe Partouche is widely recognised for its beneficial impact on the social and economic fabric of local communities.

During the financial year, Groupe Partouche subsidiaries carried out 236 sponsorship activities in support of non-profit associations, for a total amount of €707,007.

The total amount paid in State and local taxes on gross gaming revenue was €49,944,989. This reflects the strong contribution our subsidiaries make to the local economic fabric.

A total of 2,537 shows and events took place over the financial year at Group Partouche's casinos.

Aside from recurring events, these notably included:

- 700 shows
- 600 concerts
- 700 themed evenings

The most high-profile events notably included the Lyon Dance Biennial, the Lyon Biennial Contemporary Art Festival, Festival d'Aix-en-Provence of opera, the Juan-les-Pins jazz festival, the biennial of contemporary art in Le Havre, an actors' performance at the Cannes film festival, and the Dansez festival in Annemasse.

Client satisfaction surveys were also carried out at 23 subsidiaries.

SUBCONTRACTORS AND SUPPLIERS

Subcontracting is only used on a relatively small scale, as the Group's key professional specialities do not lend themselves to this practice. In the financial year, this accounting item represented a charge of €16.9 million, attributable to the Group's peripheral businesses.

Our purchasing policy forbids purchasers from accepting personal gifts from suppliers.

FAIR COMMERCIAL PRACTICES

PREVENTING AND COMBATING FRAUD

The very nature of the Group's business, which in particular involves the handling of large sums of money, can lead, in some circumstances, to staff or outside persons committing fraudulent acts.

The casino industry must be able to deal with the risks of embezzlement and cheating.

Furthermore, casinos are subject to the measures aimed at fighting money laundering. Money laundering that consists of recycling small amounts of money through gaming itself is neither organised nor is it conducted on a large scale. According to the instructions given by the regulatory authorities, in case of doubt or suspicion, the legal representatives and directors in charge of the Group's establishments have the obligation (to which they comply) of advising the anti-money laundering unit, Tracfin, of the player's identity.

Awareness-raising training is regularly offered to staff at Group Partouche casinos. During the financial year, 75 hours of training were provided to 26 reference employees.

PREVENTING EXCESSIVE GAMING

Excessive gaming can cause some people to develop symptoms commonly associated with addictive behaviour, and they may be driven to commit more financial resources than would be considered reasonable. This behaviour is harmful to our customers, as they no longer enjoy gambling in moderation

and can put themselves and their families at risk. It is also harmful to the casino as it indirectly affects the brand image.

To ensure gaming remains a pleasure and a pastime to be enjoyed in moderation, the Group has for a long time been promoting "responsible gaming" within its subsidiaries, an initiative that it is currently developing in partnership with Adictel.

Adictel is an independent French reference system that helps prevent excessive gaming and provides real support to dependent players, seven days a week. This operational assistance system provides real-time support to players in difficulty.

Upon written request from the player, Adictel counsellors have the power to subject the player to the limitations and restrictions that he or she wishes to have imposed. This action is carried out at all Group Partouche's French casino subsidiaries.

Adictel receives an average of 600 calls per month, meaning that it handles about 7,200 cases per year.

Groupe Partouche's subsidiaries are therefore keen to give the staff members who have contact with clients continuing training, with the aim of providing clients with information, giving help to those in difficulty as well as someone in whom they can confide. Furthermore, posters and leaflets are made available at key locations at casinos, to remind clients of the dangers of excessive gaming.

FOOD SAFETY

Owing to its highly developed activity as an operator of restaurants, Groupe Partouche is committed to ensuring a high level of food safety at all times. The company's main concern is of course ensuring the satisfaction and loyalty of its customers. Besides this, in the event of a breach coming to light during an inspection by the regulatory authorities (such as, the French Office of Fair Trading [DDCCRF], the Departmental Directorate for Veterinary Services [DDSV] or the Departmental Directorate for Health, Safety and Social Affairs [DDASS]) the establishment's closure could be ordered, which would lead to a negative impact on the establishment's reputation and profitability.

In order to guard against these risks, all Groupe Partouche's establishments are regularly audited by Silliker, an approved external laboratory.

HEALTH AND SAFETY

Groupe Partouche is duty bound, like all businesses who play host to the general public (known as "ERPs" in France), to guarantee the optimal safety of its customers and employees. The Group's establishments therefore apply all health and safety instructions regarding, in particular, the risks of accident, health, fire and environmental impairment, while assessing the risks related to the workplace.

The Group's establishments are also regularly inspected by the commissions of health and safety, such as Apave and Bureau Veritas, who verify, in particular:

- Fire and panic prevention within the Group's ERPs
- Ease of access for the disabled

In the event of a breach of the regulation concerning fire and panic prevention in the ERPs, or ease of access for the disabled, the relevant regulatory authority can call upon the establishment to make improvements or have work done, or even close. Such events, especially if they should increase in duration and number, could have a significant negative impact on the Group's business, results, financial position or future prospects.

SECURITY

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

Some of the security measures taken are listed below:

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

17.1.3 ENVIRONMENTAL INFORMATION

ENVIRONMENTAL POLICY

■ ENVIRONMENTAL ASSESSMENT AND ACCREDITATION PROCEDURES TAKEN WITH RESPECT TO THE ENVIRONMENT

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

■ AMOUNT OF PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS, PROVIDED THAT THIS INFORMATION DOES NOT LEAD TO A SERIOUS PREJUDICE FOR THE COMPANY IN A CURRENT LAWSUIT

None of Groupe Partouche's current establishments had to make provisions or guarantees for environmental risks during the financial year.

■ AMOUNT OF DAMAGES PAID DURING THE FINANCIAL YEAR PURSUANT TO A LEGAL DECISION RELATING TO THE ENVIRONMENT AND ACTIONS CARRIED OUT TO REPAIR DAMAGE TO THE ENVIRONMENT

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

■ TRAINING AND INFORMATION ON PROTECTING THE ENVIRONMENT OFFERED TO EMPLOYEES

The subsidiaries' training programme does not include this type of training. Regarding environmental information provided to employees, no such campaigns were carried out over the financial year.

■ RESOURCES SET ASIDE TO PREVENT ENVIRONMENTAL RISKS AND THE ORGANISATION SET UP TO DEAL WITH POLLUTION ACCIDENTS

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

POLLUTION AND WASTE MANAGEMENT

A total of 293,760 tonnes of waste were disposed of over the financial year.

42 subsidiaries have declared that they practice selective waste sorting.

SUSTAINABLE USE OF RESOURCES

■ SOIL USE

Soil use is especially relevant in the operation of golf courses, where all products used comply with applicable standards. For the Group's other operations, its buildings do not have a significant impact on the environment, as most of them were built a number of years ago.

By way of example, the Saint-Saëns golf club uses only organic products to maintain its course, avoiding all harsh chemical pesticides and fertilisers. This golf club does not use any products that would be hazardous either for the environment or its employees.

Soil management involves microbiological treatments (50%) and surface treatments (50%), used on a voluntary basis.

Group employees have been trained in this type of maintenance, which is audited by Ecovert, an environmental consultancy that carries out about 10 soil studies at the Group's sites each year. These studies regularly confirm that the Group's operations do not pollute the soil.

■ WATER CONSUMPTION AND SUPPLY

Water consumption for the financial year came to 478,369 m3. Water is sourced from the local urban water supply.

■ RAW MATERIAL CONSUMPTION

Electricity consumption totalled 598,502,477 kW.
Gas consumption totalled 26,217,343 kW.
37 eco-friendly products have been identified, specifically cleaning products.
29 subsidiaries have declared that they have implemented energy-saving measures.

■ CLIMATE CHANGE

Groupe Partouche and its subsidiaries do not produce much airborne and waterborne waste with a direct impact on the environment. All of the water evacuated is directly channelled into a sewerage network operated by the company's regional authority. Very little airborne waste is produced. The main impacts produced by the Group are moderate CO2 emissions due to energy consumption, but to date no quantitative evaluation has been carried out.

■ BIODIVERSITY

To the best of our knowledge, the business does not pose any particular threat to biodiversity and has not implemented any policies aiming to develop it.

The formalisation of the reference source for collecting and standardising the rules for consolidating Group-level CSR information has not been completely finalised for the financial year.

17.2 DIRECT OR INDIRECT INVESTMENTS OF GROUPE PARTOUCHE SENIOR EXECUTIVES AND COMPANY OFFICERS IN THE SHARE CAPITAL

EXECUTIVE BOARD MEMBERS	DIRECT INVESTMENTS			INDIRECT INVESTMENTS	SHARE SUBSCRIPTION OR PURCHASE OPTIONS
	SHARES	PERCENTAGE OF		SHAREHOLDING VIA FINANCIÈRE PARTOUCHE (1)	
		SHARE CAPITAL	VOTING RIGHTS		
Fabrice Paire	2 671	0,00 %	0,00 %	-	None
Ari Sebag	56 826	0,06 %	0,06 %	11,07 %	None
Katy Zenou	99 693	0,10 %	0,10 %	7,79 %	None
Jean-François Largillière	1	0,00 %	0,00 %	-	None
Total	**159 191**	**0,16 %**	**0,16 %**	**18,85 %**	**None**

(1) Financière Partouche owns 66.45% of the share capital of Groupe Partouche.

SUPERVISORY BOARD MEMBERS	DIRECT INVESTMENTS			INDIRECT INVESTMENTS	SHARE SUBSCRIPTION OR PURCHASE OPTIONS
	SHARES	PERCENTAGE OF		SHAREHOLDING VIA FINANCIÈRE PARTOUCHE (1)	
		SHARE CAPITAL	VOTING RIGHTS		
Patrick Partouche	71 311	0,07 %	0,07 %	15,86 %	None
Isidore Partouche	3 173 646	3,28 %	3,28 %	0,24 %	None
Gaston Ghrenassia	70	0,00 %	0,00 %	NS	None
Hubert Benhamou	29 533	0,03 %	0,03 %	14,27 %	None
Walter Butler	1	0,00 %	0,00 %	-	None
Daniel Cohen	12 600	0,01 %	0,01 %	-	None
Total	**3 287 161**	**3,40 %**	**3,40 %**	**30,38 %**	**None**

(1) Financière Partouche owns 66.45% of the share capital of Groupe Partouche.

17.3 INVESTMENTS OF GROUPE PARTOUCHE EMPLOYEES IN THE SHARE CAPITAL

17.3.1 INCENTIVE SCHEMES

No incentive schemes have as yet been put in place by Groupe Partouche SA.

17.3.2 EMPLOYEE PROFIT-SHARING

Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, we hereby indicate that there is no employee profit-sharing scheme under the terms of a company savings plan at the balance sheet date, 31 October 2013.

17.3.3 EMPLOYEE SHAREHOLDERS

None.



MAIN SHAREHOLDERS 18



18.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

The table below shows the breakdown of the Company's share capital and theoretical and real voting rights over the last three years:

MAIN SHAREHOLDERS	31/01/14			24/01/13			05/12/11		
	NUMBER OF SHARES	% OF SHARE CAPITAL AND THEO-RETICAL VOTING RIGHTS	REAL VOTING RIGHTS	NUMBER OF SHARES	% OF SHARE CAPITAL AND THEO-RETICAL VOTING RIGHTS	REAL VOTING RIGHTS	NUMBER OF SHARES	% OF SHARE CAPITAL AND THEO-RETICAL VOTING RIGHTS	REAL VOTING RIGHTS
Financière Partouche SA (1)	64 335 843	66,45 %	66,57 %	64 335 843	66,45 %	66,52 %	64 335 843	66,45 %	66,47 %
BCP (2)	12 770 200	13,19 %	13,21 %	12 770 200	13,19 %	13,20 %	12 580 200	12,99 %	13,00 %
Supervisory Board members (3)	3 287 161	3,40 %	3,40 %	3 312 707	3,42 %	3,43 %	3 300 107	3,41 %	3,41 %
Executive Board members (3)	159 191	0,16 %	0,16 %	159 190	0,16 %	0,16 %	149 904	0,15 %	0,15 %
Treasury shares	170 820	0,18 %	-	96 434	0,10 %	-	19 166	0,02 %	-
Free float (4)	16 092 376	16,62 %	16,62 %	16 141 217	16,67 %	16,69 %	16 430 371	16,97 %	16,97 %
TOTAL	**96 815 591**	**100,00 %**	**100,00 %**	**96 815 591**	**100,00 %**	**100,00 %**	**96 815 591**	**100,00 %**	**100,00 %**

(1) Financière Partouche SA is a family holding company.

(2) BCP holds 12,003,988 shares through FCPR France Private Equity III and 766,212 shares through Butler Capital Partners SA.

(3) Detailed information on shareholding by members of the Supervisory and Executive Boards is provided in Section 17.2 above.

(4) As far as the company is aware, there are no shareholders holding 5% or more of the share capital and voting rights, apart from Financière Partouche and BCP.

On 2 April 2013, Financière Partouche SA, the family holding company that holds 66.45% of the share capital of Groupe Partouche SA, requested and obtained the initiation of a Safeguard Procedure (procédure de sauvegarde) from the Valenciennes Commercial Court. This procedure allows Financière Partouche to renegotiate its financial debt, under the protection of the Commercial Court.

The observation period, which was extended once, expires on 2 April 2014.

At the request of Groupe Partouche, Euroclear France carried out a survey on 8 November 2013 of intermediaries holding 11,000 or more shares. This survey identified a total of 5,030 shareholders in this category, representing 14.7% of the share capital. At the date of this survey, also taking into account shareholders holding registered shares, it has thus been confirmed that the share capital of Groupe Partouche was owned by more than 5,100 shareholders.

The Euroclear France survey identified 8.0% of shareholders as institutional investors, corresponding to 1.2% of the share capital.

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

In connection with the capital increase carried out in 2010, Financière Partouche entered into a commitment with its pool of banks to sell any shares held in excess of its shareholding prior to this transaction (66.92%) once the price of the Groupe Partouche share reaches €8.

18.2 DIFFERENT VOTING RIGHTS

Each issued and outstanding share in the Company is entitled to a single vote. There are no double voting rights and the main shareholders, Financière Partouche and BCP, do not have different voting rights.

18.3 INFORMATION ON THE CONTROL OF THE SHARE CAPITAL

The Extraordinary Shareholders' Meeting of 29 April 2011 approved a capital increase in the amount of €24,855,225 (issue premiums included), reserved for FCPR Private Equity III and Butler Capital Partners. It was completed on 4 May 2011.

On this same date, the Extraordinary Shareholders' Meeting voted to delegate its authority to the Executive Board to carry out a €5,741,768 capital increase with preferential subscription rights for existing shareholders, which was completed on 27 May 2011. Financière Partouche had previously agreed not to exercise or assign its preferential subscription rights.

Following these two capital increases, the share capital of the Company amounted to €193,631,182, divided into 96,815,591 shares with a par value of €2.00 each.

At the date of this Reference Document, Financière Partouche SA owned 64,335,843 shares, corresponding to 66.45% of the share capital, whereas FCPR France Private Equity III owned 12,003,988 shares and Butler Capital Partners owned 766,212 shares, together comprising 13.19% of the share capital.

Following the Shareholders' Meeting of 29 April 2011, a shareholder agreement was entered into by Financière Partouche, Patrick Partouche, Katy Zenou and Ari Sebag, as the party of the first part, and BCP as the party of the second part, governing the relationship between these shareholders. This agreement took effect when the reserved capital increase was completed and constitutes an action in concert.

The main clauses of this agreement stipulate that BCP shall hold:

- a maximum of two-sevenths of the seats on the Supervisory Board as long as Butler Capital Partners holds at least 5% of the Company's share capital;
- a veto right over major decisions (any decision taken by a majority of 80% of present or represented members including the favourable vote of the members of the Supervisory Board appointed upon BCP's proposal) concerning transactions with an impact on the share capital, debt, disposal of assets or investment expenditure, acquisition of assets and more specifically:
  - any financial debt owed to an entity which does not belong to Groupe Partouche or any new off-balance sheet commitment increasing Groupe Partouche's commitments by over €3 million (non-cumulative threshold) compared with debt recorded in the consolidated financial statements at 31 October 2010,
  - any single disposal of assets greater than €3 million (non-cumulative threshold) not mentioned in Groupe Partouche's initial business plan concerning the period from 2011 to 2015,
  - any investment expenditure or acquisition of assets in a unit amount exceeding €3 million (non-cumulative threshold), apart from (i) an annual budget of €30 million provided for in the business plan and (ii) a cumulative budget over the duration of the initial business plan of €35 million covering specific investments or any project replacing them;
- an enhanced right to information;
- a right of inspection as regards any recruitment, appointment, dismissal or revocation of the members of Groupe Partouche's Executive Board, of which the only consequence shall be, at no cost for Financière Partouche, to release BCP from its lock-up commitment and its obligation under Financière Partouche's right of first offer;
- a liquidity clause in its favour, stipulating that as of the third anniversary of the completion of the reserved capital increase, Financière Partouche shall provide and ensure that Groupe Partouche and its senior executives provide all assistance required by BCP to enable the disposal of its investment and that in the scope of this liquidity procedure and that in any case, as of the fifth anniversary of

the completion of the reserved capital increase, Financière Partouche guarantees BCP a minimum price of €2 per Groupe Partouche share disposed of by BCP and therefore undertakes to acquire from BCP the shares that BCP would like to dispose of at a price of €2 per share (within the limit of the shares subscribed by BCP in the scope of the reserved capital increase).

In addition, the agreement includes a lock-up clause by which:

- Financière Partouche agrees to hold on to at least 50.1% of Groupe Partouche's share capital for the entire term of the agreement;
- Financière Partouche and BCP agree not to increase their respective shareholdings by more than five percentage points compared with the proportion they shall hold at the date of completion of the capital increase;
- BCP agrees to a partial lock-up commitment until the third anniversary of the completion of the reserved capital increase.

This agreement will remain in effect as long as BCP holds shares in Groupe Partouche SA, although it should be noted that the duration of the agreement may not in any event exceed ten years.

In accordance with applicable regulations, this shareholder agreement was reported to the Autorité des Marchés Financiers, which ensured that it was officially announced as required.

No particular measure has been taken with a view to ensuring that the control described above is not exercised in an abusive manner.

At present, several senior executives hold the same positions at both Financière Partouche SA and Groupe Partouche SA, which the former company controls (see Section 14.1), namely:

On the Executive Board: Ari Sebag and Katy Zenou.

On the Supervisory Board: Isidore Partouche, Patrick Partouche and Gaston Ghrenassia aka Enrico Macias.

Maurice Sebag, Vice-Chairman of the Supervisory Board, resigned from the Supervisory Board of Groupe Partouche on 13 December 2011, and Marcel Partouche, member of the Supervisory Board of both companies, died on 17 January 2011.

18.4 CONTROL OF FINANCIÈRE PARTOUCHE SA

Financière Partouche, which held 66.45% of the Company's share capital at the date of this Reference Document, is a French public limited company ("Société Anonyme") with an Executive Board and a Supervisory Board. Its share capital is mainly owned by members of the Partouche family.

No single shareholder owns sufficient shares in Financière Partouche SA to control this company. Patrick Partouche, Ari Sebag and Katy Zenou (all three signatories of the shareholder agreement described in Section 18.3) together hold 52.23% of the capital of Financière Partouche SA.

18.5 CHANGE OF CONTROL

To the best of our knowledge and subject to the information mentioned in Section 18.3 above, there are no other actions in concert or shareholder agreements, nor does any clause of any agreement contain any preferential conditions governing the disposal or acquisition of Groupe Partouche shares.



19 RELATED PARTY TRANSACTIONS

Please refer to Section 7.2 of this document for the organisational structure and Note 30 "Related parties" to the consolidated financial statements for further information.

Any partnerships with other companies are negotiated at arm's length.

The special report of the Statutory Auditors on regulated agreements and commitments is included below.

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

SHAREHOLDERS' MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions of those agreements and commitments brought to our attention, or that we may have discovered in the course of our audit. We are not required to express an opinion on their usefulness and appropriateness or ascertain whether any other such agreements and commitments exist. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code, to evaluate the benefits resulting from the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-58 of the French Commercial Code relating to the implementation during the year of agreements and commitments previously approved by the Shareholders' Meeting.

We have carried out the procedures we considered necessary in accordance with the professional guidelines of the Compagnie Nationale des Commissaires aux Comptes (CNCC, the French national institute of statutory auditors) relating to this engagement. These procedures involved verifying that the information provided to us was consistent with its supporting documentation.

1 - AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE FINANCIAL YEAR

In application of Article L. 225-88 of the French Commercial Code, we have been advised of the following agreements and commitments previously authorised by your Supervisory Board.

1.1 - AGREEMENTS WITH SHAREHOLDERS

We have not been informed of any new agreements in this category.

1.2 - AGREEMENTS WITH COMPANIES SHARING SENIOR MANAGEMENT PERSONNEL

1.2.1 Authorisation of a third-party guarantee for the obligations of Société du Casino du Palais de la Méditerranée SAS under a commercial lease

Under an agreement signed on 9 January 2013, your Company granted a third-party guarantee for the obligations of its subsidiary Société du Casino du Palais de la Méditerranée SAS (SCPM) under a rider to a commercial lease for a property in Nice. Consequently, as security for compliance with all obligations in the form of expenses, clauses and conditions agreed by Société du Casino du Palais de la Méditerranée SAS as tenant, your Company granted a third-party guarantee to its subsidiary in an amount not to exceed €900,000 exclusive of taxes, corresponding to one year's rent (not including maintenance charges).

At 31 October 2013, this third-party guarantee had no accounting impact on your Company's assets and profit or loss.

Members of the Executive Board concerned:

- Fabrice Paire
- Alexandre Schulmann

The related agreement was authorised by your Supervisory Board at its meeting on 12 December 2012.

SCPM is a subsidiary in which your company indirectly holds a 100% stake.

1.2.2 Authorisation of a third-party guarantee for the obligations of Partouche Immobilier SAS under a property lease agreement to be concluded with financial institutions

Your Company has been authorised to grant a third-party guarantee to its subsidiary Partouche Immobilier SAS under a property lease agreement to be concluded with financial institutions.

At 31 October 2013, Partouche Immobilier SAS had not entered into any property lease agreement, and your Company has therefore not used this authorisation.

The related agreement was authorised by your Supervisory Board at its meeting on 12 December 2012.

Member of the Executive Board concerned:

- Ari Sebag

Partouche Immobilier is a subsidiary in which your company holds a 100% stake.

1.2.3 Sale of one share in Société du Casino du Palais de La Méditerranée SAS to Compagnie Européenne de Casinos SAS

On 13 December 2012, your company sold one share in Société du Casino du Palais de la Méditerranée SAS (SCPM) to Compagnie Européenne de Casinos SAS (CEC) for the price of €1.

The related agreement was authorised by your Supervisory Board at its meeting on 12 December 2012.

Members of the Supervisory Board / Executive Board concerned:

- Isidore Partouche
- Patrick Partouche
- Fabrice Paire

CEC is a subsidiary in which your company holds a 100% stake.

1.2.4 Acquisition of shares in Grand Casino de Lyon SAS from Hôtel International de Lyon SAS

On 30 October 2013, your company acquired fifty thousand (50,000) shares representing 100% of the share capital of Grand Casino de Lyon SAS from Hôtel International de Lyon SAS for the price of €20,000,000.

The related agreement was authorised by your Supervisory Board at its meeting on 11 June 2013.

Hôtel International de Lyon is a subsidiary in which your company holds a 97.25% stake.

1.2.5 Waiver of the return to profitability clause set forth in two debt forgiveness agreements granted to Casino d'Hauteville-Lompnes SA

Your company waived the return to profitability clause set forth in two debt forgiveness agreements signed with its subsidiary Casino d'Hauteville-Lompnes SA, on 8 March 2006 for the sum of €3,150,000 and on 19 March 2010 for the sum of €6,900,000.

The related agreement was authorised by your Supervisory Board at its meeting on 28 January 2014.

Members of the Supervisory Board / Executive Board concerned:

- Hubert Benhamou
- Fabrice Paire

Casino d'Hauteville-Lompnes SA is a subsidiary in which your company holds a 100% stake.

1.3 - OTHER AGREEMENTS WITH SENIOR EXECUTIVES

We have not been informed of any new agreements in this category.

2 - AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved during previous financial years

A) THAT REMAINED IN FORCE DURING THE YEAR UNDER REVIEW

In application of Article R. 225-57 of the French Commercial Code, we have been informed that the agreements and commitments described below, which were approved by the Shareholders' Meeting in previous financial years, remained in force during the year.

2.1 - AGREEMENTS WITH SHAREHOLDERS

2.1.1 Lease agreement with Financière Partouche SA

In the year ended 31 October 1998, your Company signed a lease agreement with Financière Partouche SA. This agreement covers the lease of your Company's headquarters at 141 bis, rue de Saussure, 75017 Paris, France. As a result of the increase in the surface area occupied by Groupe Partouche SA, a rider to this agreement was signed on 1 August 2002, which renewed the lease for a term of nine years expiring on 31 July 2011 with an annual lease payment of €160,000 excluding VAT, subject to review in relation to the French construction cost index.

A further renewal of this lease was signed on 29 July 2011 for a term of nine years expiring on 31 July 2020. All other provisions of the renewed lease remain unchanged and in full effect.

For the year ended 31 October 2013, the lease expense recognised by your Company was €214,530, plus tenant service charges and taxes in the amount of €76,162.

2.1.2 Cash pooling agreement with Financière Partouche SA

Financière Partouche SA was authorised to participate in the cash pooling agreement for Group companies with Groupe Partouche SA. Under this agreement, interest is charged on any loans and advances granted at preferential rates, thus lower than market rates.

The interest rate applied for the financial year ended 31 October 2013 was 0.80%.

For the year ended 31 October 2013, an interest expense of €47,529 was recognised by your Company in respect of this agreement.

At 31 October 2013, the amount owed by Groupe Partouche SA to Financière Partouche SA broke down as follows:

- Current account corresponding to transactions made before the initiation of the Safeguard Procedure (procédure de sauvegarde): €6,148,354
- Current account corresponding to transactions made after the initiation of the Safeguard Procedure (procédure de sauvegarde): €51,703

Due to the initiation of the Safeguard Procedure (procédure de sauvegarde) for your Company on 30 September 2013, debts contracted prior to this date are frozen until the end of the observation period.

2.1.3 Subordinated shareholder advance agreement with Financière Partouche SA

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

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

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

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

In the financial year ended 31 October 2010, the shareholder advance decreased from €100,000,000 to €25,408,314, a decline of €74,591,686, which corresponds to Financière Partouche SA's subscription to the capital increase carried out by Groupe Partouche SA on 13 August 2010. The amount of the shareholder advance has remained unchanged since that date.

For the financial year ended 31 October 2013, Financière Partouche SA invoiced your Company an interest expense of €563,634 in respect of this agreement.

It should be noted that, due to the initiation of the Safeguard Procedure (procédure de sauvegarde) for your Company on 30 September 2013, debts contracted prior to this date are frozen until the end of the observation period.

2.2 - AGREEMENTS WITH COMPANIES SHARING SENIOR MANAGEMENT PERSONNEL

2.2.1 Tax consolidation agreement

The Group's tax consolidation agreement is applied in accordance with Article 223 A of the French General Tax Code.

For the financial year ended 31 October 2013, your Company recognised a tax saving of €9,749,179 under this agreement.

2.2.2 Authorisation for the use of the Group's trademark granted to Partouche Interactive SA

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

For the financial year ended 31 October 2013, your Company did not record any income from the use of the licence authorised under this agreement.

2.2.3 Management consulting agreement with Shal & Co SA

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

For the year ended 31 October 2013, your Company recognised a charge of €593,333 under operating expenses in respect of this agreement.

2.2.4 Triggering of the return to profitability clause under the debt forgiveness agreement signed with Société Hôtel International de Lyon SAS

In the financial year ended 31 October 2013, the conditions required for the triggering of the return to profitability clause, as defined in the debt forgiveness agreement signed by your Company and its subsidiary Société Hôtel International de Lyon SAS, were met. As a result, Société Hôtel International de Lyon SAS has reimbursed to your Company the amount of €1,761,674, which was recognised under financial income, corresponding to the debt forgiveness balance.

2.2.5 Commercial lease agreement with Société Immobilière Cannosta SA

Your Company signed a commercial lease agreement with the real estate company Société Immobilière Cannosta SA which provides an annual rent of €400,000 excluding taxes for a nine-year period as of 1 August 2012.

For the financial year ended 31 October 2013, your Company recognised lease income of €410,938 and income from recharged tax expenses of €108,726 under this agreement.

2.2.6 Current account subordination agreement with SAS Casinos de Vichy «Les 4 Chemins»

On 31 October 2012, a current account subordination agreement was entered by your company and Casinos de Vichy «Les 4 Chemins», 91.83% of which is indirectly held.

Under this agreement, your Company forbids itself from claiming from its subsidiary the repayment of its claim as at 24 October 2012 (€15,106,491 excluding interest from 1 November 2011 to 24 October 2012) as long as liabilities towards third parties appear on its balance sheet, with the exception of disposals of equity securities or assets.

The aim of this agreement is to enable Casinos de Vichy «Les 4 Chemins» to consider said amount on its current account as a stable resource («quasi-equity»).

2.3 - OTHER AGREEMENTS WITH SENIOR EXECUTIVES

We have not been informed of any agreements falling into this category.

B) NOT GIVING RISE TO PERFORMANCE DURING THE YEAR UNDER REVIEW

We have also been informed that the agreements and commitments listed below, which were approved by the Shareholders' Meeting in previous financial years, remained in force but did not give rise to any performance during the year. These mainly involve debt forgiveness agreements with return to profitability clauses relating to cash advances recorded in current accounts. These agreements, entered into by companies sharing senior management personnel are as follows:

- with Société du Grand Casino de Cabourg: return to profitability clause for a debt forgiveness in the amount of €3,874,547;
- with Grand Casino du Havre SA: return to profitability clause for a debt forgiveness in the amount of €18,503,867;
- with Casino de la Trinité: return to profitability clause for a debt forgiveness in the amount of €3,267,000;
- with Casino de la Tremblade: return to profitability clause for a debt forgiveness in the amount of €677,846;
- with Hôtel Cosmos SARL: return to profitability clause for a debt forgiveness in the amount of €3,516,140;
- with Partouche Interactive SA: return to profitability clause for a debt forgiveness in the amount of €12,000,000;
- with Société d'exploitation du Casino et d'Hôtels de Contrexéville SAS: return to profitability clause for a debt forgiveness in the amount of €550,000.

Marseille and Paris, on 26 February 2014

MCR Baker Tilly	**France Audit Expertise**
Alexandra Mathieu	Emmanuel Quiniou



20 FINANCIAL INFORMATION ON THE ISSUER'S ASSETS, FINANCIAL POSITION AND PERFORMANCE

20.1 HISTORIC FINANCIAL INFORMATION

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

- The consolidated financial statements for the financial year ended 31 October 2011, prepared in accordance with IFRS/IAS as adopted by the European Union and the report of the Statutory Auditors relating to the consolidated financial statements for the financial year ended 31 October 2011 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 28 February 2012 under number D.12-0112, pages 119 et seq.;
- The consolidated financial statements for the financial year ended 31 October 2012, prepared in accordance with IFRS/IAS as adopted by the European Union and the report of the Statutory Auditors relating to the consolidated financial statements for the financial year ended 31 October 2012 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 27 February 2013 under number D.13-0087, pages 118 et seq.;
- The individual financial statements for the financial year ended 31 October 2011 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2011 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 28 February 2012 under number D.12-0112, pages 172 et seq.;
- The individual financial statements for the financial year ended 31 October 2012 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2012 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 27 February 2013 under number D.13-0087, pages 170 et seq.

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

20.2 FINANCIAL STATEMENTS

20.2.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2013

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT €000 - 31 OCTOBER (EXCEPT PER SHARE DATA)	NOTES	2013	2012	2011
Turnover	22	436 378	450 951	464 304
External purchases and expenses	23	(141 583)	(147 395)	(144 725)
Tax		(19 522)	(19 073)	(19 442)
Personnel expenses	24	(195 166)	(205 960)	(203 619)
Depreciation, amortisation and impairment of fixed assets		(40 733)	(43 547)	(44 825)
Other current operating income and expenses	25	(8 297)	(8 258)	(11 617)
Current operating profit		**31 077**	**26 717**	**40 076**
Other non-current operating income and expenses	25	(2 498)	(1 458)	(4 540)
Gain (loss) on the sale of consolidated investments		9	(436)	1 250
Impairment of non-current assets	5	(11 961)	(15 686)	(7 843)
Non-current operating profit		**(14 450)**	**(17 580)**	**(11 134)**
Operating profit		**16 627**	**9 137**	**28 942**
Financial income (expense)	**26**	**(10 438)**	**(7 997)**	**(13 361)**
Profit before tax		**6 190**	**1 140**	**15 581**
Corporate income tax	28	(6 373)	(5 876)	(10 254)
CVAE tax	28	(3 930)	(3 873)	(3 273)
Profit after tax		**(4 113)**	**(8 609)**	**2 054**
Share in earnings of equity-accounted associates	7	(89)	-	(18)
Total net profit		**(4 203)**	**(8 609)**	**2 036**
o/w Group share		(13 075)	(17 114)	(6 953)
o/w minority interests		8 873	8 504	8 989
Net earnings per share attributable to the Group (*)		**(0,14)**	**(0,18)**	**(0,078)**
Dividend distributed per share		-	-	-
Number of shares on which the earnings per share calculation is based (*)		96 648 161	96 747 249	88 981 902

(*) Number of shares for financial year ended 31 October 2011 based on the weighted average number of shares following the capital increases:
- introduced on 3 May 2011 and finalised on 4 May 2011;
- introduced on 3 May 2011 and finalised on 27 May 2011.

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME €000 - 31 OCTOBER	NOTES	2013	2012	2011
Total net profit		**(4 203)**	**(8 609)**	**2 036**
Change in fair value of financial instruments net of tax (effective portion)		813	(1 636)	-
Other comprehensive income items (*)		(329)	(630)	1 819
Other comprehensive income items (that may be recycled subsequently to net profit)		**484**	**(2 266)**	**1 819**
Other comprehensive income items (that will not be recycled subsequently to net profit)		-	-	-
Total comprehensive income		**(3 718)**	**(10 876)**	**3 855**
Group share of comprehensive income		(12 333)	(19 294)	(6 321)
Minority interest share of comprehensive income		8 615	8 418	10 176

(*) Other comprehensive income items include changes in the Group and non-Group translation reserves of €(71k) and €(258k) respectively in year Y, and €(545k) and €(86k) respectively in year Y-1.
The Notes to the consolidated financial statements are an integral part thereof.

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2013 (NET VALUE)

NET ASSETS IN €000 AT 31 OCTOBER	NOTES	2013	2012	2011
Intangible assets	4	9 050	10 831	10 790
Goodwill on acquisition	5	302 529	318 453	328 859
Tangible fixed assets	6	301 658	326 625	343 859
Investments in equity-accounted associates	7	-	-	-
Other financial non current assets	8	4 405	6 811	4 498
Deferred tax – Assets	28	2 160	2 368	2 379
Other non-current assets	9	2 093	5 360	5 645
TOTAL NON-CURRENT ASSETS		**621 895**	**670 449**	**696 030**
Inventories and semi-finished goods	10	3 119	3 670	3 531
Trade and other receivables	11	30 146	23 158	23 335
Corporate income tax receivables	28	6 980	1 498	3 269
Derivative financial instruments		-	-	102
Other current assets	12	13 206	15 618	14 313
Cash and cash equivalents	13	112 553	126 141	132 029
TOTAL CURRENT ASSETS		**166 004**	**170 086**	**176 579**
Assets held for sale	31	16 376	4 500	2 768
TOTAL ASSETS		**804 275**	**845 035**	**875 376**

LIABILITIES AND EQUITY IN €000 AT 31 OCTOBER	NOTES	2013	2012	2011
Share capital	14	193 631	193 631	193 631
Treasury shares	14	(396)	(169)	(169)
Share premium		9 411	9 411	9 411
Consolidated reserves	14	111 931	128 174	136 784
Translation reserve		2 146	2 217	2 761
Net profit (loss) for the year		(13 075)	(17 114)	(6 953)
GROUP EQUITY		**303 649**	**316 150**	**335 466**
MINORITY INTERESTS	**14**	**30 022**	**30 531**	**32 128**
TOTAL EQUITY		**333 671**	**346 681**	**367 594**
Non-current financial debt	17	198 705	244 895	281 844
Non-current employee commitments	15	10 844	11 006	9 463
Other non-current provisions	16	4 756	5 165	6 360
Deferred tax – Liabilities	28	34 513	32 653	34 356
Other non-current liabilities	18	9 412	7 136	6 795
TOTAL NON-CURRENT LIABILITIES		**258 231**	**300 854**	**338 819**
Derivative financial instruments		-	-	-
Current financial debt	17	73 146	48 391	26 887
Current employee commitments	15	183	134	41
Current provisions	16	2 506	2 317	2 409
Trade and other payables	19	102 773	114 134	100 560
Current tax liabilities	20	28 115	30 726	34 543
Other current liabilities	18	1 678	1 798	1 865
TOTAL CURRENT LIABILITIES		**208 400**	**197 500**	**166 304**
Held for sale liabilities	31	3 973	-	2 660
TOTAL LIABILITIES AND EQUITY		**804 275**	**845 035**	**875 376**

Number of shares in circulation at 31 October 2013 (excluding treasury shares): 96,553,106
Number of shares in circulation at 31 October 2012 (excluding treasury shares): 96,635,325
Number of shares in circulation at 31 October 2011 (excluding treasury shares): 96,796,425

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

CONSOLIDATED CASH FLOW STATEMENT

€000 AT 31 OCTOBER	2013	2012	2011
Total net profit	**(4 203)**	**(8 609)**	**2 036**
Adjustments:			
Elimination of income from equity-accounted associates	89	-	18
Elimination of tax expense (income)	10 303	9 749	13 527
Elimination of depreciation, amortisation and provisions	52 714	58 637	54 828
Elimination of gains and losses on revaluation to fair value	-	(2 195)	(3 019)
Elimination of results on the sale of assets	2 450	355	(1 792)
Elimination of net interest expense (income)	9 396	11 681	15 372
Elimination of dividend income	-	(112)	(107)
Impact of the change in WCR	(13 099)	10 295	6 326
Interest paid	(8 245)	(12 067)	(15 987)
Tax paid	(10 144)	(9 626)	(13 818)
Cash flow from operating activities	**39 262**	**58 107**	**57 384**
Acquisition of investment securities net of cash acquired	(244)	(1)	(200)
Disposal of consolidated companies, less cash sold	194	(174)	1 196
Impact of other changes in consolidation scope	(7)	-	(151)
Acquisition of intangible assets	(317)	(2 096)	(1 674)
Acquisition of property and equipment	(24 088)	(33 621)	(28 505)
Acquisition of financial assets	-	(1 971)	(67)
Loans and advances granted	(902)	(865)	(571)
Disposal of intangible assets	23	-	
Disposal of property and equipment	2 611	766	2 094
Disposal of financial assets	18	-	50
Reimbursements received from loans	648	490	607
Interest received	310	379	609
Dividends received	-	112	107
Net cash flow from investing activities	**(21 753)**	**(36 981)**	**(26 505)**
Capital increase subscribed by minority interests (*)	-	-	30 597
Net disposal of treasury shares	(59)	-	-
Loans issued	427	-	-
Bank loans reimbursed	(13 528)	(23 594)	(28 458)

€000 AT 31 OCTOBER	2013	2012	2011
Other financial debts reimbursed	(781)	(852)	(1 160)
Non-available deposit on asset sale	(8 000)	8 000	-
Dividends paid to minority shareholders	(9 067)	(9 910)	(8 573)
Cash flow from financing activities	**(31 009)**	**(26 356)**	**(7 594)**
Impact of foreign exchange rates	(12)	(683)	1 089
Change in cash and cash equivalents	**(13 512)**	**(5 913)**	**24 374**
Opening cash position	**126 057**	**131 970**	**107 596**
Closing cash position	**112 544**	**126 057**	**131 970**

(*) Gross values before allocation of capital increase expenses (€606k for 2011).

The comments on the cash flow statement are presented in Note 27.

The closing cash position of €112,544k plus accrued interest not received, i.e. €9k corresponds to the item "Cash and cash equivalents under assets", i.e. €112,553k.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€000	CAPITAL	TREASURY SHARES	SHARE PREMIUM	CONSOLIDATED RESERVES AND NET PROFIT FOR THE YEAR	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Equity at 31 October 2010 (restated) (*)	**163 640**	**(37)**	**9 411**	**137 415**	**2 129**	**312 558**	**29 961**	**342 519**
Net profit for 2011 financial year	-	-	-	(6 953)	-	(6 953)	8 989	2 036
Other comprehensive income items	-	-	-	-	633	633	1 186	1 819
Comprehensive income	**-**	**-**	**-**	**(6 953)**	**633**	**(6 320)**	**10 175**	**3 855**
Distribution of dividends	-	-	-	-	-	-	(8 573)	(8 573)
Capital increases (**)	29 991	-	-	-	-	29 991	-	29 991
Other movements	-	(132)	-	(631)	-	(763)	565	(198)
Equity at 31 October 2011	**193 631**	**(169)**	**9 411**	**129 831**	**2 761**	**335 465**	**32 128**	**367 594**
Net profit for 2012 financial year	-	-	-	(17 114)	-	(17 114)	8 504	(8 609)
Change in fair value of financial instruments net of tax (effective portion)	-	-	-	(1 636)	-	(1 636)	-	(1 636)
Other comprehensive income items	-	-	-	-	(545)	(545)	(86)	(630)
Comprehensive income	**-**	**-**	**-**	**(18 750)**	**(545)**	**(19 294)**	**8 418**	**(10 876)**
Distribution of dividends	-	-	-	-	-	-	(10 318)	(10 318)
Other movements	-	-	-	(21)	-	(21)	302	281
Equity at 31 October 2012	**193 631**	**(169)**	**9 411**	**111 060**	**2 217**	**316 150**	**30 531**	**346 681**

€000	CAPITAL	TREASURY SHARES	SHARE PREMIUM	CONSOLIDATED RESERVES AND NET PROFIT FOR THE YEAR	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Net profit for 2013 financial year	-	-	-	(13 075)	-	(13 075)	8 873	(4 203)
Change in fair value of financial instruments net of tax (effective portion)	-	-	-	813	-	813	-	813
Other comprehensive income items	-	-	-	-	(71)	(71)	(258)	(329)
Comprehensive income	**-**	**-**	**-**	**(12 262)**	**(71)**	**(12 333)**	**8 615**	**(3 718)**
Distribution of dividends	-	-	-	-	-	-	(9 068)	(9 068)
Other movements	-	(227)	-	58	-	(168)	(55)	(224)
Equity at 31 October 2012	**193 631**	**(396)**	**9 411**	**98 856**	**2 146**	**303 649**	**30 022**	**333 671**

(*) See Note 2.

(**) 2011: Net values, net of the expenses of the share capital increase (€606k).

Comments on the changes in consolidated shareholders' equity as of 31 October 2013 are available in Note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

GENERAL PRESENTATION

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

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

Groupe Partouche, the company and its subsidiaries, are organised around the casino, hospitality and online gaming businesses. The consolidated financial statements were approved for publication by the Executive Board of Groupe Partouche SA on 27 January 2014.

Pursuant to French legislation, the consolidated financial statements for the financial year ended 31 October 2013 will be subject to the approval of the shareholders of the Group at the Shareholders' Meeting convened for 24 April 2014.

NOTE 1. KEY EVENTS DURING THE FINANCIAL YEAR

▸ Initiation of Safeguard Procedure for holding company Group Partouche SA

During fiscal year 2013, the risk arose that Groupe Partouche might not satisfy one of the financial ratios included as a covenant in its Natixis-led syndicated bank loan agreement. Because a breach of this covenant had the potential to result in premature termination of the loan, negotiations were opened with the syndicate of banks to see if it could be restructured. These negotiations did not have the desired result.

Consequently, on 20 September 2013, Groupe Partouche petitioned the Paris commercial court to initiate a Safeguard Procedure pursuant to Article L.620-1 of the French Commercial Code.

On 30 September 2013, the Paris commercial court ruled to initiate a Safeguard Procedure for Groupe Partouche, with a six-month observation period ending on 30 March 2014.

During the observation period, Groupe Partouche will be able to assess the challenges facing it, while continuing to operate, thus allowing for the preparation of a safeguard plan.

For more information on the Safeguard Procedure and associated financial risks, please refer to section 4.1.1 "Risk related to the Safeguard Procedure (Procédure de sauvegarde)" of the Annual Report and the notes to the consolidated financial statements (particularly Note 32 "Post balance sheet events and transactions in progress").

Group Partouche is required to submit its proposals to the insolvency authorities (administrateur judiciaire) by end-February 2014.

As of the date on which these financial statements were approved for publication, even though there is no reason to suggest that a safeguard plan will not work, some uncertainty does exist as to whether the Group will be able to continue operating. If the Safeguard Procedure fails, the Group may not be able to realise its assets and extinguish its liabilities in the normal course of business.

The Safeguard Procedure initiated by Groupe Partouche SA has no impact on the consolidated financial statements, which have been approved for publication on a going concern

basis. Debts frozen until the end of the observation period (30 March 2014) are broken down into current and non-current according to the maturity schedules standing prior to the initiation of the Safeguard Procedure.

Schedule of debts frozen after initiation of the Safeguard Procedure for the consolidating company, Groupe Partouche SA, at 30 September 2013:

	AMOUNT	EXCLUDING RELATED PARTIES	INCLUDING RELATED PARTIES
Bank loans and overdrafts (*)	234 458	234 458	-
Sundry loans and debts (*)	31 557	-	31 557

(*) See Note 17.

▸ Interactive Division

The Interactive Division had a transitional financial year in line with the strategic reorientation announced in September 2012 (see section 6.1.3 of this Reference Document), notably involving the end of the Group's online poker business in France in June 2013. The division's turnover was up, despite the cessation of Partouche Gaming France operations, thanks to a €2m+ one-off transaction by Partouche Technologies. The Interactive Division improved its current operating profit by €5.3m with savings in external expenses and personnel costs.

▸ Changes in scope

The few changes which occurred in the Group's scope of consolidation during fiscal year 2013 were minor. They most notably included:

The addition of CKO Betting Ostende

In order to include sports betting with our online gaming services in Belgium, according to the Belgian gaming commission, we needed a specific gaming licence. A new company that had one of these licences was thus acquired at the end of Q1 2013. The company is called CKO Betting Ostende. It records the cash flows from the sports betting business in Belgium, which is operated by Bwin under a partnership agreement.

Use of the equity method to account for Partouche Interactive Malta

During the first half of the year, Partouche Interactive sold 50% of its share in the capital of Partouche Interactive Malta, which was not active at the time, and entered into an agreement permitting the buyer to use its Maltese sports betting licence. As Groupe Partouche Interactive now only exercises significant influence over Partouche Interactive Malta, the latter is accounted for using the equity method.

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

REGULATORY FRAMEWORK

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

The financial information was prepared for the periods presented in compliance with the rules of measurement and recognition under IFRS.

IFRSs, as adopted by the European Union at 31 October 2013, are available under the IAS/IFRS and SIC-IFRIC interpretations adopted by the Commission on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm (IFRS/IFRIC Standards and Interpretations - International Financial Reporting Interpretations Committee).

IFRS and interpretations of the IFRS Interpretations Committee (formerly IFRIC)

The accounting policies and valuation methods applied for preparing the consolidated financial statements are the same as those used at 31 October 2012, except for new EU-adopted standards and interpretations that came into force at the beginning of the financial year under review.

Standards and interpretations applied by the Group, as of 1 November 2012

▸ Amendment to IAS 1 – Presentation of financial statements – Presentation of other items of comprehensive income

The application of this amendment to IAS 1 is without bearing on the consolidated financial statements at 31 October 2013.

Standards and interpretations adopted or in the process of being adopted by the European Union and not pre applied by the Group as of 1 November 2012:

- **Amendments to IAS 12 – Income taxes – Deferred tax: recovery of underlying assets** (effective 1 November 2013);
- **Revised IAS 19 – Employee benefits – Defined benefit plans** (effective 1 November 2013);
- **Amendments to IFRS 7 – Financial instruments: disclosures - Offsetting financial assets and financial liabilities** (effective 1 November 2013);
- **Amendments to IAS 32 – Financial instruments: presentation - Offsetting financial assets and financial liabilities** (effective 1 November 2014);
- **IAS 27 (2011) – Separate financial statements** (effective 1 November 2014);
- **Revised IAS 28 – Investments in associates and joint ventures** (effective 1 November 2014);

- **IFRS 10 – Consolidated financial statements** (effective 1 November 2014);
- **IFRS 11 – Joint arrangements** (effective 1 November 2014);
- **IFRS 12 – Disclosure of interests in other entities** (effective 1 November 2014);
- **IFRS 13 – Fair value measurement** (effective 1 November 2014);
- **IFRS 9 – Financial instruments** (Phase 1 – Classification and measurement of financial assets, and supplement – Fair value option for financial liabilities) (effective 1 November 2015).

Groupe Partouche is currently analyzing the potential impact that applying these standards and amendments has on its statement of comprehensive income, balance sheet, cash flows and notes to the consolidated financial statements. No material impact is expected at this time, except as regards the application of IAS 19 (revised).

Assessment of the expected impact of applying IAS 19 (revised)

Every year, the Group determines and records a provision for post employment obligations arising on defined benefit plans. The provision is computed annually using the projected unit credit method (see the section on employee benefits for more about valuation methods) and broken out into current and non current portions. Changes flow through profit and loss for the year.

Starting with the next financial year, which begins on 1 November 2013, in accordance with IAS 19 (revised), annual changes to this provision will be recognized partially in net profit or loss and partially in equity (items of other comprehensive income that may be recycled subsequently to net profit), depending on the various components of the defined benefit cost:

- Recognized in net profit or loss:
  - current/past service cost for the period,
  - net interest on the net defined benefit liability or asset;
- Recognized directly in equity (items of other comprehensive income that may be recycled subsequently to net profit):
  - remeasurements of the net defined benefit liability or asset, including actuarial gains and losses.

For information purposes, below is a summary of the impact that application of IAS 19 (revised) would have had on the separate financial statements published for financial years 2012 and 2013:

PROVISIONS FOR LIABILITIES ON THE CONSOLIDATED BALANCE SHEET €000	2013	2012	CHANGE 2013 VS 2012	2011	CHANGE 2012 VS 2011
Non-current portion	10 844	11 006	(162)	9 463	1 543
Current portion	183	134	49	41	93
Total provision on the balance sheet	**11 027**	**11 140**	**(113)**	**9 505**	**1 636**
IFRS 5 liabilities included	104	-	104	-	-
Total impact of the provision	**11 131**	**11 140**	**(9)**	**9 505**	**1 636**

CHANGE FOR THE YEAR €000	CHANGE 2013 VS 2012	CHANGE 2012 VS 2011
Change in net profit for the year	401	541
Change for the year in equity (comprehensive income)	(410)	1 095
Year on year change	**(9)**	**1 636**

ACCOUNTING JUDGMENTS AND ESTIMATES

1. PREPARATION PRINCIPLES

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

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

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

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

Preparing the financial statements requires Groupe Partouche to perform estimates and make assumptions liable to have an impact both on the amounts of assets, liabilities, income and expenses and the information provided in the notes to the financial statements. The estimates and assumptions are realised based on comparable historic data and other factors considered to be reasonable in view of the circumstances. They are therefore used as a basis to exercise judgment ren-

dered in determining accounting values. The Group's management reviews these estimates and assumptions continually in order to ensure their pertinence with regard to the current economic environment. Based on the evolution of these assumptions, the items included in its financial statements may differ from current estimates. The impact of changes in accounting estimates is recognised during the period of the change and all affected future periods.

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

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

The financial statements reflect management's best estimates, on the basis of the information available to them on the date that the financial statements were approved for publication.

2. CHANGE IN THE ACCOUNTING ESTIMATE OF GOODWILL IMPAIRMENT IN 2010

As mentioned in the update of the 2009 Reference Document, which was published in July 2010, the multiple of the GGR that is used in the fair value method, which is used for the tests of goodwill amortisation, is becoming increasingly difficult to corroborate. The absence of recent comparable transactions led Groupe Partouche to no longer base its estimates on the fair value method (which uses comparable multiples), but instead only to use the value in use method, which is based on discounted cash flows.

The effect of this change on the accounting estimate was additional goodwill impairment of €46.8m, which was included in the total impairment of €71.2m as booked in respect of the 2010 financial year.

The method used for the impairment tests is shown below, in the section on accounting principles and valuation methods of intangible assets applied by the Group.

3. ERROR CORRECTIONS RECOGNISED IN 2011: ACCOUNTING TREATMENT OF REGIONAL ECONOMIC CONTRIBUTION (CET)

As of 1 January 2010, the taxe professionnelle [French local business tax] was replaced by a new tax, the regional economic contribution (CET), itself made up of two taxes:

- the cotisation foncière des entreprises [French Businesses' Real Estate Contribution] (CFE) based on the property rental values;
- the cotisation sur la valeur ajoutée des entreprises [French Company Added Value Contribution] (CVAE). The CVAE rate is progressive according to income with a maximum of 1.5% of the added value for turnover exceeding €50m.

In the financial statements for the year ended 31 October 2011, the company opted to record the CVAE as a corporate income tax expense, considering that the CVAE should be construed as a corporate income tax as defined in IAS 12. This correction was retrospectively applied in accordance with IAS 8, leading to the restatement of the financial statements for the year ended 31 October 2010.

The restatement of CVAE as at 31 October 2010 gave rise to the recognition of a deferred CVAE tax liability of €3,516k on the timing differences identified (equating to 1.5% of the eligible tax bases) and a deferred corporate income tax asset of €1,172k (equating to 33.33% of the deferred CVAE tax liability). The effects on the 2010 and 2011 financial years are set out in the 2011 Annual Report.

CONSOLIDATION METHODS

The consolidated financial statements include the financial statements of Groupe Partouche SA and its subsidiaries and associates in which it directly or indirectly exercises exclusive control, joint control or significant influence.

1. EXCLUSIVE CONTROL

Exclusive control is deemed to hold when the Group owns more than half of an entity's voting rights. However, exclusive control may also be considered to hold if the Group owns less than 50% but has the power to direct an entity's financial and operational policy and by doing so derive benefit from the entity's business activities.

The accounts of exclusively controlled entities are fully consolidated. Full consolidation implies the integration of all assets, liabilities, income and expenses. The share of net assets and earnings attributable to minority interests is presented separately under non controlling interests in the consolidated balance sheet and income statement.

2. JOINT CONTROL

Entities owned by the Group in which the power to direct financial and operational policy is contractually shared with one or more parties, none of which exercises sole effective control, are proportionately consolidated.

3. SIGNIFICANT INFLUENCE

Other companies, known as associates, in which the Group exercises significant influence (assumed for an ownership interest of more than 20% or based on evidence for an owernship interest of less than 20%), are accounted for using the equity method.

In accordance with this method, the investment is initially recognised at cost. The carrying amount is thus increased or decreased to recognize the portion attributable to the investor in the earnings of the entity owned after the acquisition date.

Goodwill relating to these entities is included in the carrying amount of the investment.

4. CHANGES IN THE SCOPE OF CONSOLIDATION

Subsidiaries are included in the scope of consolidation as of the date on which control effectively transfers to the Group. Disposals are excluded from the scope of consolidation as of the date on which control is relinquished.

Business combinations are recognised under the acquisition method as provided by IFRS 3.

5. CHANGE IN THE PERCENTAGE OF INTERESTS HELD IN COMPANIES WITHOUT THE LOSS OF CONTROL

Under IAS 27 (revised), in the event that additional shares in a subsidiary are acquired, the difference between the price paid and the carrying amount of the acquired minority interest, as determined from the financial statements prior to the acquisition, is deducted from consolidated equity.

6. ACCOUNTING TREATMENT OF CALL OPTIONS ON MINORITY INTERESTS

Under IFRS, call options on minority interests are recorded within Current financial debt under Current financial instruments in the balance sheet. Pursuant to IAS 27 (revised), the balancing entry relating to these future transactions between shareholders is recognised under equity.

FOREIGN CURRENCY TRANSLATION METHODS

1. TRANSLATION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

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

Foreign companies' financial statements are initially prepared in each subsidiary's functional currency. Balance sheet items are translated into euros on the basis of the exchange rates prevailing at the balance sheet date. Equity items are translated on the basis of the historical exchange rates, with translation differences from the previous financial year being aggregated under the heading "translation differences" included in the statement of comprehensive income.

The income statement and cash flow headings are translated using average rates during the financial year.

2. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Receivables and payables expressed in foreign currencies are translated on the basis of the exchange rate prevailing at the balance sheet date. Income, expenses and transaction flows are translated on the basis of the exchange rate prevailing at the date they were recognised. The gains and losses resulting from the translation of the assets and liabilities are listed in the income statement.

3. MAIN CONVERSION RATES

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

CURRENCIES / EURO	CLOSING RATE 31/10/2013	AVERAGE RATE 31/10/2013	CLOSING RATE 31/10/2012	AVERAGE RATE 31/10/2012	CLOSING RATE 31/10/2011	AVERAGE RATE 31/10/2011
USD US dollar	**1,3641**	**1,31787**	1,2993	1,2922	1,4001	1,39294
CHF Swiss franc	**1,2333**	**1,227410**	1,2076	1,208958	1,2191	1,24783
TND Tunisian dinar	**2,2337**	**2,11981**	2,03476	1,9923	1,95153	1,977353
EGP Egyptian pound	**9,4007**	**8,897060**	7,942112	7,81364	8,349356	8,23048
GBP Pound sterling	**0,8502**	**0,84456**	0,80645	0,818210	0,8731	0,86788

STRUCTURE OF THE CONSOLIDATED BALANCE SHEET

In accordance with IAS Presentation of Financial Statements, the Group breaks out its assets and liabilities in the balance sheet into current and non current. "Current" means:

- the Group expects to realize the asset or settle the liability within 12 months or in its normal operating cycle;
- if the assets and liabilities in question are held for the purpose of trading.

IAS 12 Income Taxes requires that deferred tax be classified as non current.

INTANGIBLE ASSETS

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

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

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

1. DETERMINATION OF GOODWILL

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

Goodwill is the difference between the acquisition cost of shares and the Group's share in the fair value of any identifiable assets and liabilities. Under the previous standard IFRS 3, all of the expenses representing external costs directly related to the acquisition are included in the acquisition cost. Most of the goodwill has been generated by external growth operations. However, as of financial year ended 31 October 2010, and where no change in control has occurred, this difference is recorded directly as a reduction in equity, in accordance with IAS 27 (revised). Goodwill is accounted for in the functional currency of the acquired entity and is converted in the consolidated financial statements according to the rules of conversion as previously defined.

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

2. IMPAIRMENT TESTING OF GOODWILL

Goodwill is not amortised, but is subject to impairment tests annually or more frequently if there is any indication of identified impairment in value. Besides external indicators that measure any loss in value related to the economic climate, the Group mainly uses changes in the following internal indicators: Gross Gaming Revenue, turnover and EBITDA.

For the purposes of carrying out impairment testing, each goodwill item is allocated to a cash generating unit (CGU) representing the lowest level at which goodwill is monitored for the purposes of monitoring for internal management purposes. Monitoring the value of goodwill falls within the scope of application of paragraph 135 of IAS 36.

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

The recoverable value of a CGU is determined as the higher of the value in use and the fair value (less disposal costs).

The value in use of a CGU is determined by discounting the future cash flows generated by its assets. The data used for the value in use method is extracted from the annual budgets and multi-annual plans drawn up by management for a period of five years. Beyond this period, a terminal value corresponding to the value of the CGU at the end of the explicit projection period was calculated using the capitalisation, for an unlimited time, of normative cash flows, taking into consideration a specific forecast long-term growth rate for each business segment. The forecast cash flows and the terminal value have been discounted to present value at the assessment date using a discount rate equal to the weighted average cost of capital (WACC), including a risk premium for each business segment.

Should the tests, once performed, yield a loss in value, the impairment is deducted from goodwill. It is charged to «Impairment of non-current assets» under current operating profit. Under IFRS as adopted by the European Union, a recorded impairment of goodwill can never be reversed.

3. IMPAIRMENT SENSITIVITY TESTS

For each CGU, the Group performs impairment sensitivity tests on goodwill, referring to the following two parameters:

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

The Group also carries out an analysis of the sensitivity of impairment testing to the budget forecast assumptions it uses:

- «Turnover» indicator;
- «EBITDA» indicator.

TANGIBLE FIXED ASSETS

1. EVALUATION

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

Borrowing costs directly attributable to the acquisition, construction or production of certain assets until the date on which they are brought into service are recognised in addition to the value of the corresponding asset.

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

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

2. DEPRECIATION METHOD AND PERIOD

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

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

Buildings - structures	20 to 50 years
Buildings - fluids	15 to 20 years
Buildings - fittings	8 to 15 years
Equipment, fixtures and fittings	5 to 10 years
Other fixed assets	3 to 7 years

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

The residual values and useful lives of the assets are reviewed and, where applicable, are adjusted at the balance sheet date. The carrying amount of an asset is immediately impaired to bring it in line with its net realisable value when the carrying amount of the asset is higher than its estimated net realisable value.

Gains and losses on disposal are determined by comparing the proceeds on sale with the carrying amount of the asset sold. They are recognised in the income statement under "Other current operating income and expenses", or "Other non-current operating income and expenses" based on the principles described above.

FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available for sale financial assets. The classification depends on the reasons underlying the acquisition of the financial assets. Management determines the classification of its financial assets on their initial recognition and reviews it at each accounting close.

1. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial asset is classified in this category if it is acquired primarily for the purpose of being sold in the near term or has been designated as such by Management. Derivatives are designated as held for trading, except where they are qualified hedge accounting transactions. All of the derivatives held by the Group are designated as hedges. Assets attached to this category are classified under current assets when they are held for trading, or where they are expected to be realised within twelve months following the accounting close.

2. ASSETS HELD TO MATURITY

Assets held to maturity are non derivative financial assets other than loans and receivables having a fixed settlement term, whose payments are determined or determinable and which the Group plans and has the capacity to hold until maturity. These assets are initially recognised at fair value and then at amortised cost in accordance with the effective interest rate method. They are subject to impairment tests where there is an indication of losses of value. An impairment loss is recognised if the carrying amount is higher than the estimated realisable value.

3. LOANS, RECEIVABLES AND DEBT ISSUED BY THE COMPANY

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included under current assets, except those falling due within more than twelve months after the balance sheet date, which are classified under "Other non-current financial assets".

4. AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets are derivatives relating to this category or those which do not fall within another category. They are included under non-current assets unless Management intends to sell such assets within 12 months following the balance sheet date.

Investments in equity instruments in which the Company owns less than 20% of the shares in circulation or the voting rights of the issuing entity, and which are neither controlled by, nor under the significant influence of the Company, are classified as available for sale financial assets and are recognised under «Other non-current financial assets" within non-current assets. Quoted instruments are measured at fair value and changes in fair value taken directly to equity. Non-quoted instruments are recognised as follows:

- if the fair value of the unquoted instruments is determinable by valuation techniques that are appropriate to the type of security, they are recognised at fair value and the changes in fair value are taken directly to equity;
- if the fair value cannot be determined reliably, the instruments are measured at cost.

Gains and losses recognised on the sale of equity investments are recognised in the consolidated income statement. Any impairment loss representing a non-permanent impairment loss is recognised in the period in which such a loss of value arose. At each balance sheet date, the Group measures the impairment in value of a financial asset or a group of financial assets if there is an indication of a loss of value of a financial asset or a group of financial assets.

INVENTORIES AND SEMI-FINISHED GOODS

Inventories are stated at their acquisition cost. The costs of inventories sold are determined on the basis of the first-in-first-out method. An impairment loss is recognised when the carrying amount of inventories is higher than their net realisable value.

RECEIVABLES AND OTHER DEBTORS

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

DEFERRED TAX

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

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

Deferred tax is calculated by applying the most recent tax rate enacted at the balance sheet date applicable to the period in which temporary differences reverse.

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

All deferred tax liabilities are recognised unless the tax results from the initial recognition of goodwill.

In accordance with paragraph 39 of IAS 12, the Group did not recognise a deferred tax liability relating to the difference between the book value of equity-accounted investments and their tax bases.

In accordance with IAS 12, deferred taxes are classified as non-current assets and liabilities.

CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes cash at bank and in hand as well as all immediately available short-term investments.

These investments are made in SICAV-type or FCP-type mutual fund units, the value of which is not subject to changes in stock market prices and which can be converted easily into a cash amount subject to negligible risk of change in value.

Cash and cash equivalents are financial assets held for trading and are valued at their fair value. Changes in value are recorded as results from financial items.

Cash presented in the consolidated cash flow statement includes cash and cash equivalents such as defined above, net of current bank overdrafts, which are an integral part of the Group's cash management.

Pursuant to IAS 7, the amount of significant cash and cash equivalents balances held which are not available for the Group is disclosed in Note 17.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Pursuant to IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, an asset is classified as held for sale only if the sale is highly probable within a reasonable time frame, the asset is available for immediate sale in its current condition and management is committed to a plan to sell.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

a) represents either a separate major line of business or a geographical area of operations;

b) or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;

c) or is a subsidiary acquired exclusively with a view to resale.

FINANCIAL DEBT

Financial debt is recognised at face value, net of related issuing costs and premiums. Subsequently, these borrowings are recognised at amortised cost using the effective interest-rate method, the difference between cost and repayment value being recognised in the income statement over the term of the borrowings.

The cost of net financial debt includes interest payable on borrowings calculated using the effective interest-rate method, interest receivable on investments, and income from other dividends.

Income from interest is recognised in the income statement when it is acquired, using the effective interest-rate method.

Income from dividends is recognised in the income statement when the Group acquires the right to collect the payments.

Financial debt is classified under current liabilities unless the Group has the unconditional right to defer the settlement of the debt at least twelve months after the balance sheet date, in which case those debts are classified as non-current liabilities.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised at their fair value. They are then remeasured to fair value. The method of accounting for the related profit or loss depends on whether the derivative is designated as a hedging instrument and, as applicable, the nature of the hedged item.

The Group uses cash flow hedges to manage risks on financial flows related to floating-rate borrowings.

According to IAS 39, the application of hedge accounting requires the company to demonstrate and document the effectiveness of the hedging relationship upon its establishment and throughout its life. The effectiveness of the hedge with respect to accounting is verified by the relationship among changes in value of the derivative and of the underlying hedged asset.

Derivative instruments are recognised in the balance sheet for their market value at the closing date. The market value is established by reference to market data and according to commonly used models. The measurement of financial instruments is substantiated by two independent valuations.

In the case of hedging future interest expense, the hedged financial debt continues to be recognised at amortised cost, with the change in value of the effective portion of the hedging instrument being recorded in equity within comprehensive income (items that may be recycled subsequently to net profit).

The change in value of the ineffective portion of hedging instruments is recorded in the result from financial items.

When a hedging instrument reaches maturity or is sold, or when a hedge no longer meets the criteria for hedge accounting, the gains and losses accumulated on that hedging instrument and recorded in equity (comprehensive income) during the period of effective hedging remain in equity and are not reclassified to income unless earnings are affected by the hedged item.

PROVISIONS

A provision is established when, at the closing date, the Group has an obligation resulting from a past event that is likely to result in an outflow of resources representing future economic benefits, the amount of which may be estimated reliably.

The obligation may arise from an agreement or from legal or regulatory provisions or from any established legal precedent, or it may be implicit since, through its past practices, its stated policy or a recent, sufficiently explicit statement, the Group created a reasonable expectation among third parties that it will assume this liability.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the closing date. If the amount of the obligation cannot be evaluated with sufficient reliability, no provision is recognised.

If the effect of discounting is significant, the amount of the provision recognised relates to the discounted value of the expenditures that the Group expects to have to incur to settle the corresponding obligation.

In determining the possible outcomes of tax risks and litigation, Management uses as its basis the assessment performed by external consultants who have knowledge of each of the related issues and jurisprudence.

EMPLOYEE BENEFITS

1. RETIREMENT PLANS

The Group has set up various defined-contribution or defined-benefit retirement plans.

The provision recognised in the balance sheet for defined benefit plans relates to the discounted value of the commitment for defined benefits at the closing date, less the fair value of the plan's assets at that date, adjusted for unrecognised actuarial gains or losses, and less the cost of past service. The provision relating to defined-benefit plans is calculated annually according to the projected unit of credit method.

The discounted value of commitments under defined-benefit plans is determined by discounting future disbursements with a market rate at the closing date based on first-class corporate bonds, corresponding to the currency and to the estimated schedule of benefit payments.

For defined-contribution plans, the Group pays contributions to private or public insurance companies on a mandatory, contractual or voluntary basis. The Group's commitments are limited to contributions paid. Contributions are recorded in expenses when they are due. Contributions paid in advance are deferred to assets insofar as the payment in advance will result in a decrease in future payments or a cash reimbursement.

2. OTHER POST-EMPLOYMENT BENEFIT PLANS

Nearly all employees of the Company are covered by health insurance plans and life insurance plans financed by the public authorities. Consequently, the Company has no significant commitment in respect of its employees in terms of post-employment benefits other than retirement benefits; as a result, no provision has been established to this effect.

3. TERMINATION BENEFITS

Termination benefits are employee benefits payable as a result of either the Group's decision to terminate an employee's employment contract before the normal retirement date or an employee's decision to accept benefits in connection with a voluntary redundancy. The Group recognises these termination benefits when it is demonstrably committed either to terminate the employment contract of a staff member in accordance with a detailed official plan without any real possibility of withdrawal or to grant termination benefits as a result of an offer made to encourage voluntary redundancy.

INCOME FROM ORDINARY ACTIVITIES

Consolidated turnover recognised for the Group corresponding to income from ordinary activities as defined under IAS 18 mainly includes income generated by the following activities:

- Net gaming revenue;
- Sales of services.

Turnover is recognised on the accrual basis for net gaming revenue or in relation to the degree of completion for sales of services and lease agreements, provided that a contract exists between the parties, that the price is fixed or may be determined and that the corresponding receivable is likely to be recovered. Turnover is measured at the fair value of the consideration received or to be received.

1. NET GAMING REVENUE

This item corresponds to gross gaming revenue, less the corresponding gaming levies, in accordance with the chart of accounts for casinos. Net gaming revenue is known and recognised when the service is performed.

2. SALES OF SERVICES

Turnover generated by sales of services includes proceeds arising from restaurant, hotel and entertainment activities constituting the full range of leisure services provided to the clientele of the Group's establishments in addition to gaming activities.

LEASE AGREEMENTS

The lease agreements referenced at the level of the Group as a whole are in large part operating leases under which the lessor retains a significant portion of the risks and benefits inherent in ownership of the asset under lease. Payments made under these leases are recognised in expenses on a straight-line basis over the term of the leases. Only significant finance-lease agreements for fixed assets are restated. They give rise to recognition of an asset, the leased property, and a liability, the financial debt. These assets are depreciated in accordance with the schedule defined by the Group in respect of the fixed assets concerned.

OPERATING PROFIT

In order to aid in the understanding of its financial performance, the Group considers that it is pertinent to divide its operating profit into two components on its income statement: current operating profit and non-current operating profit.

1. CURRENT OPERATING PROFIT (COP)

Current operating profit combines all of the income and expenses directly related to the Group's businesses to the extent that these items are recurring, usual items of the operating cycle or that they result from ad hoc events or decisions related to the Group's operations. This indicator used by the Group allows for the presentation of a level of operating performance able to facilitate a forward-looking approach to recurring performance. This aggregate is the operating profit before impairment of goodwill and other non-recurring operating income and expenses defined as follows: net gains/losses from the disposal of assets and exceptional items, income and expenses which are unusual in their frequency, nature or amount.

2. NON-CURRENT OPERATING PROFIT (NCOP)

Non-current operating profit comprises all non-current events that are not usually part of the operating cycle: it therefore comprises impairments of fixed assets, the net gain or loss from the sale of consolidated investments, the net gain or loss on the sale of assets or other non-current operating income and expenses that are not related to the normal operating cycle.

CONSOLIDATED EBITDA

Consolidated EBITDA comprises the income and expense items constituting current operating profit (as defined in the interim and annual financial statements of Groupe Partouche), excluding depreciation and amortisation (allocations and reversals) and provisions (allocations and reversals) relating to the operating cycle and one-off items relating to the Group's activities that are included under current operating profit but are excluded from EBITDA given their exceptional nature.

Note 21 shows the transition from current operating profit to EBITDA.

SEGMENT INFORMATION

In application of IFRS 8 Operating Segments, the segments determined by the Group consist of a grouping by company based on a common activity, as follows:

- Casinos;
- Hotels;
- Interactive;
- Other activities.

With regard to casino subsidiaries, the Group believes that its operating companies have a unique activity contributing to a global service offering for its customers.

Several restrictions are attached to the operation of casinos, which, according to gaming regulations, are establishments comprising three distinct activities: gaming, entertainment and food services, together under a single management structure. The operating requirements to be followed therefore include ancillary services necessarily incidental to the main activity, gaming. However, calls for tenders from local governments more and more often include the obligation to provide hotel services.

Geographic segment information in the notes is based on a breakdown of turnover by geographic regions in which the Group operates.

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

SPECIFICITIES OF THE GROUP'S ACCOUNTING RULES

1. The chart of accounts for casinos (Order of 27 February 1984) involves the application of particular rules with respect to capital subsidies arising from the applicable levy.

The applicable levy relates to the additional revenue earned by the casinos using the progressive levy scale (26 August 2009), 50% of which must be earmarked for capital investment designed to improve tourist facilities, as provided by Decree. The capital subsidies appearing in equity of the subsidiaries' individual company financial statements are, depending on their scheduled due date, recorded in the line item "Other current liabilities" or in the line item "Other non-current assets" in the consolidated balance sheet.

2. Groupe Partouche sets aside provisions for progressive jackpots at the end of the financial year. This provision is recognised in the line item "Current provisions" in the consolidated balance sheet. The jackpot provision is calculated at the closing date on the basis of the jackpot amount displayed on all progressive slot machines, minus the amounts at the start of the period for each of these jackpots in addition to the amount saved in levies relating to the jackpot payout.

3. In order to comply with an interpretation of the chart of accounts applicable to spa resort casinos, Groupe Partouche casinos has not accounted for the inventory face values of coins and chips under cash at bank and in hand and other liabilities. Only coins and chips in circulation are recorded under "Trade and other accounts payable" in the consolidated balance sheet.

NOTE 3. CHANGES IN THE SCOPE OF CONSOLIDATION

Groupe Partouche SA's consolidated financial statements, prepared at 31 October 2013, include the financial statements of the companies listed in Note 34.

The table below summarises the number of entities consolidated by the full consolidation, proportional consolidation and equity methods.

	2013			2012			2011		
Number of companies	FRANCE	EURO AREA (EXCLUDING FRANCE)	OTHER COUNTRIES	FRANCE	EURO AREA (EXCLUDING FRANCE)	OTHER COUNTRIES	FRANCE	EURO AREA (EXCLUDING FRANCE)	OTHER COUNTRIES
Fully consolidated companies	90	13	8	92	13	8	94	13	8
Proportionally consolidated companies	-	-	-	-	-	-	-	-	-
Equity-method companies	-	1	1	-	-	1	2	-	1
TOTAL	**90**	**14**	**9**	**92**	**13**	**9**	**96**	**13**	**9**

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

ADDITIONS TO THE CONSOLIDATION SCOPE

In order to include sports betting with our online gaming services in Belgium, according to the Belgian gaming commission, we needed a specific gaming licence. A new company that had one of these licences was thus acquired at the end of Q1 2013. The company, now called CKO Betting Ostende, records the cash flows from the sports betting business in Belgium.

CHANGE IN PERCENTAGE INTEREST AND CONTROL

COMPANIES	CONTROL 2013	INTEREST 2013	CONTROL 2012	INTEREST 2012	CONTROL 2011	INTEREST 2011
CINÉMA ÉLYSÉE VICHY	-	-	-	-	99,98	91,81
GRASSE	-	-	-	-	49,96	49,74
SCI DE GRASSE	-	-	-	-	50,00	49,77
PORT BARCARÈS	-	-	-	-	97,30	97,30
GIE CEC	-	-	100,00	100,00	100,00	100,00
SCI LYDIA	-	-	97,00	97,00	97,00	97,00
FORGES-LES-EAUX	59,50	59,50	59,48	59,48	59,48	59,48
VICHY GRAND CAFÉ	61,99	61,90	61,99	61,91	61,99	61,91
VICHY 4 CHEMINS	99,93	91,83	91,93	91,82	91,93	91,82
ÉLYSÉE PALACE EXPANSION	99,68	91,58	99,72	91,62	99,76	91,66
ÉLYSÉE PALACE (EPSA)	99,97	91,56	99,97	91,59	99,97	91,63
ÉLYSÉE PALACE HÔTEL	99,68	91,58	99,80	91,70	99,80	91,70
LYON PHARAON	100,00	100,00	100,00	97,25	100,00	97,25

LYON VERT	99,86	99,86	99,87	99,87	99,87	99,87
ROYAT	100,00	99,86	100,00	99,87	100,00	99,87
SAINT-GALMIER	100,00	99,86	100,00	99,87	100,00	99,87
JUAN-LES-PINS	99,78	99,64	99,78	99,65	99,78	99,65
SARL SEK	100,00	99,86	100,00	99,87	100,00	99,87
SCI EDEN BEACH	100,00	99,86	100,00	99,87	100,00	99,87
GARDEN BEACH HOTEL	100,00	99,65	100,00	99,66	100,00	99,66
AIX	99,70	99,61	99,50	99,42	99,49	99,41
LA CIOTAT	99,98	99,59	99,98	99,40	99,98	99,39
PALAVAS	100,00	99,87	100,00	99,88	100,00	99,88
SCI PALAVAS	100,00	99,87	100,00	99,88	100,00	99,88
ANNEMASSE	99,93	99,93	99,92	99,92	99,91	99,91
SCI DE L'ARVE	100,00	99,93	100,00	99,92	100,00	99,91
CHM	93,87	86,89	93,87	86,88	93,87	86,88
PI MALTA	49,99	47,99	100,00	96,00	100,00	96,00
CKO BETTING OSTENDE	100,00	100,00	-	-	-	-

CHANGE IN SCOPE – CHANGE IN METHOD

During the first half of the year, Partouche Interactive sold 50% of its share in the capital of Partouche Interactive Malta and entered into an agreement permitting the buyer to use its Maltese sports betting licence. As Groupe Partouche Interactive now exercises only significant influence over Partouche Interactive Malta, the latter is accounted for using the equity method.

Using the equity method to account for Partouche Interactive Malta has had the following impact on the income statement:

€000 AT 31 OCTOBER	PARTOUCHE INTERACTIVE MALTA	
	2013	2012
Turnover	-	-
External purchases and expenses	-	(11)
Tax	-	(1)
Personnel expenses	-	-
Depreciation, amortisation and impairment of fixed assets	-	-
Other current operating income and expenses	-	-
Current operating profit	-	(12)
Non-current operating profit	-	-
Operating profit	-	(12)
Financial income (expense)	-	1
Profit before tax	-	(11)
Corporate income tax	-	-
Profit after tax	-	(11)
PROFIT FROM EQUITY-ACCOUNTED ASSOCIATES	(89)	-

REMOVALS FROM THE CONSOLIDATION SCOPE

At the beginning of the first half of 2013, the GIE, CEC and SCI entities of the Barcarès casino (SCI Le Lydia) were liquidated without any impact on the consolidated income statement.

NOTE 4. INTANGIBLE ASSETS

€000	CONCESSIONS, PATENTS, BRANDS	INTERNALLY-GENERATED GOODWILL	OTHER INTANGIBLE ASSETS	TOTAL
Gross value at 31 October 2011	**7 402**	**12 836**	**7 801**	**28 039**
Accumulated amortisation and impairment losses at 31 October 2011	(4 844)	(6 524)	(5 881)	(17 249)
Net value at 31 October 2011	**2 559**	**6 312**	**1 920**	**10 790**
Acquisitions	1 596	-	496	2 092
Disposals	(63)	(15)	(37)	(115)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	-	-	-
Translation difference	-	-	2	2
Assets transferred and scrapped	365	-	(365)	-
Amortisation charges and reversals	(1 166)	(142)	(630)	(1 938)
Gross value at 31 October 2012	**9 300**	**12 820**	**7 897**	**30 018**
Accumulated amortisation and impairment losses at 31 October 2012	(6 009)	(6 666)	(6 512)	(19 187)
Net value at 31 October 2012	**3 290**	**6 154**	**1 386**	**10 831**
Acquisitions	179	-	138	317
Disposals	(905)	-	(143)	(1 048)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	-	-	-
Translation difference	-	-	(16)	(16)
Assets transferred and scrapped	84	-	(474)	(390)
Amortisation charges and reversals	(266)	(157)	(221)	(643)
Gross value at 31 October 2013	**8 658**	**12 820**	**7 402**	**28 881**
Accumulated amortisation and impairment losses at 31 October 2013	(6 275)	(6 823)	(6 733)	(19 831)
Net value at 31 October 2013	**2 382**	**5 997**	**671**	**9 050**

NOTE 5. GOODWILL

€000 AT 31 OCTOBER	2013	2012	2011
Net goodwill, excluding impairment for the financial year	315 567	328 859	336 702
Impairment for the financial year	(13 038)	(10 406)	(7 843)
TOTAL	**302 529**	**318 453**	**328 859**

The impairment of goodwill for the 2013 financial year amounted to €13m. The impairment of goodwill recognised in financial year 2013 for the casino CGUs amounted to €8.8m on the basis of value in use.

No CGUs were rebundled or subdivided in relation to the previous financial year.

BREAKDOWN OF CHANGES IN GOODWILL BY ACTIVITY

€000 AT 31 OCTOBER	2013	2012	2011
Casinos	283 859	295 816	303 872
Hotels	6 553	6 553	6 553
Interactive	180	4 387	6 737
Other	11 936	11 696	11 696
TOTAL	**302 529**	**318 453**	**328 859**

BREAKDOWN OF CHANGES

NET VALUE AT 31 OCTOBER 2012	**318 453**
Increase	240
Decreases	-
Impairment (*)	(13 038)
IFRS 5 reclassification (**)	(3 126)
NET VALUE AT 31 OCTOBER 2013	**302 529**

of which:

IMPAIRMENT (*)	**(13 038)**
Casino de Bandol	(2 884)
Casino de Hyères	(935)
Casino d'Andernos	(1 158)
Casino d'Arcachon	(2 966)
Casino de La Grande-Motte	(889)
Partouche Technologies	(4 206)

(*) A goodwill impairment charge of €13,038k was recognised under line item Impairment of non-current assets within Non-current operating profit in the consolidated income statement. Impairment of non current assets, which amounted to (€11,961k), also includes €1,078k in reversals of impairments to real estate assets.

In 2012, Impairment of non current assets in the consolidated income statement, which amounted to (€15,686k), included, in addition to 10,406k in goodwill impairments, €5,280k in impairment charges on real estate assets.

(**) IFRS 5 reclassification relates entirely to the Casino de Knokke. See Note 1.

GOODWILL BY COMPANY

The tests performed on the Group's goodwill on 31 October 2013 led to the recognition of additional impairment in the amount of €13,038k, as shown in the previous table.

The breakdown of accumulated net goodwill above €10m, as at 31 October 2013 is as follows:

€000 AT 31 OCTOBER	2013	2012
Casino La Grande-Motte	32,4	33,2
Casino Divonne	30,7	30,7
Casino Pornichet	30,1	30,1
Casino Annemasse	27,2	27,2
Casino Hyères	25,5	26,4
Casino de Bandol	20,4	23,2
Casino Pornic	19,3	19,3
Casino La Roche-Posay	16,9	16,9
Casino Ostende	15,3	15,3
Casino Plouescat	12,9	12,9
SUBTOTAL CASINOS	**231**	**236**
Other entities (aggregate)	71	83
TOTAL	**303**	**318**

INFORMATION ON IMPAIRMENT TESTS

The tests performed by the Group were based on the discounted cash flow method, using estimated future cash flows based on 2014 budget data and the most recent forecasts drawn up by the operating segments. These forecasts are drawn up by each operating segment, drawing on their financial targets and assumptions on the following factors: discount rate, the long-term growth rate used to calculate the terminal value, EBITDA, investment expenditure, competition environment, regulatory environment, changes in technology and level of marketing and selling costs.

The main assumptions used at 31 October 2013 are shown below:

DISCOUNT RATE	GROWTH RATE	DEBT-FREE SEGMENT BETA	MARKET PREMIUM
6,6 %	2 %	0,69	5,5 %

As stated previously (see Note 1), Groupe Partouche discontinued its online gaming business on 17 June 2013. This strategic reorientation had as an accounting consequence an impairment to the remaining balance of goodwill in the Interactive Division arising on companies involved in the development of online gaming.

SENSITIVITY TESTS

Sensitivity to interest rate changes

Sensitivity tests of realisable value based on reasonably possible changes of a key assumption were carried out, and more specifically, sensitivity tests to changes of 0.5 points of the discount rate and the growth rate to infinity. They did not reveal any situations in which the realisable value of CGU would become lower than the carrying amount, with the exception of the main sensitive CGU values mentioned below:

CGU	€M IMPACT OF A 1/2 POINT INCREASE OF			
	DISCOUNT RATE		PERPETUAL GROWTH RATE	
	+1/2 POINT	-1/2 POINT	+1/2 POINT	-1/2 POINT
Casino d'Andernos	(0,97)	1,21	1,07	(0,86)
Casino d'Arcachon	(0,19)	0,24	0,27	(0,22)
Casino de La Grande-Motte	(3,18)	3,90	3,59	(2,92)
Casino de Coutainville	(0,06)	1,34	1,20	-
Casino de Hyères	(3,94)	4,91	4,42	(3,55)
Casino de Bandol	(2,21)	2,74	2,52	(2,03)
Casino de Pornic	(0,29)	2,18	1,91	(0,07)

The figures shown reflect the results of sensitivity tests, with the understanding that:

- a negative impact reflects an additional impairment charge, taking into account the change in the recoverable amount of the CGU against its carrying amount;
- a positive impact reflects a positive change in the recoverable amount of the CGU.

Sensitivity to changes in turnover and EBITDA

Since 31 October 2012, the Group has carried out an analysis of the sensitivity of recoverable amounts to reasonably possible changes in assumptions impacting certain parameters of the budget forecasts used: turnover and EBITDA.

At 31 October 2013, the results are presented below for those CGUs designated in the preceding paragraph:

CGU	IMPACT IN €M OF A CHANGE IN			
	TURNOVER		EBITDA	
	+1.5 %	-1.5 %	+ 2 %	- 2 %
Casino d'Andernos	0,17	(0,17)	0,21	(0,21)
Casino d'Arcachon	0,06	(0,06)	0,05	(0,05)
Casino de La Grande-Motte	0,59	(0,59)	0,68	(0,68)
Casino de Coutainville	0,19	-	0,23	-
Casino de Hyères	0,69	(0,69)	0,84	(0,84)
Casino de Bandol	0,38	(0,38)	0,45	(0,45)
Casino de Pornic	0,35	-	0,43	-

The figures shown reflect the results of sensitivity tests, with the understanding that:

- a negative impact reflects an additional impairment charge, taking into account the change in the recoverable amount of the CGU against its carrying amount;
- a positive impact reflects a positive change in the recoverable amount of the CGU.

NOTE 6. TANGIBLE FIXED ASSETS

€000	LAND	BUILDINGS	TECHNICAL EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TOTAL
Gross value at 31 October 2011	**38 282**	**492 065**	**205 809**	**112 079**	**848 235**
Accumulated depreciation at 31 October 2011	(6 444)	(248 419)	(166 891)	(82 623)	(504 376)
Accumulated impairment losses at 31 October 2011	-	-	-	-	-
Net value at 31 October 2011	**31 838**	**243 647**	**38 918**	**29 456**	**343 859**
Acquisitions	131	18 992	10 596	4 874	34 594
Disposals	(106)	(3 284)	(5 033)	(2 083)	(10 505)
Additions to the consolidation scope	-	-	-	-	-
Removals from the consolidation scope	-	-	(12)	(1)	(13)
Translation difference	28	140	109	110	387
Assets transferred and scrapped, IFRS 5 reclassification	(213)	(9 284)	111	(5 468)	(14 854)
Depreciation charges and reversals	(354)	(11 542)	(10 714)	(2 922)	(25 531)
Charge for the year (impairment), after IFRS 5 reclassification (*)	(265)	(1 045)	-	-	(1 311)
Gross value at 31 October 2012	**38 123**	**498 629**	**211 580**	**109 511**	**857 843**
Accumulated depreciation at 31 October 2012	(6 798)	(259 961)	(177 605)	(85 545)	(529 907)
Accumulated impairment losses at 31 October 2012 (❖)	(265)	(1 045)	-	-	(1 311)
Net value at 31 October 2012	**31 060**	**237 624**	**33 975**	**23 966**	**326 625**
Acquisitions	35	3 112	14 763	8 990	26 900
Disposals	(1 212)	(7 446)	(8 225)	(3 150)	(20 033)
Additions to the consolidation scope	-	-	-	-	-
Removals from the consolidation scope	-	-	-	(806)	(806)
Translation difference	(45)	(569)	(590)	(158)	(1 362)
Assets transferred and scrapped, IFRS 5 reclassification	(2 332)	(8 460)	(8 108)	(6 960)	(25 860)
Depreciation charges and reversals	(113)	(10 487)	2 636	4 156	(3 807)
Charge for the year (impairment), after IFRS 5 reclassification (*)	-	-	-	-	-
Gross value at 31 October 2013	**34 568**	**485 267**	**209 421**	**107 427**	**836 683**
Accumulated depreciation at 31 October 2013	(7 176)	(271 493)	(174 969)	(81 388)	(535 025)
Accumulated impairment losses at 31 October 2013 (❖)	-	-	-	-	-
Net value at 31 October 2013	**27 392**	**213 774**	**34 452**	**26 039**	**301 658**

❖ *At 31 October 2012, following a property appraisal, an exceptional impairment charge of €1,311k was recognized on the real estate assets of Reno to remeasure them to the appraised value.*

In financial year 2013, after the signing of a promise to sell those same real estate assets, a €1,078k reversal was recorded in Non-current operating profit under Impairment of non current assets in the consolidated income statement. At 31 October 2013, the net value of all real estate assets covered by preliminary sale agreements was reported under Assets held for sale in the consolidated balance sheet, pursuant to IFRS 5.

(*) Impairment charges were recognised under line item Impairment of non-current assets within Non-current operating profit in the consolidated income statement, with goodwill impairment. See Note 5.

Breakdown at 31 October 2012 of Assets transferred and scrapped, IFRS 5 reclassification

€000 AT 31 OCTOBER 2012, GROSS VALUES	LAND	BUILDINGS	TECHNICAL EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TOTAL
Detail in notes: Assets transferred and scrapped, IFRS 5 reclassification	(213)	(9 284)	111	(5 468)	(14 854)
*** of which IFRS 5**	(213)	(14 644)	-	-	(14 857)
*** of which Partouche Immobilier internal transfers**	-	3 881	-	(3 881)	-
*** of which Casino de Royat internal transfers**	-	1 053	3	(1 056)	-
Other assets transferred and scrapped	-	426	108	(531)	3

** These movements have not had any impact on the income statement.*

Breakdown at 31 October 2013 of Assets transferred and scrapped, IFRS 5 reclassification

€000 AT 31 OCTOBER 2013, GROSS VALUES	LAND	BUILDINGS	TECHNICAL EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TOTAL
Detail in notes: Assets transferred and scrapped, IFRS 5 reclassification	(2 332)	(8 460)	(8 108)	(6 960)	(25 860)
*** of which IFRS 5**	(2 332)	(8 720)	(8 406)	(4 902)	(24 360)
*** of which Forges les Eaux internal transfers**	-	169	11	(180)	-
*** of which Casino de Pornichet internal transfers**	-	79	-	(79)	-
*** of which Casino d'Aix en Provence internal transfers**	-	-	300	(300)	-
Other assets transferred and scrapped	-	12	(13)	(1 499)	(1 500)

** These movements have not had any impact on the income statement.*

Buildings:

The main changes in this item were related to renovation and other work on the Group's establishments, namely, for the most part, the Casino du Palm Beach in the amount of €832k, the Casino de Pornichet in the amount of €623k, the Casino de Saint-Amand-Les-Eaux in the amount of €435k and the Casino de Forges-les-Eaux in the amount of €341k.

Equipment:

The main acquisitions over the financial year were related to the renewal of the slot machine stock and the upgrade to TITO, with an investment of €12,529k spread over all the Group's casinos.

Other tangible fixed assets:

The main acquisitions during the financial year were made in the amounts of €3,102k at the Casino du Lyon Vert for renovation work, €888k at the Casino de Hyères, €582k at the Casino de Palavas, and €430k at the Casino de Nice.

ASSETS UNDER CONSTRUCTION

The line item «Other tangible fixed assets» includes tangible assets under construction representing a net value of €7,330k at the balance sheet date and involving work mainly at the Casino du Lyon Vert (€3,062k), the Casino de Hyères (€922k) and Partouche Immobilier (€2,211k) primarily for work on the Casino de La Ciotat.

NOTE 7. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

The Group's investments in equity-accounted associates and the percentage ownership interest are presented in the note relating to the scope of consolidation. The financial information relating to the Group's equity accounted associates are summarised below:

Balances relating to investments in companies accounted for under the equity method

€000 AT 31 OCTOBER	2011(*)	2012(*)	SHARE IN PROFIT	TRANSLATION DIFFERENCE	CHANGES IN SCOPE (**)	2013
Investments in equity-accounted associates	-	-	-	-	-	-
Provision for share of negative equity (*)	(1 013)	(525)	(89)	81	6	527
Total	**(1 013)**	**(525)**	**(89)**	**81**	**6**	**527**
Of which, goodwill relating to equity-accounted associates	-	-	-	-	-	-

(*) At 31 October 2011 the provision included the share of net equity of the Grasse companies, following their transition from proportional consolidation to equity accounting in financial year 2011. The changes in financial year 2012 are primarily attributable to their sale.

(**) At 31 October 2013 this provision included the share in net equity of Partouche Interactive Malta, following the transition of this company from full coonsolidation to the equity method during the 2013 financial year.

Balance sheet of equity-accounted associates

€000 AT 31 OCTOBER	2013	2012	2011
Total assets	919	1 087	1 729
Total debt	2 888	2 839	4 422
TOTAL NET ASSETS	**(1 969)**	**(1 751)**	**(2 693)**

Income statement of equity-accounted associates

€000 AT 31 OCTOBER	2013	2012	2011
Total turnover	10	-	952
Total net profit or loss	(193)	-	(53)

Information related to equity-accounted associates

€000 AT 31 OCTOBER	% OWNED 2013	NET ASSETS 2013	NET PROFIT 2013	NET ASSETS 2012	NET PROFIT 2012	NET ASSETS 2011	NET PROFIT 2011
Casino international of Madrid	**17,85 %**	**(1 788)**	**-**	(1 751)	-	(1 666)	(35)
Partouche Interactive Malta	**47.99% (Added 2013 FC to EM)**	**(181)**	**(193)**	-	-	-	-
Casino de Grasse	**Removed 2012 (Added 2011 PC to EM)**	**-**	**-**	-	-	(568)	(7)
SCI du Casino de Grasse	**Removed 2012 (Added 2011 PC to EM)**	**-**	**-**	-	-	(460)	(10)
TOTAL		**(1 969)**	**(193)**	**(1 751)**	**-**	**(2 693)**	**(53)**

NOTE 8. OTHER NON-CURRENT FINANCIAL ASSETS

€000 AT 31 OCTOBER	2013	2012	2011
Non-consolidated investments (*)	2 797	4 733	2 772
Other financial assets	1 608	2 079	1 726
Other non-current financial assets	**4 405**	**6 811**	**4 498**

(*) In financial year ended 31 October 2012, Partouche Interactive subscribed for the capital increase in International Stadium Poker Tour for €1,900k, thus increasing its stake to 25% of the share capital of that company. As of 31 October 2013, provisions were on the books for the full amount of those shares, as operations related to that equity investment had not turned out as hoped.

Non-consolidated investments

€000 AT 31 OCTOBER	GROSS VALUE 2013	IMPAIRMENT	NET VALUE 2013	NET VALUE 2012	NET VALUE 2011
Non-consolidated companies owned > 50%	406	406	-	-	-
Non-consolidated companies owned 20 to 50%	2 204	2 064	140	2 062	91
Non-consolidated companies owned less than 20%	3 710	1 053	2 657	2 671	2 680
TOTAL	**6 320**	**3 523**	**2 797**	**4 733**	**2 772**

Due dates of other net non-current financial assets

€000 AT 31 OCTOBER 2013	AMOUNT	1 TO 5 YRS	+ 5 YRS
Non-current investment securities	30	-	30
Employee loans	192	58	134
Loans, guarantees and other receivables	1 418	607	811
Receivables attached to investments	351	-	351
GROSS AMOUNT	**1 991**	**664**	**1 326**
Provision	(383)	-	(383)
NET AMOUNT	**1 608**	**664**	**944**

NOTE 9. OTHER NON-CURRENT ASSETS

€000 AT 31 OCTOBER	2013	2012	2011
Receivables from the French State (1)	130	4 269	4 171
Other non-current receivables (2)	1 963	1 091	1 474
Other non-current assets	**2 093**	**5 360**	**5 645**

(1) At 31 October 2012, the accounts receivable from the French State included €4.3m relating to a carry back recognised by Groupe Partouche SA. As of 31 October 2013, this receivable was classified in its entirety as a current asset under tax receivables because it was not received until after the balance sheet date.

(2) Other non current receivables includes:

- a €495k non current receivable related to the divestment of the Casino de Saint-Honoré by Européenne de Casino in 2010. The current portion of this receivable is classified as a current asset under Trade receivables and other debtors (in the amount of €150k);
- the non current portion of the receivable related to the sale of Société française de casinos (SFC) to Tête dans les nuages (TDN), provided for in full (€3,025k). The current portion of this receivable is classified as a current asset under Trade receivables and other debtors (in the amount of €178k, provided for in full).

NOTE 10. INVENTORIES AND SEMI-FINISHED GOODS

€000 AT 31 OCTOBER	2013	2012	2011
Inventories – Solids	787	788	755
Inventories – Liquids	1 429	1 668	1 803
Inventories – Other consumed purchases	187	177	193
Inventories – Production in progress	87	87	87
Inventories – Finished and semi-finished products	12	71	66
Inventories – Merchandise inventories	645	907	759
GROSS AMOUNT	**3 146**	**3 698**	**3 662**
Provision	(28)	(28)	(132)
NET AMOUNT	**3 119**	**3 670**	**3 531**

NOTE 11. TRADE AND OTHER RECEIVABLES

€000 AT 31 OCTOBER	2013	2012	2011
Trade receivables	22 128	20 104	19 453
Provisions for trade accounts receivable	(8 751)	(9 041)	(8 914)
Total net value of trade receivables	**13 377**	**11 063**	**10 539**
Other debtors	39 738	47 428	36 562
Provisions for other debtors	(22 969)	(35 332)	(23 766)
TOTAL NET VALUE OF OTHER DEBTORS	**16 769**	**12 096**	**12 796**
TOTAL NET VALUE OF TRADE RECEIVABLES AND OTHER DEBTORS	**30 146**	**23 158**	**23 335**

BREAKDOWN OF OTHER DEBTORS AND RELATED PROVISIONS

€000 AT 31 OCTOBER	2013	2012	2011
Suppliers: advances and downpayments	591	615	1 219
Receivables from personnel – advances and downpayments	125	118	102
Receivables from social security organisations	419	305	390
Tax receivables – excluding corporate income tax	8 696	5 997	4 638
Current accounts – assets	14 363	25 155	15 264
Receivables in respect of sales of property and equipment	-	20	-
Receivables in respect of sales of securities	178	178	170
Other receivables	12 130	12 054	11 779
Other income receivables	3 236	2 985	2 999
TOTAL OTHER DEBTORS	**39 738**	**47 427**	**36 561**

Comments on other debtors

At 31 October 2013, "Tax receivables – excluding corporate income tax" included a €3.2m tax claim receivable from the French State in respect of the tax credit for competitiveness and employment.

At 31 October 2013, current receivables from disposals of securities correspond in their entirety to a single receivable in the amount of €178k representing the current balance receivable in connection with the divestment of the SFC unit (see Note 9).

Other receivables include in particular €6.8m from a third party that has yet to deliver a property title acquired under contract and against which proceedings have been filed. This receivable is provided for in full.

The decreases in "Current accounts – assets" and "Provisions for other debtors" are due to the liquidation during financial year 2013 of the ex Group company Casino de Port Barcarès (deconsolidated as of 1 November 2011) and the subsequent winding up of its fully provided for current account at Groupe Partouche SA in the amount of €11.5m.

Comments on provisions for other debtors

Besides the impairment losses mentioned above, provisions for other debtors mainly include:

- a €2.3m provision recognized by Compagnie européenne de casinos in its dealings with a foreign company;
- an €8.3m provision for Group Partouche SA's current account with Casino de Beaulieu (deconsolidated as of 31 October 2010).

MATURITY SCHEDULE OF TRADE RECEIVABLES AND OTHER DEBTORS (NOT IMPAIRED)

€000 AT 31 OCTOBER	2013	DUE < 1 MONTH	< 3 MONTHS	< 6 MONTHS	< 9 MONTHS	< 12 MONTHS
Net value of trade receivables	13 377	5 321	3 029	4 731	262	34
Net value of other debtors	16 769	2 614	48	510	182	13 415
TOTAL	**30 146**	**7 935**	**3 077**	**5 241**	**444**	**13 449**

NOTE 12. OTHER CURRENT ASSETS

€000 AT 31 OCTOBER	2011	2012	INCREASE	DECREASE	2013
Accrued interest/receivables and loans	50	53	-	-	53
Employee loans	144	164	162	(174)	151
Loans, guarantees	599	602	35	(52)	584
Receivables from the French State	5 894	6 034	-	(1 479)	4 555
Prepaid expenses	7 676	8 819	-	(903)	7 916
TOTAL GROSS VALUE	**14 363**	**15 671**	**197**	**(2 608)**	**13 260**
Provision/Impairment	(50)	(53)	0	-	(53)
NET VALUE	**14 313**	**15 618**	**197**	**(2 608)**	**13 206**

NOTE 13. CASH AND CASH EQUIVALENTS

€000 AT 31 OCTOBER	2013	2012	2011
Financial management assets and highly liquid cash assets	18 066	22 913	42 649
Cash	94 487	103 229	89 380
Cash and cash equivalents	**112 553**	**126 141**	**132 029**

The Group's cash position reflects the fact that casinos are required, at the close of each monthly period, to have on deposit in a specific bank account an amount equivalent to the gaming levies (see Note 20 - Current tax liabilities).

In addition, regulations related to the Swiss gaming industry do not allow these establishments to transfer free cash flow, with the exception of payment of dividends. This concerns two of the Group's casinos (Casino du Lac Meyrin and Casino de Crans-Montana) which had cash net of levies of €25.1m at 31 October 2013 (compared with €22.4m at 31 October 2012).

Finally, at financial year-end 2012, cash included €8m in Unavailable cash (see note 17).

€000 AT 31 OCTOBER	2013	2012	2011
Cash and cash equivalents (assets)	112 553	126 141	132 029
Cash (liabilities)	(9)	(85)	(59)
Neutralisation of impairment provision	-	-	-
Cash position per consolidated financial statements	**112 544**	**126 056**	**131 970**

BREAKDOWN OF FINANCIAL MANAGEMENT AND CASH ASSETS

€000 AT 31 OCTOBER	2013	2012	2011
SICAV-type mutual fund units	18 066	22 913	42 649
FCP-type mutual fund units	-	-	-
Accrued interest / SICAV & FCP	-	-	-
Provision for impairment	-	-	-
Financial management cash assets	**18 066**	**22 913**	**42 649**

BREAKDOWN OF POSITIVE CASH BALANCES

€000 AT 31 OCTOBER	2013	2012	2011
Bank	83 057	93 231	78 517
Cash	11 290	9 856	10 732
Interest receivable	140	141	131
Cash and cash equivalents	**94 487**	**103 229**	**89 380**

CASH LESS GAMING LEVIES

€000 AT 31 OCTOBER	2013	2012	2011
Cash and cash equivalents	112 553	126 141	132 029
- Levies	(28 115)	(30 629)	(34 157)
= Cash after levies	**84 438**	**95 513**	**97 872**

NOTE 14. EQUITY

CAPITAL – SHARES IN CIRCULATION

SHARE CAPITAL AT 31 OCTOBER	2013	2012	2011 (*)
Amount of share capital	193 631 182 €	193 631 182 €	193 631 182 €
Shares issued, fully paid up	96 815 591	96 815 591	96 815 591
Nominal value	2 €	2 €	2 €

(*) On 5 May 2011, Groupe Partouche carried out two capital increases totalling €30,596,993, under the following conditions:

- Capital increase reserved for the company Butler Capital Partners and FCPR France Private Equity III (of which the company Butler Capital Partners is the management company), by issuing 12,124,500 new shares at an issue price of €2.05 (including an issue premium of €0.05 per share), i.e. €24,855,225 of which €606,225 in issue premiums;
- Capital increase with shareholders' pre-emptive right of subscription, by issuing 2,870,884 new shares at an issue price of €2, i.e. €5,741,768.

Financière Partouche, the key shareholder, did not participate in the capital increase.

Following the operation, Financière Partouche held a 66.45% interest in Groupe Partouche, compared with its previous stake of 80.83%, FCPR held a 12.99% interest, following its acquisition of an equity stake in Groupe Partouche.

The share capital is fully paid up at 31 October 2013. Shares may be in registered or bearer form, based on the choice of the shareholder. In accordance with the Articles of Association, all of the shares have one voting right.

TREASURY SHARES

IN EUROS AT 31 OCTOBER	2013	2012	2011
Treasury shares at historical cost	395 533	320 834	168 767
Provision	-	-	-
Total treasury shares	**395 533**	**320 834**	**168 767**
Number of treasury shares held	262 485	180 266	19 166

The Ordinary Shareholders' Meeting of 4 April 2000 authorised the Executive Board, pursuant to the provisions of Article 217-2 of the Law of 24 July 1966, to acquire more than 10% of the number of shares comprising the share capital. This authorisation led to the purchase of 19,166 shares, representing 0.04% of the total share capital of Groupe Partouche SA, for a total amount of €168,767.

In May 2012, Groupe Partouche and Oddo Corporate Finance signed a liquidity provider's agreement compliant with the code of ethics drawn up by the Amafi and approved by the Autorité des Marchés Financiers in its decision dated 21 March 2011. This liquidity provider's agreement was signed for a term of one year and is tacitly renewable. Its aim is to ensure the liquidity and regular trading of the company's shares. For the purposes of this agreement, Groupe Partouche placed €250,000 in its liquidity account.

As of 31 October 2012, the number of treasury shares held under this agreement was 161,100 shares, with a value of €152,067.

As of 31 October 2013, the number of treasury shares held under this agreement was 243,319 shares, with a value of €226,766.

Treasury shares are deducted from consolidated reserves.

CONSOLIDATED RESERVES

€000 AT 31 OCTOBER	2013	2012	2011
Revaluation reserve	(42 663)	(42 663)	(42 663)
Other reserves and retained earnings	147 002	159 178	156 168
Legal reserve	8 778	8 778	8 619
Group consolidation reserves	(14 024)	(9 141)	1 003
Other Group reserves	12 839	12 021	13 657
Consolidated reserves	**111 931**	**128 174**	**136 784**

The change in Consolidated reserves is mainly due to the appropriation of the Group share of the loss for financial year 2012 (of €17,114k), and the change in the fair value of the effective portion of financial instruments (of €813k net of deferred tax).

MINORITY INTERESTS

€000 AT 31 OCTOBER	2013	2012	2011
Non-group reserves	19 164	19 784	20 810
Non-group translation reserves	1 985	2 243	2 329
Non-group earnings	8 873	8 504	8 989
Minority interests	**30 022**	**30 531**	**32 128**

NOTE 15. EMPLOYEE COMMITMENTS

These commitments were subject to an actuarial valuation based on the prospective method. The entire expense corresponding to rights acquired by the employees is determined based on the agreements in force at each company.

Provisions are calculated taking into account the probabilities of employees remaining at the Group until retirement (65 years), mortality based on gender, voluntary redundancy by the employee at retirement and on the following bases:

AT 31 OCTOBER	2013	2012	2011
Discount rate	2,87 %	2,74 %	3,28 %
Salary inflation rate	1,5 %	1,5 %	1,5 %
Social charge provision rate	42 %	42 %	42 %

€000 AT 31 OCTOBER	2013	2012	2011
Provision at the beginning of the financial year	11 140	9 505	9 913
Net charge for the financial year	743	1 945	205
Use	(751)	(307)	(612)
Change in scope (*)	(104)	(2)	(2)
Total employee commitments	**11 028**	**11 140**	**9 505**
o/w non-current provision	10 844	11 006	9 463
o/w current provision	183	134	41

(*) At 31 October 2013, "Change in scope" mainly included the IFRS 5 reclassification of provisions recognized in respect of the entities Casino d'Hauteville and Casino de Knokke.

NOTE 16. OTHER CURRENT AND NON-CURRENT PROVISIONS

CHANGES IN CURRENT AND NON-CURRENT PROVISIONS

€000 AT 31 OCTOBER	2011	2012	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RE-CLASS.	2013
Non-current provisions	6 360	5 165	889	(273)	(849)	(3)	(173)	4 756
Current provisions	2 409	2 317	1 979	(66)	(1 877)	-	153	2 506
Total provisions	**8 769**	**7 482**	**2 868**	**(339)**	**(2 726)**	**(3)**	**(20)**	**7 262**

BREAKDOWN OF CURRENT AND NON CURRENT PROVISIONS BY TYPE

€000 AT 31 OCTOBER	TOTAL DETAIL		NON-CURRENT PROVISIONS		CURRENT PROVISIONS	
	2013	2012	2013	2012	2013	2012
Tax and social audits	1 699	1 598	1 674	1 513	26	85
Labor and redundancy disputes	3 307	2 060	2 065	1 743	1 242	317
Provision for net equity of companies accounted for under the equity method (*)	527	525	527	525	-	-
Other provisions for contingencies and losses	1 728	3 299	490	1 384	1 238	1 915
Total	**7 262**	**7 482**	**4 756**	**5 165**	**2 506**	**2 317**

(*) At 31 October 2013 this provision included the share in net equity of Partouche Interactive Malta, following the transition of this company from full coonsolidation to the equity method during the financial year. Moreover, detailed information on companies accounted for using the equity method is provided in Note 7.

Details on the main current and non current disputes are given in section 20.5 of this Annual Report.

As of 31 October 2013, certain Group companies have been cited in relation to redundancy schemes carried out at three subsidiaries (54 cases ongoing). No provisions have been recognized as a result, since management and its advisors believe that the aforementioned companies have no exposure in said cases, which makes for a contingent liability under IAS 37.

NOTE 17. CURRENT AND NON-CURRENT BORROWINGS

Please refer to § 4.1 Financial risks.
Please refer to § 4.1.1 Liquidity risk.

BREAKDOWN OF BORROWINGS

€000 AT 31 OCTOBER	CURRENT PORTION 2013	NON-CURRENT PORTION 2013	TOTAL 2013	CURRENT PORTION 2012	NON-CURRENT PORTION 2012	TOTAL 2012	CURRENT PORTION 2011	NON-CURRENT PORTION 2011	TOTAL 2011
Bank borrowings	69 820	163 908	233 728	37 921	208 908	246 829	23 594	246 829	270 423
Accrued interest / loans	1 464	-	1 464	2	-	2	7	-	7
Restated capital lease	-	-	-	-	-	-	-	-	-
Bank overdrafts	9	-	9	85	-	85	59	-	59
Sub-total bank borrowings	**71 293**	**163 908**	**235 201**	**38 008**	**208 908**	**246 916**	**23 660**	**246 829**	**270 489**
Other borrowings	-	31 608	31 608	330	30 997	31 327	-	30 504	30 504
Employee profit-sharing	880	2 798	3 678	789	3 669	4 458	927	4 392	5 319
Deposits and guarantees	14	111	125	8 011	116	8 127	6	112	118
Liabilities in respect of investments in associates	-	4	4	-	4	4	-	4	4
Faire value remeasurement of hedging instruments	958	276	1 234	1 253	1 201	2 454	2 294	3	2 297
TOTAL	**73 146**	**198 705**	**271 851**	**48 391**	**244 895**	**293 286**	**26 887**	**281 844**	**308 731**

A syndicated loan of €233,728k (the principal remaining due as of 31 October 2013) is the Group's only bank loan on the books of parent company Group Partouche SA. As a result of the Safeguard Procedure initiated for that company on 30 September 2013:

- the abovementioned outstanding principal of €233,728k is frozen until closure of the observation period on 30 March 2014, and debt is classified in the consolidated financial statements as current or non current according to the maturity schedules that held prior to the initiation of the Safeguard Procedure, as stipulated in the syndicated loan agreement and riders thereto (see 4.1 Financial risks);
- Interest due for the months of September and October has not been paid and is included in "Accrued interest / loans".

The line item "Other borrowings" includes an advance from Financière Partouche to Groupe Partouche SA and the interest generated by it for a total of €31,608k, in accordance with the shareholder advance agreement signed on 29 August 2003 and the modified agreements signed on 30 September 2005 and 30 December 2009.

At the 2012 balance sheet date, «Deposits and guarantees» included €8,000k in relation to the deposit on the provisional sale agreement for Golf de Divonne-les-Bains. As the conditions precedent were not fulfilled, the sale was not pursued and the deposit was refunded.

MATURITY DATES OF FINANCIAL DEBT

€000 AT 31 OCTOBER 2013	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Bank borrowings	233 728	69 820	163 908	-
Accrued interest / loans	1 464	1 464	-	-
Restated capital leases	-	-	-	-
Bank overdrafts	9	9	-	-
Other borrowings	31 608	-	31 608	-
Employee profit-sharing	3 678	880	2 563	235
Deposits and guarantees	125	14	50	61
Liabilities in respect of investments in associates	4	-	4	-
Faire value remeasurement of hedging instruments	1 234	958	276	-
TOTAL	**271 851**	**73 146**	**198 409**	**296**

€000 AT 31 OCTOBER 2012	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Bank borrowings	246 829	37 921	208 908	-
Accrued interest / loans	2	2	-	-
Restated capital leases	-	-	-	-
Bank overdrafts	85	85	-	-
Other borrowings	31 327	330	30 997	
Employee profit-sharing	4 458	789	3 409	260
Deposits and guarantees	8 127	8 011	55	61
Liabilities in respect of investments in associates	4	-	4	-
Valuation of rate hedging instruments	2 454	1 253	1 201	-
TOTAL	**293 286**	**48 391**	**244 574**	**321**

There is no foreign currency denominated debt.

Schedule of debts frozen after initiation of the Safeguard Procedure for the consolidating company, Groupe Partouche SA, at 30 September 2013:

€000	AMOUNT	EXCLUDING RELATED PARTIES	INCLUDING RELATED PARTIES
Bank loans and overdrafts (*)	234 458	234 458	-
Sundry loans and debts (**)	31 557	-	31 557

(*) This line represents, for the syndicated loan only, outstanding principal (€233,728k) and accrued interest due at 30 September 2013, the date on which the Safeguard Procedure was initiated (€730k).
(**) This line concerns only the majority shareholder Financière Partouche, in respect of its shareholder advance and current account, both frozen as a result of the Safeguard Procedure initiated for Groupe Partouche SA.

CHANGE IN BANK LOANS

€000 AT 31 OCTOBER	2011	2012	INCREASE	DECREASE	2013
Bank borrowings	270 423	246 829	427	**(13 528)**	**233 728**

A €234m syndicated loan is the Group's only bank borrowing.

- Original loan amount: €431,000k;
- Principal amount outstanding at period-end: €233,728k;
- Repayment terms:

The outstanding principal is divided into three tranches; the net proceeds from the asset divestments is used as early repayment of Tranche A, for its nearest maturity date.

Outstanding amounts at the balance sheet date were as follows (€000):

MATURITY DATES (FINANCIAL YEAR ENDED)	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2013	94 903	50 000	88 825	233 728

- **Interest rates**

The annual interest rates by tranche are as follows:

Tranche A: Euribor for the period plus the bank interest margin, equal to 4.0% per year, falling to 3.0% once €30m has been amortised, and to 2.5% once €60m has been amortised.

Since the loan was taken out, Tranche A has been amortised for an accumulated amount of €5.18m.

Tranche B: Euribor for the period plus the bank interest margin, equal to 3.0% per year.

Tranche C: Euribor for the period plus the bank interest margin, equal to 3.25% per year.

- **Guarantees**

Until 30 September 2013, when a Safeguard Procedure was initiated for Groupe Partouche SA, the syndicated loan agreement included various covenants that, if breached, could require immediate repayment of the loan (see previous reference documents for details), namely:

- ratios for the coverage of financial expenses, fixed costs and debt on a half-yearly basis with respect to the preceeding 12 months;
- a €30m annual limit on internally financed investments;
- an absolute debt limit.

The agreement also included a stipulation that a portion of consolidated surplus cash flow be used to pay off debt.

None of the covenants or stipulations described above are applicable at the 2013 balance sheet date, as a result of the Safeguard Procedure initiated for Groupe Partouche SA as of 30 September 2013.

The pledges of securities as collateral described in the Annual Report under 4.1.7 Pledges remain in effect.

ANALYSIS OF BANK LOANS BY INTEREST RATE AT THE PERIOD-END

Please refer to 4.1.2 Interest Rate Risk.

€000 AT 31 OCTOBER	BEFORE INTEREST RATE HEDGING 2013	AFTER INTEREST RATE HEDGING 2013	BEFORE INTEREST RATE HEDGING 2012	AFTER INTEREST RATE HEDGING 2012	BEFORE INTEREST RATE HEDGING 2011	AFTER INTEREST RATE HEDGING 2011
Fixed-rate loans	-	110 000	-	150 000	31	160 031
Variable-rate loans	233 728	133 728	246 829	96 829	160 031	110 392
Bank loans at the period-end	**233 728**	**233 728**	**246 829**	**246 829**	**270 423**	**270 423**
Average interest rate – fixed	-	4,52 %	-	4,32 %	3,35 %	6,11 %
Average interest rate – variable	3,73 % (*)	3,86 % (*)	3,57 %	3,78 %	4,78 %	5,07 %
Weighted average interest rate at the period-end	**3,73 %** (*)	**4,17 %** (*)	**3,57 %**	**4,11 %**	**4,78 %**	**5,69 %**

(*) The rates indicated were computed with late payment penalties equivalent to a rate increase of 0.1%.

At the financial period-end, the amount outstanding on variable-rate loans represented the entirety of loans.

Groupe Partouche holds the following financial instruments for interest rate hedging purposes:

- a €50m collar starting on 31 July 2012 and expiring on 31 October 2014 with a range of 0.99% - 1.99%;
- a €30m swap starting on 31 July 2012 and expiring on 31 October 2015 at 1.35%;
- a €30m swap starting on 31 October 2013 and expiring on 31 October 2014 at 0.90%.

The accounting treatment of these hedges and the use of hedge accounting are documented in Note 2 «Accounting principles», paragraph on «Derivatives» and in Note 26 «Financial income».

NET FINANCIAL DEBT

€000 AT 31 OCTOBER	2013	2012	2011
Bank loans and restated capital leases	233 728	246 829	270 423
Accrued interest	1 464	2	7
Sundry loans and debts	31 608	31 327	30 504
Financial instruments – assets	-	-	(102)
Financial instruments – liabilities	1 234	2 454	2 297
Bank overdrafts	9	85	59
Gross financial debt	**268 043**	**280 697**	**303 188**
Cash net of levies (see Note 13)	**84 438**	**95 513**	**97 872**
Other unavailable cash (cash subject to conditions precedent)	**-**	**8 000**	**-**
Net debt	**183 605**	**193 184**	**205 316**

NOTE 18. OTHER CURRENT AND NON-CURRENT LIABILITIES

€000 AT 31 OCTOBER	2013	2012	2011
Tax liabilities	50	444	645
Other liabilities	364	466	447
Liabilities to suppliers of fixed assets	2 955	-	-
Deferred income – non-current portion	6 043	6 226	5 703
Total other non-current liabilities	**9 412**	**7 136**	**6 795**
Deferred income – current portion	1 678	1 798	1 865
Total other current liabilities	**1 678**	**1 798**	**1 865**

Liabilities to suppliers of fixed assets are entirely related to the restatement of finance leases used to acquire slot machines during the 2013 financial year.

Deferred income is mainly attributable to investment subsidies.

NOTE 19. TRADE AND OTHER PAYABLES

€000 AT 31 OCTOBER	2013	2012	2011
Customers, advances and down payments received	3 893	4 450	6 104
Trade accounts payable	25 183	28 242	19 671
Liabilities in respect of fixed asset acquisitions	5 209	6 873	5 904
Personnel	4 187	9 317	5 298
Employee profit-sharing	3 164	4 717	5 229
Social security organisations	8 600	8 940	8 754
Paid vacation	17 543	18 761	18 401
Applicable levy	4 054	4 428	4 533
Current account and partner liabilities	685	742	646
State – VAT	3 263	3 656	3 239
State – expenses payable	8 718	8 778	8 946
Other	18 273	15 231	13 834
TOTAL	**102 773**	**114 134**	**100 560**

NOTE 20. CURRENT TAX LIABILITIES

€000 AT 31 OCTOBER	2013	2012	2011
State – Gaming levies	28 115	30 629	34 157
State – Corporate income tax	-	97	385
TOTAL	**28 115**	**30 726**	**34 543**

NOTE 21. RECONCILIATION OF CURRENT OPERATING PROFIT TO EBITDA

ADJUSTMENTS TO RECONCILE CURRENT OPERATING PROFIT TO EBITDA AT 31 OCTOBER 2013

€000 AT 31 OCTOBER	COP 2013	RESTATEMENT RECLASSIFICATION	EBITDA 2013
Turnover	436 378	-	436 378
External purchases and expenses	(141 583)	1 336	(140 247)
Tax	(19 522)	(417)	(19 940)
Personnel expenses	(195 166)	653	(194 513)
Depreciation, amortisation and impairment of fixed assets	(40 733)	40 733	-
Other current operating income and expenses	(8 297)	(1 347)	(9 644)
Transfer from COP to EBITDA	**31 077**	**40 957**	**72 034**

TRANSFER FROM CURRENT OPERATING PROFIT TO EBITDA AT 31 OCTOBER 2012

€000 AT 31 OCTOBER	COP 2012	RESTATEMENT RECLASSIFICATION	EBITDA 2012
Turnover	450 951	-	450 951
External purchases and expenses	(147 395)	2 388	(145 008)
Tax	(19 073)	(113)	(19 186)
Personnel expenses	(205 960)	2 319	(203 641)
Depreciation, amortisation and impairment of fixed assets	(43 547)	43 547	-
Other current operating income and expenses	(8 258)	(920)	(9 179)
Transfer from COP to EBITDA	**26 717**	**47 220**	**73 937**

NOTE 22. SEGMENT INFORMATION

Under IFRS 8 Operating Segments, the divisions shown are based on the internal reporting used by management to assess the performance of the Group's different divisions. The Group comprises four divisions:

- the Casino division, which comprises gaming, catering and entertainment;
- the Hotel division, which comprises accommodation and hospitality services;
- the Interactive gaming division, comprising all the activities in France contributing to organising and operating gaming in which participants use remote communication (TV, internet, etc.). In line with the strategic reorientation of the Group's poker business announced in September 2012, www.partouche.fr discontinued its online gaming offering in France as of 17 June 2013.
- the Group's "Other activities" mainly comprise the business of Groupe Partouche SA, the Group's parent company, and all the other secondary businesses (holding companies, thermal baths and real estate vehicles).

The operating segments presented in 2013 are the same as those presented in 2012.

The benchmark division performance indicator is current operating profit.

The current operating profit assigned to "Other activities" essentially takes into account external expenses, personnel costs and charges to amortisation and depreciation:

- at the parent company, Groupe Partouche SA;
- at the Group's various subordinate holding companies;
- the Group's real estate vehicles;
- and the company that operates the baths at Thermes d'Aix-en-Provence.

The current operating profit of online gaming activity in Belgium is presented under "Casinos". It is part of the companies' casino business. As always, online gaming licences in Belgium are awarded only to physical casino operators.

The division by division data presented below have been adjusted for intra group transactions. They thus show each division's contribution to the Group, net of intra group activity.

CURRENT OPERATING PROFIT BY DIVISION

€000 AT 31 OCTOBER 2013	CASINOS	HOTELS	INTERACTIVE DIVISION	OTHER	TOTAL
Turnover	390 036	33 166	7 803	5 373	436 378
External purchases and expenses	(106 759)	(11 995)	(8 660)	(14 169)	(141 583)
Tax	(16 719)	(1 586)	(209)	(1 008)	(19 522)
Personnel expenses	(166 868)	(15 472)	(5 516)	(7 311)	(195 166)
Depreciation, amortisation and impairment of fixed assets	(31 650)	(3 038)	(1 799)	(4 246)	(40 733)
Other current operating revenues and expenses	(9 078)	108	38	635	(8 297)
Current operating profit (loss)	**58 962**	**1 183**	**(8 342)**	**(20 726)**	**31 077**

€000 AT 31 OCTOBER	CASINOS		HOTELS		INTERACTIVE DIVISION		OTHER		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Turnover	407 981	417 710	33 325	34 593	6 204	6 932	3 440	5 070	450 951	464 304
External purchases and expenses	(107 898)	(106 130)	(12 497)	(12 425)	(12 852)	(12 354)	(14 148)	(13 816)	(147 395)	(144 725)
Tax	(15 951)	(16 165)	(1 724)	(1 698)	(288)	(431)	(1 111)	(1 148)	(19 073)	(19 442)
Personnel expenses	(175 602)	(173 039)	(15 254)	(15 849)	(7 238)	(7 176)	(7 866)	(7 554)	(205 960)	(203 619)
Depreciation, amortisation and impairment of fixed assets	(33 940)	(35 098)	(3 401)	(3 379)	(2 149)	(2 345)	(4 057)	(4 003)	(43 547)	(44 825)
Other current operating revenues and expenses	(10 884)	(12 897)	146	995	2 680	2 108	(201)	(1 823)	(8 258)	(11 617)
Current operating profit (loss)	**63 707**	**74 380**	**595**	**2 237**	**(13 643)**	**(13 266)**	**(23 943)**	**(23 274)**	**26 717**	**40 076**

BALANCE SHEET ITEMS BROKEN DOWN BY DIVISION

€000 AT 31 OCTOBER	SEGMENT ASSETS		OF WHICH EQUITY-ACCOUNTED	
	2013	2012	2013	2012
CASINOS	627 410	654 966	-	-
HOTELS	43 306	46 226	-	-
INTERACTIVE DIVISION	10 842	20 130	-	-
OTHER	122 718	123 713	-	-
TOTAL	**804 275**	**845 035**	**-**	**-**

€000 AT 31 OCTOBER	SEGMENT LIABILITIES	
	2013	2012
CASINOS	155 010	168 546
HOTELS	9 455	12 734
INTERACTIVE DIVISION	7 681	8 321
OTHER	298 459	308 752
TOTAL	**470 604**	**498 354**

FINANCIAL STATEMENT RECONCILIATION OF DIVISION LIABILITIES

€000 AT 31 OCTOBER	2013	2012
Segment liabilities	470 604	498 354
Equity	333 671	346 681
TOTAL LIABILITIES AND EQUITY	**804 275**	**845 035**

CASH FLOW ITEMS BY BUSINESS DIVISION

€000 AT 31 OCTOBER	INTANGIBLE ASSET INVESTMENTS		TANGIBLE FIXED ASSET INVESTMENTS		DEPRECIATION, AMORTISATION AND PROVISIONS	
	2013	2012	2013	2012	2013	2012
CASINOS	(74)	(258)	(21 578)	(18 225)	38 806	45 764
HOTELS	(6)	(21)	(1 086)	(997)	3 017	3 399
INTERACTIVE DIVISION	(195)	(1 626)	(82)	(341)	7 938	4 572
OTHER	(41)	(190)	(1 342)	(14 058)	2 953	4 902
TOTAL	**(317)**	**(2 096)**	**(24 088)**	**(33 621)**	**52 714**	**58 637**

TURNOVER BY GEOGRAPHICAL AREA

€000 AT 31 OCTOBER	2013	%	2012	%	2011	%
France	362 958	83,2 %	380 491	84,4 %	393 682	84,8 %
Europe (excl. France)	71 939	16,5 %	68 636	15,2 %	69 114	14,9 %
Other countries	1 480	0,3 %	1 823	0,4 %	1 508	0,3 %
TOTAL	**436 378**	**100,0 %**	**450 951**	**100,0 %**	**464 304**	**100,0 %**

NOTE 23. EXTERNAL PURCHASES AND EXPENSES

€000 AT 31 OCTOBER	2013	2012	2011
Raw materials	42 603	43 804	44 745
Lease payments on current assets	360	341	229
Fixed asset leases	11 019	10 812	11 080
Current asset leases	7 877	7 842	7 641
Maintenance	10 418	10 956	11 005
Insurance premiums	1 951	1 839	1 322
External staff	1 932	2 628	2 709
Professional fees	15 762	14 802	15 435
Advertising	25 160	31 554	28 390
Entertainment	2 187	2 797	2 676
Post and telecoms	2 385	2 748	3 058
Banking fees	2 630	3 125	3 424
Subcontracting expenses	16 857	12 397	11 589
Other	442	1 749	1 420
TOTAL	**141 583**	**147 395**	**144 725**

NOTE 24. PERSONNEL COSTS AND WORKFORCE

PERSONNEL EXPENSES

€000 AT 31 OCTOBER	2013	2012	2011
Wages and salaries	140 472	144 288	143 690
Social security expenses	51 654	57 756	55 280
Employee profit-sharing	3 039	3 916	4 648
TOTAL	**195 166**	**205 960**	**203 619**

At 31 October 2013, social security expenses reflected the €3.3m impact on the Group of the CICE tax credit for competitiveness and employment.

AVERAGE WORKFORCE

AT 31 OCTOBER	2013	2012	2011
France	4 493	4 707	4 808
Other countries	487	535	598
TOTAL	**4 980**	**5 242**	**5 406**

2,343 people work in the gaming sector.

BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY

AT 31 OCTOBER	2013	2012	2011
Executives	948	956	960
Junior executive staff	299	314	320
Non-executives	3 521	3 750	3 881
Manual workers	212	222	245
TOTAL	**4 980**	**5 242**	**5 406**

NOTE 25. OTHER OPERATING INCOME AND EXPENSES

OTHER CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2013	2012	2011
Net gain (loss) on asset disposals	(248)	(62)	494
Changes in provisions for current assets	(142)	(1 389)	(4 588)
Changes in provisions for liabilities	176	463	(1 941)
Sundry current operating income and expenses	(8 082)	(7 271)	(5 582)
TOTAL	**(8 297)**	**(8 258)**	**(11 617)**

In respect of 2013, the line item "Sundry current operating income and expenses" includes in particular:

Charges related to casino operating requirements	(11 553)
Gaming oversight fees	(1 021)
Other sundry current operating expenses (*)	(3 505)
Total sundry current operating expenses	**(16 079)**
Tax relief for manifestations artistiques de qualité (high-quality artistic productions)	4 045
Investments subsidies taken to income for the period	1 699
Other sundry current operating income (**)	2 254
Total sundry current operating income	**7 998**
Total sundry current operating income and expenses	**(8 082)**

(*) Mainly includes all recurring operating costs (image costs, copyright, other royalties and miscellaneous operating costs, etc.) incurred by all the Group's companies.

(**) Mainly includes all recurring operating revenue earned by all the Group's companies.

OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2013	2012	2011
Net gain (loss) on asset disposals (**)	(2 498)	344	994
Sundry operating income and expenses (*)	-	(1 801)	(5 534)
Total	**(2 498)**	**(1 458)**	**(4 540)**

(*) Includes all non recurring sundry operating income and expenses not related to the Group's usual operating cycle.

(**) Includes a €2,731k net loss on the disposal of assets related to the San Roque casino.

NOTE 26. FINANCIAL INCOME (EXPENSE)

€000 AT 31 OCTOBER	2013	2012	2011
Cost of debt	(9 706)	(12 062)	(15 987)
Cost of interest rate hedging	(1 320)	(2 933)	(3 018)
Investment income	849	1 224	1 105
Net financial income (expenses)	**(10 177)**	**(13 771)**	**(17 899)**
Change in the fair value of hedging instruments (ineffective portion)	-	2 195	3 019
Cost of financial debt (a)	**(10 177)**	**(11 576)**	**(14 880)**
Foreign exchange gains	2 106	3 252	1 695
Foreign exchange losses	(558)	(43)	(388)
Other transactions	190	496	699
Financial provision charges and reversals	(1 999)	(126)	(488)
Other financial income and expenses (b)	**(261)**	**3 579**	**1 519**
NET FINANCIAL INCOME (a + b)	**(10 438)**	**(7 997)**	**(13 361)**

Net financial expenses were reduced by the combined effects of:

- repayment on bank debt;
- a lower average annual interest rate than the preceding year;
- a drop in the cost of interest rate hedging.

Regarding the fair value of cash flow hedging instruments, since the Company has opted for hedge accounting as described in Note 2, paragraph on «Derivatives», the change in the effective portion of hedging instruments is recorded in equity (comprehensive income).

NOTE 27. COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES

Net cash from operating activities before change in WCR, interest and taxes remained stable at €70.7m (2012: €69.5m). However, cash from operating activities in 2013 represented a net inflow of €39.3m, down €18.8m from 2012 mainly due to a substantial difference in the Group's change in working capital requirement.

The change in WCR, which represented a net resource of €10.3m in 2012, reflected a net use of €13.1m in 2013, mainly due to increases in trade accounts receivable (€3.5m) and other receivables and regularisation accounts (€3m), and decreases in trade accounts payable (€1.8m) and other payables (€5.2m).

The amount of interest paid fell by €3.8 million, including €1.5m due to the freezing of repayments under the Safeguard Procedure in effect at Groupe Partouche SA.

The amount of tax paid was €10.1m, a small increase.

CASH FLOW FROM INVESTING ACTIVITIES

The Group's cash flow from investing activities was a net use of cash (€21.8m), down from financial year 2012 (net use of €37.0m), which notably reflected the construction of the Pasino de La Grande-Motte.

This amount for 2013 mainly reflected, on the one hand, outflows arising on the acquisition and upkeep of tangible fixed assets (€24.1m), namely investments in maintenance, renovation and renewal of the Group's stock of slot machines; and, on the other hand, proceeds from the sale of tangible fixed assets amounting to €2.6m, mainly from the sale of San Roque real estate assets.

CASH FLOW FROM FINANCING ACTIVITIES

Financing flows in 2013 included the repayment of borrowings in the amount of €13.9m (including €11.5m towards the syndicated bank loan) and the payment of dividends to minority interest holders in the amount of €9.1m.

Also included is the refund of a security deposit on a sale agreement that lapsed when the conditions precedent failed to be met (outflow of €8.0m).

Based on these movements, cash was down €13.5m compared to 31 October 2012, totalling €112.5m at 31 October 2013.

NOTE 28. CORPORATE INCOME TAX

ANALYSIS OF THE TAX EXPENSE

€000 AT 31 OCTOBER	2013	2012	2011
Profit before tax	**6 190**	**1 140**	**15 581**
Current tax expense	(4 715)	(6 706)	(6 787)
Deferred tax expense	(1 658)	830	(3 467)
CVAE tax expense	(3 930)	(3 873)	(3 273)
Total tax expense	**(10 303)**	**(9 749)**	**(13 527)**
Total tax expense - CVAE tax excluded	(6 373)	(5 876)	(10 254)
Effective tax rate (*)	**102,97 %**	**515,53 %**	**65,81 %**

(*) CVAE tax excluded

RATIONALISATION OF THE EFFECTIVE TAX RATE - TAX PROOF

€000 AT 31 OCTOBER	2013	2012	2011
Profit taxable at the current corporate income tax rate	**6 190**	**1 140**	**15 581**
French corporate income tax rate	33,33%	33,33%	33,33 %
Tax charge based on current corporate income tax rate (theoretical)	**(2 063)**	**(380)**	**(5 194)**
Temporary timing differences	116	234	(293)
Permanent differences	12 319	12 686	14 774
Net effect of consolidation operations	(2 754)	(4 114)	(9 421)
Tax losses generated by Group companies during the year	(26 544)	(29 328)	(23 619)
Impact of tax consolidation	9 774	14 387	14 980
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	887	(3 810)	(2 323)
Use of unrecognised tax loss carried forward	679	4 102	971
Tax credit and other	1 212	346	(128)
Group tax charge (*)	**(6 373)**	**(5 876)**	**(10 254)**
Consolidated net income before tax	**6 190**	**1 140**	**15 581**
Reconstituted Group tax rate	**102,97 %**	**515,53 %**	**65,81 %**

(*) The tax expense of the Group for fiscal years ending 31 October 2013 and 2012 in the tax proof does not take into account the restatement of CVAE (see Note 2).

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

(Groupe Partouche SA, Baratem, C.D.T.H, Cannes Balnéaires, Casino d'Évaux-les-Bains, Casino de Contrexéville, Casino de Gréoux-les-Bains, Casino de La Grande-Motte, Casino de Palavas, Casino de Salies-de-Béarn, Casino de St-Amand, Casino du Touquet – Les Quatre Saisons, Casino Le Lion Blanc, Casino municipal d'Aix Thermal, Casino municipal de Royat, Compagnie européenne de casinos, Développement baie de Kernic, Casino de Bourbon Lancy, Eden Beach Casino, Grand Casino de Bandol, Grands hôtels du Parc, Hôtel Cosmos, Jean Metz, Ludica, Numa, Plombinoise de Casino, SACBM, Sathel, Sek, Société du Casino d'Arcachon, Sté de brasserie et casino Les Flots Bleus, Holding Garden Pinède, SARL Aquabella, Casino Palm Beach, SCI des Thermes, Thermpark, Centre de balnéothérapie d'Aix-en-Provence, Casino de Pornichet, Casino de Pornic, Casino d'Andernos, Casino Val André, Sinoca, Grand Casino du

Havre, Grand Casino de la Trinité, STTH Divonne, Société du Grand Casino d'Annemasse, SCI de l'Arve, Société Casino Hauteville-Lompnes, Hôtel International de Lyon et Grand Casino de Lyon, Partouche Spectacles & Événements, Casino de Cabourg, SCI Vittel et Contrexéville, Partouche Immobilier, Partouche Technologies, Partouche Tournoi, Partouche Interactive, Casino du Palais de la Méditerranée, Société d'exploitation du Casino de Divonne, Partouche Gaming France, Casino de la Tremblade, SA Cannosta.

CORPORATE INCOME TAX RECEIVABLES

€000 AT 31 OCTOBER	2013	2012	2011
Receivables from the French State (*)	6 980	1 498	3 269
Corporate income tax receivables	**6 980**	**1 498**	**3 269**

At 31 October 2013, accounts receivable from the French State mainly included €4.3m relating to a carry back recognised by Groupe Partouche SA. As of 31 October 2012, this receivable was classified in its entirety with other non current assets under accounts receivable from the French State.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is recognised using the liability method on all differences between tax bases and carrying amounts. Deferred tax assets and liabilities are not discounted. A breakdown of the net change in deferred taxes (both assets and liabilities) is as follows:

€000	2013	2012
Deferred tax assets at 1 November	2 368	2 379
Deferred tax liabilities at 1 November	(32 653)	(34 356)
Net deferred tax at 1 November	**(30 285)**	**(31 977)**
Impact of profit (1)	(1 605)	1 270
Impact of consolidation scope	2	(386)
Impact of exchange rate changes	(29)	(9)
Other (2)	(436)	818
Net deferred tax at 31 October	**(32 353)**	**(30 285)**
Deferred tax assets at 31 October	2 160	2 368
Deferred tax liabilities at 31 October	**(34 513)**	**(32 653)**

(1) The impact of profit in 2013 includes a €53k impact arising from the change in deferred taxes on CVAE timing differences; the impact in 2012 was €440k.

(2) The other items mainly concern deferred taxes arising from changes in the fair value of financial instruments recognised in equity (recyclable component). These movements had no impact on profit for the period.

Deferred tax was in relation to the following restatements:

€000	2013	2012
Employee commitments	3 356	3 356
Derivative instruments	411	818
Revaluation adjustments	(18 346)	(19 360)
Internal provisions	(23 909)	(21 916)
Tax loss carryforwards recognized as assets	4 869	4 909
Deferred tax on temporary CVAE differences	(2 438)	(2 491)
Capital lease restatement	(1 289)	(1 384)
Other temporary items and consolidated adjustments	4 991	5 784
Total	**(32 354)**	**(30 285)**

IMPACT OF REFORM OF THE TAXE PROFESSIONNELLE (FRENCH LOCAL BUSINESS TAX)

The CVAE (cotisation sur la valeur ajoutée des entreprises, French Company Added Value Contribution) is determined by applying a rate to the added value generated by the company during the year. Insofar as the amount of added value is a net amount of income and expenses, the CVAE meets the definition of income tax, as set in IAS 12.2. Therefore, the amount of taxes relating to the CVAE is presented as of the financial year ending 31 October 2011, under "Income tax" in the consolidated income statement.

TAX LOSSES CARRIED FORWARD

Deferred tax assets related to loss carryforwards are recognised on the balance sheet only when such losses are determined to be recoverable.

As of 31 October 2013, the total amount of tax in relation to uncapitalised loss carryfowards was €35 million (French companies).

As of 31 October 2013, deferred tax assets recognised in connection with loss carryforwards totalled €4.9 million, arising from the tax consolidation unit of Groupe Partouche SA in an amount of €4.7 million.

In order to determine how much of this deferred tax asset should remain in the consolidated financial statements at 31 October 2013, the Group projected the future taxable income of tax consolidated companies based on budget forecasts for 2014.

The estimates taken into account in this analysis are the same as those used for the value in use method: they are extracted from the annual budgets and multi-annual plans drawn up by the Group's management.

€M AT 31 OCTOBER 2013	TAX LOSSES CARRIED FORWARD	LOSS CARRYFORWARD GIVING RISE TO ACTIVATION	PORTION AVAILABLE FOR OFFSET IN LESS THAN 1 YEAR	PORTION AVAILABLE FOR OFFSET IN MORE THAN 1 YEAR
Tax consolidation scope of the Group	27,8	14,2	5,4	8,8
Interest on tax consolidation	1,8	-	1,8	-

NOTE 29. OFF BALANCE SHEET COMMITMENTS

COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET AND RELATED TO THE SCOPE

Commitments given at 31 October 2013:

None.

Commitments received at 31 October 2013:

€000	2013	2012	2011
Sureties, deposits and pledges	4 050	4 850	4 400
TOTAL	4 050	4 850	4 400

At 31 October 2013, the above sureties, deposits and pledges covered the receivable from Société française de casinos (€3,400k) and the receivable from the Saint-Honoré casino (€650k).

OFF BALANCE SHEET COMMITMENTS RELATED TO FINANCING

Commitments given at 31 October 2013:

€000	2013	PAYMENTS DUE PER PERIOD			2012	2011
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS		
Long term liabilities (bank debts with guarantees)	235 192	71 284	163 908	-	246 749	270 159
Capital leases	516	292	224	-	-	-
TOTAL	**235 708**	**71 576**	**164 132**	**-**	**246 749**	**270 159**

Commitments received at 31 October 2013:

€000	2013	2012	2011
Capital leases	720	-	-
TOTAL	**720**	**-**	**-**

OFF BALANCE SHEET COMMITMENTS RELATED TO OPERATING ACTIVITIES

1. Contractual commitments

Commitments given at 31 October 2013:

€000	2013	PAYMENTS DUE PER PERIOD			2012	2011
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS		
Operating lease contracts (leases, non-real estate lease contracts)	85 156	11 106	29 854	44 196	61 282	62 321
Collateral or mortgages	-	-	-	-	1 406	1 406
Sureties and deposits	6 018	683	35	5 300	8 090	8 129
Notes issued	-	-	-	-	179	352
Liability guarantees	-	-	-	-	-	-
Other financial commitments	1 650	1 650	-	-	-	-
Other commercial commitments	8 313	3 049	2 967	2 298	42 788	42 449
Commitments in respect of operating requirements	78 863	8 629	29 329	40 905	-	-
Total	**180 000**	**25 117**	**62 184**	**92 698**	**113 745**	**114 657**

The increase in commitments concerning leases is mainly due to the recognition with effect from the 2013 financial year of commitments for future rental payments by Belgian casinos under the terms of their concession agreements.
With effect from this financial year, future payment commitments in respect of casino operating requirements (under public service concessions) are valued in full and shown as a separate item in the above table (in 2011 and 2012, they were included in the "Other commercial commitments" item). These include all of the operator's obligations over the remaining term of the concession. The corresponding expenses, which are paid annually, are recognised in the income statement under "Other current operating income and expenses".

Commitments received at 31 October 2013:

€000	2013	2012	2011
Claw back	98	-	-
Operating lease contracts (leases, non-real estate lease contracts, other)	7 232	-	-
Sureties and deposits	576	275	275
Liability guarantee	-	-	-
Other commercial commitments	737	-	-
TOTAL	**8 644**	**275**	**275**

The "Operating leases received" item mainly consists of €6.2 million in commitments to lease event space at Casino du Palm Beach.

2. Investment commitments

Commitments given at 31 October 2013:

€000	2013	PAYMENTS DUE PER PERIOD			2012	2011
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS		
Commitments related to investments	82	82	-	-	-	9 511
TOTAL	**82**	**82**	**-**	**-**	**-**	**9 511**

At end 2013, the commitments reported in this table mainly concerned work at Hôtel International de Lyon. In 2011, commitments related to investments concerned the construction of the new operating site of Pasino de la Grande-Motte.

Commitments received at 31 October 2013:

€000	2013	2012	2011
Other market commitments received	670	655	188
TOTAL	**670**	**655**	**188**

The commitments reported in this table concern warranties received from suppliers involved in construction work on the new operating site of Pasino de la Grande-Motte.

To the best of the Company's knowledge, there are no other off balance sheet commitments.

NOTE 30. RELATED PARTIES

DIRECTORS' COMPENSATION

For the financial year ended 31 October 2013, the amount of gross compensation allocated to the management and supervisory bodies of Groupe Partouche SA amounts to €1,768,614, and no directors' fees were received by the members of the Supervisory Board for the period under review. These components of compensation are comprised uniquely of short-term benefits.

RELATED PARTY TRANSACTIONS

Transactions with Financière Partouche SA

Groupe Partouche SA rents from Financière Partouche SA the premises of its registered office. The total rent, including charges and tax, was €290,692 for financial year 2012-2013.

Groupe Partouche SA benefits from a shareholder advance of €100m from Financière Partouche SA, which was reduced by €74,591,686 following the capital increase carried out on 13 August 2010. Since that date the balance amounts to €25,408,314. This advance, frozen as of the Safeguard Procedure initiated on 30 September 2013, is remunerated at the rate of Euribor plus 2%, which represents for financial year 2012-2013, a financial charge of €563,634.

As a result of the Safeguard Procedure, Groupe Partouche now has two current accounts in credit with Financière Partouche: one Financière Partouche current account that is frozen as a result of the opening of the Safeguard Procedure involving Group Partouche SA, with a balance of €6,148,354 (corresponding to the receivable reported to the creditors' committee by Financière Partouche), and one "post-safeguard" Financière Partouche current account with a balance of €51,703 at 31 October 2013. These two current accounts generated a total interest expense of €47,529 in respect of the 2012-2013 financial year.

Investment agreement between Financière Partouche SA and Butler Capital Partners (BCP)

An investment agreement was executed on 19 April 2011 in order to define the terms and conditions of the entry of BCP in the share capital of the company, with the approval of the principal shareholder Financière Partouche SA. This agreement led in May 2011 to two capital increases as described in Note 14.

Agreements with Ispar Holding SA

Ispar Holding SA, controlled and chaired by Mr. Isidore Partouche, provides assistance and advice to the Swiss casinos. With respect to financial year 2012-2013, the expenses recognised in respect of the remuneration of Ispar Holding SA by the Crans-Montana and Meyrin casinos amounted to €88k and €146k, respectively.

Agreements with Shal & Co

Shal & Co, controlled and chaired by Mr. Hubert Benhamou, provides assistance with the management activities of certain Groupe Partouche casinos. The corresponding remuneration received for financial year 2012-2013 was €593,333.

Other

The other transactions in financial year 2012-2013 with related parties as part of ordinary activities are not considered significant for the Group and were carried out at market conditions.

NOTE 31. ACTIVITIES IN THE PROCESS OF BEING DIVESTED

In October 2013, the property complex housing the former San Roque casino in Spain was sold for €2 million (recognised in the financial year ended 31 October 2013).

The Group made significant progress with its divestment programme in the early part of the 2013-2014 financial year, generating cash flows in excess of €30 million via the following transactions:

- In December 2013, the holding company Belcasinos completed the sale of the Knokke casino and the associated real estate assets for a price of €16.5 million;
- In December 2013, the holding company Belcasinos completed the sale of the Belgian casino in Dinant for a price of €10.75 million;
- Also in December 2013, the property complex in Reno (USA) was sold for €1.6 million;
- In January 2014, the sale of the Hauteville-Lompnes casino was completed for a price of €1.45 million.

As a result of these disposals, the assets in question have been reclassified as "held-for-sale assets" in the consolidated 2013 balance sheet.

BALANCE SHEET ASSETS

€000 AT 31 OCTOBER	2013	2012	2011
Non-current assets	**15 561**	**4 500**	**2 728**
Cinéma de Vichy	-	-	2 728
Casino de la Grande-Motte	4 500	4 500	-
Casino de Knokke	4 884	-	
SIKB	1 768	-	-
Reno	1 658	-	-
Casino de Dinant	871	-	-
Casino de Hauteville-Lompnes	1 880	-	-
Current assets	**814**	**-**	**40**
Cinéma de Vichy	-	-	40
Casino de Knokke	551	-	-
SIKB	1	-	-
Casino de Dinant	159	-	-
Casino de Hauteville-Lompnes	104	-	-
Total held for sale assets	**16 376**	**4 500**	**2 768**

BREAKDOWN OF NON-CURRENT ASSETS HELD FOR SALE

€000 AT 31 OCTOBER	2013	2012	2011
Intangible assets	364	-	-
Goodwill	5 817	-	-
Tangible fixed assets	9 380	4 500	135
Other financial non current assets	-	-	48
Deferred tax	-	-	1
Other non-current assets	-	-	2 544
Non-current assets	**15 561**	**4 500**	**2 728**

BALANCE SHEET LIABILITIES AND EQUITY

€000 AT 31 OCTOBER	2013	2012	2011
Non-current liabilities	**109**	**-**	**2 008**
Cinéma de Vichy	-	-	2 008
Casino de Knokke	16	-	-
Casino de Hauteville-Lompnes	93		
Current liabilities	**3 865**	**-**	**652**
Cinéma de Vichy	-	-	652
Casino de Knokke	1828	-	-
SIKB	2	-	-
Casino de Dinant	1 304		
Casino de Hauteville-Lompnes	731		
Total liabilities held for sale	**3 973**	**-**	**2 660**

NOTE 32. POST BALANCE SHEET EVENTS AND TRANSACTIONS IN PROGRESS

As well as the asset disposals referred to in Note 31, the former casino in La Grande-Motte and unused premises in Vichy are still covered by undertakings to sell, with both sales due to complete during the current financial year (for €4.5 million and €3.3 million respectively).

Key events in 2014 will include the end of the safeguard procedure for the holding company, Groupe Partouche SA, which is currently in a six-month observation period due to expire on 30 March 2014.

NOTE 33. MARKET RISKS AND DERIVATIVE INSTRUMENTS

Groupe Partouche could be exposed to liquidity risks and foreign exchange risks in the line of its activity. This exposure is detailed in 4.1.2 “Liquidity Risks”, 4.1.3 “Interest Rates Risks” and 4.1.4. “Exchange Rate Risks”.

NOTE 34. CONSOLIDATION SCOPE

The following companies are consolidated by Groupe Partouche SA:

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2013	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	CONSOLIDATION METHOD
SA GROUPE PARTOUCHE	France				Parent company
FULLY CONSOLIDATED COMPANIES					
CASINOS					
SA CASINO DE SAINT-AMAND	France	100	100	100	FC
SA GRAND CASINO DE CABOURG	France	100	100	100	FC
SA CASINO DU GRAND CAFÉ	France	61,9	61,9	61,9	FC
SA FORGES THERMAL	France	59,50	59,48	59,48	FC
SA CASINO ET BAINS MERS DE DIEPPE	France	100	100	100	FC
SA JEAN METZ	France	100	100	100	FC
SA LE TOUQUET'S	France	90,1	90,1	90,1	FC
SA CASINOS DU TOUQUET	France	99,53	99,53	99,53	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2013	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	CONSOLIDATION METHOD
SA CASINOS DE VICHY	France	91,83	91,83	91,83	FC
CASINO DE CONTREXÉVILLE	France	100	100	100	FC
SA NUMA	France	100	100	100	FC
SA GRAND CASINO DE LYON	France	100	97,25	97,25	FC
PALM BEACH CASINO	France	99,99	99,99	99,99	FC
SA ECK	Belgium	99,9	99,9	99,9	FC
SA LE GRAND CASINO DE DJERBA	Tunisia	99,9	99,9	99,9	FC
CASINO NUEVO DE SAN ROQUE	Spain	98,9	98,9	98,9	FC
SA SATHEL	France	99,86	99,87	99,87	FC
SA CASINO MUNICIPAL DE ROYAT	France	99,86	99,87	99,87	FC
SA CASINO LE LION BLANC	France	99,86	99,87	99,87	FC
SA EDEN BEACH CASINO	France	99,64	99,65	99,65	FC
SA CASINO MUNICIPAL D'AIX THERMAL	France	99,61	99,42	99,41	FC
SA CASINO DES FLOTS BLEUS	France	99,59	99,40	99,39	FC
SA CASINO DE PALAVAS	France	99,87	99,88	99,88	FC
CASINO DE PORNICHET	France	100	100	100	FC
CASINO DE PORNIC	France	100	100	100	FC
CASINO D'ANDERNOS	France	99,79	99,79	99,79	FC
CASINO D'ARCACHON	France	98,7	98,7	98,7	FC
CASINO DE SALIES DE BÉARN	France	100	100	100	FC
CASINO DE LA GRANDE-MOTTE	France	99,98	99,98	99,98	FC
CASINO DE GRÉOUX	France	100	100	100	FC
CASINO D'ÉVAUX-LES-BAINS	France	100	100	100	FC
CASINO DE PLOMBIÈRES	France	100	100	100	FC
CASINO D'OSTENDE	Belgium	99,98	99,98	99,98	FC
CHAUDFONTAINE LOISIRS	Belgium	99,99	99,99	99,99	FC
CASINO DE LA ROCHE-POSAY	France	89,7	89,7	89,7	FC
CASINO DE AGON COUTAINVILLE	France	89,56	89,56	89,56	FC
CASINO DE HYÈRES	France	99,9	99,9	99,9	FC
CASINO DE VAL-ANDRÉ	France	100	100	100	FC
CASINO DE PLOUESCAT	France	97	97	97	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2013	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	CONSOLIDATION METHOD
CASINO DE BANDOL	France	100	100	100	FC
CASINO LAC MEYRIN	Switzerland	40	40	40	FC
SA LYDIA	France	-	-	97,30	FC
CASINO DU HAVRE	France	100	100	100	FC
CASINO DE LA TRINITÉ	France	100	100	100	FC
CASINO DU PALAIS DE LA MÉDITERRANNÉE	France	100	100	100	FC
CASINO DE DIVONNE	France	98,7	98,7	98,7	FC
CASINO D'ANNEMASSE	France	99,93	99,92	99,91	FC
CASINO DE HAUTEVILLE-LOMPNES	France	100	100	100	FC
CASINO DE CRANS-MONTANA	Switzerland	57	57	57	FC
CASINO DE LA TREMBLADE	France	99,03	99,03	99,03	FC
CASINO DE DINANT	Belgium	100	100	100	FC
CASINO TABARKA	Tunisia	99,89	99,89	99,89	FC
HOTELS					
SA ÉLYSÉE PALACE HOTEL	France	91,58	91,7	91,7	FC
SA HÔTEL INTERNATIONAL DE LYON	France	97,25	97,25	97,25	FC
SNC GARDEN BEACH HOTEL	France	99,65	99,66	99,66	FC
SARL AQUABELLA	France	99,79	99,79	99,79	FC
HÔTEL 3.14	France	99,99	99,99	99,99	FC
GRANDS HÔTELS DU PARC	France	100	100	100	FC
HÔTEL COSMOS	France	100	100	100	FC
SARL SINOCA	France	100	100	100	FC
INTERACTIVE DIVISION					
PARTOUCHE INTERACTIVE	France	95,99	95,99	95,99	FC
QUARISMA	France	91,26	91,26	91,26	FC
PARTOUCHE PRODUCTION	France	72,42	72,42	72,42	FC
PARTOUCHE TECHNOLOGIE	France	96	96	96	FC
PARTOUCHE IMAGE	France	72,44	72,44	72,44	FC
PARTOUCHE TOURNOIS	France	96	96	96	FC
WORLD SERIES OF BACKGAMON	United Kingdom	96	96	96	FC
APPOLONIA FRANCE	France	67,2	67,2	67,2	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2013	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	CONSOLIDATION METHOD
PARTOUCHE INTERACTIVE HOLDING	Gibraltar	96	96	96	FC
PARTOUCHE INTERACTIVE GIBRALTAR	Gibraltar	96	96	96	FC
PARTOUCHE BETTING	Malta	96	96	96	FC
PARTOUCHE GAMING FRANCE	France	96	96	96	FC
SOCIÉTÉ D'EXPLOITATION DU CASINO DE DIVONNE	France	96	96	96	FC
GIE IMCJC	France	100	100	100	FC
INTERNATIONAL GAMBLING SYSTEMS	Belgium	19	19	19	FC
OTHER					
SA CANNES BALNÉAIRES PALM BEACH	France	99,99	99,99	99,99	FC
SA CHM	France	86,89	86,89	86,89	FC
SA BARATEM	France	99,25	99,25	99,25	FC
SA HOLDING GARDEN PINÈDE	France	100	100	100	FC
SCI HÔTEL GARDEN PINÈDE	France	100	100	100	FC
SCI RUE ROYALE	France	99,99	99,99	99,99	FC
ÉLYSÉE PALACE EXPANSION	France	91,58	91,62	91,66	FC
ÉLYSÉE PALACE SA	France	91,56	91,59	91,63	FC
SCI LYDIA INVESTISSEMENT	France	-	97	97	FC
SCI LES THERMES	France	99,99	99,99	99,99	FC
SARL THERM'PARK	France	99,99	99,99	99,99	FC
SA GROUPE PARTOUCHE INTERNATIONAL	Belgium	99,9	99,9	99,9	FC
SARL SEK	France	99,86	99,87	99,87	FC
SCI EDEN BEACH CASINO	France	99,86	99,87	99,87	FC
SCI PALAVAS INVESTISSEMENT	France	99,87	99,88	99,88	FC
CBAP Centre Balnéothérapie	France	99,99	99,99	99,99	FC
SCI FONCIÈRE DE VITTEL ET CONTREX	France	100	100	100	FC
EUROPÉENNE DE CASINO HOLDING	France	100	100	100	FC
BELCASINOS	Belgium	100	100	100	FC
CASINO CHAUDFONTAINE	Belgium	99,9	99,9	99,9	FC
SCI GAFA	France	89,81	89,81	89,81	FC
CASINO VIRGINIAN DE RENO	United States	100	100	100	FC
SCI LES MOUETTES	France	100	100	100	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2013	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	CONSOLIDATION METHOD
SCI LES JARRES	France	100	100	100	FC
HOLDING LUDICA	France	100	100	100	FC
GIE EUROP GESTION COMPANY	France	-	100	100	FC
SCI JMB	France	100	100	100	FC
VZW	Belgium	100	100	100	FC
SCI PARC DE POSAY	France	89,71	89,71	89,71	FC
SARL PARC DU CHÂTEAU	France	71,76	71,76	71,76	FC
CINÉMA ÉLYSÉE VICHY	France	-	-	91,81	FC
SCI DE L'ARVE	France	99,93	99,92	99,91	FC
SCI LA TREMBLADE	France	99,04	99,04	99,04	FC
PARTOUCHE IMMOBILIER	France	100	100	100	FC
PARTOUCHE SPECTACLES & ÉVÈNEMENTS	France	100	100	100	FC
KIOUSK	France	99,99	99,99	99,99	FC
GROUPEMENT DE MOYEN DES CASINOS	France	100	100	100	FC
SIKB IMMO	Belgium	100	100	100	FC
CKO BETTING OSTENDE (*)	Belgium	100	-	-	FC
COMPANIES CONSOLIDATED USING THE EQUITY METHOD					
CASINOS					
INTERNATIONAL CASINO OF MADRID	Egypt	17,85	17,85	17,85	EM
SA CASINO DE GRASSE	France	-	-	49,74	EM in 2011
OTHER					
SCI DU CASINO DE GRASSE	France	-	-	49,77	EM in 2011
PARTOUCHE INTERACTIVE MALTA	Malta	47,99	96	96	EM in 2013

(*) See Note 3 for detail on significant changes in scope.


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20.2.2 FINANCIAL STATEMENTS OF THE COMPANY – 31 OCTOBER 2013

BALANCE SHEET ASSETS (NET VALUES) €000 AT 31 OCTOBER	NOTES	2013	2012	2011
FIXED ASSETS				
Intangible assets	**2.1 / 2.2**			
Concession and similar rights		110	281	393
Internally-generated goodwill		72 776	72 852	72 928
Advances and down payments on intangible assets		23	0	0
Tangible fixed assets	**2.1 / 2.2**			
Land		7 289	7 289	67
Buildings		12 569	13 277	2 863
Technical equipment		20	8	11
Other tangible fixed assets		664	760	845
Assets under construction		36	36	35
Advances and down payments		0	0	0
Financial investments				
Other investments	2.3 / 2.4	554 709	535 408	544 430
Receivables attached to investments		595	595	0
Other long-term investment securities	2.3	-	-	-
Loans	2.5	43	44	37
Other financial investments	2.4 / 2.5	162	184	176
Total fixed assets		**648 996**	**630 734**	**621 785**
CURRENT ASSETS				
Merchandise		112	170	96
Advances and down payments to suppliers		17	7	19
Trade receivables	2.5	56	193	71
Other receivables	2.4 / 2.5	198 375	205 359	206 382
Marketable securities		15 915	21 163	41 031
Cash and cash equivalents		4 665	3 845	1 221
Prepaid expenses	2.5 / 2.10	1 969	2 968	2 139
Total current assets		**221 109**	**233 706**	**250 958**
REGULARISATION ACCOUNTS				
Capitalised expenses		0	0	687
Translation adjustment – asset		203	139	235
GRAND TOTAL		**870 307**	**864 579**	**873 665**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	NOTES	2013	2012	2011
Share capital (o/w fully paid: 193,631) (1)	2.13	193 631	193 631	193 631
Share premium, merger and contribution reserves		54 285	54 285	54 285
Revaluation reserve (2)		-	-	-
Legal reserve		8 778	8 778	8 619
Statutory reserve (3)		-	-	-
Other reserves		14 423	14 423	14 423
Retained earnings		144 914	155 289	152 285
NET PROFIT FOR THE YEAR (PROFIT OR LOSS)		(13 231)	(10 375)	3 162
Equity	**2.12**	**402 799**	**416 030**	**426 405**
Provisions for contingencies	2.4	203	218	313
Provisions for losses	2.4	48		
Provisions for contingencies and losses		**251**	**218**	**313**
Bank loans (5)	2.6	235 192	245 228	267 168
Sundry loans and debts	2.6	25 534	25 532	25 431
Advances and deposits on outstanding orders		-	-	-
Trade creditors	2.6	5 234	7 241	1 956
Tax and social security liabilities	2.6	3 352	3 171	2 858
Liabilities to fixed asset suppliers	2.6	45	80	80
Other liabilities	2.6	197 858	167 059	149 432
Deferred income	2.6 / 2.11	43	19	21
TOTAL (4)		**467 257**	**448 331**	**446 946**
Translation adjustment – liability		-	-	-
GRAND TOTAL		**870 307**	**864 579**	**873 665**
(1) Capitalised revaluation differential		294	294	294
(2) Includes a special revaluation reserve (1959)				
Free revaluation reserve				
Revaluation reserve (1976)				
(3) Includes a statutory reserve for long-term capital gains				
(4) Liabilities and deferred income falling due or to be released in less than one year		271 741	208 426	177 083
(5) Includes current account bank balances and bank over-drafts		0	0	0

INCOME STATEMENT €000 - 31 OCTOBER	NOTES	2013	2012	2011
Merchandise sales		118	104	330
Sales of services		12 529	13 880	13 981
Net turnover	2.14	**12 647**	**13 983**	**14 311**
Operational subsidies		1	3	0
Reversals of depreciation, amortisation, provisions and expense transfers (7)		760	763	592
Other revenue		0	0	0
Total operating revenue (2)		**13 408**	**14 749**	**14 903**
OPERATING EXPENSES				
Purchases of goods (and custom duties)		176	242	232
Change in inventory (goods)		58	(74)	108
Other purchases and external expenses (6a)		10 527	12 507	13 191
Tax		644	459	424
Personnel costs		3 660	4 074	3 670
Social security expenses		1 477	1 580	1 448
Depreciation and amortisation charges and provision on fixed assets		1 149	1 639	1 624
Impairment of current assets		0	63	19
Other expenses		1	1	1
Total operating expenses		**17 692**	**20 491**	**20 717**
OPERATING INCOME		**(4 284)**	**(5 742)**	**(5 814)**
Income allocated or loss transferred		212	34	29
Loss borne or income transferred		0	0	0
Income from associates (5)	2.16	25 680	31 215	32 290
Income from other marketable securities and receivables (5)		0	0	0
Other interest income (5)		4 932	3 833	7 432
Provision reversals and expense transfers		15 616	4 819	1 473
Positive foreign exchange differences		4	0	35
Net gains on the disposal of marketable securities		1	5	78
Total financial income		**46 234**	**39 872**	**41 307**
FINANCE COSTS				
Depreciation, amortisation and provision charges		38 989	41 572	24 084
Interest expense (6)		12 321	16 455	21 861
Negative foreign exchange differences		11	19	3
Total finance costs		**51 320**	**58 046**	**45 948**
FINANCIAL ITEMS		**(5 086)**	**(18 174)**	**(4 641)**
CURRENT INCOME BEFORE TAX		**(9 158)**	**(23 883)**	**(10 425)**
Exceptional income on management transactions		173	3	162
Exceptional income on capital transactions		166	233	692
Provision reversals and expense transfers		0	0	0
Total exceptional income		**339**	**236**	**854**

INCOME STATEMENT €000 - 31 OCTOBER	NOTES	2013	2012	2011
Exceptional expense on management transactions		63	2	67
Exceptional expense on capital transactions		14 075	1 113	275
Exceptional depreciation, amortisation and provision charges		48	0	1 904
Total exceptional expense		**14 187**	**1 115**	**2 246**
EXCEPTIONAL ITEMS	2.17	**(13 848)**	**(879)**	**(1 392)**
Employee profit-sharing				
Corporate income tax	2.18	(9 774)	(14 387)	(14 980)
Total income		**60 193**	**54 890**	**57 093**
Total expense		**73 425**	**65 265**	**53 931**
NET PROFIT OR LOSS		**(13 231)**	**(10 375)**	**3 162**

(2) Includes property rental income		1 020	685	582
(2) Includes operating revenue relating to prior financial years		173	2	162
(4) Includes operating revenue relating to prior financial years		13	0	12
(5) Includes income from associated entities		29 839	33 924	38 824
(6) Includes interest from associated entities		2 118	2 607	4 350
(6a) Includes contributions made to organisations deemed to be in the public interest		42	40	28
(7) Includes expense transfers		645	763	585

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the balance sheet before appropriation for the financial year ending 31 October 2013 which totals €870,307k and the income statement for the financial year, presented in list format, showing total income of €60,193k and a net loss of €13,231k.

The financial year is 12 months long, covering the period from 1 November 2012 to 31 October 2013.

The key highlights of this financial year were as follows:

SAFEGUARD PROCEDURE:

Having operated in a challenging environment for several years, in 2013 Groupe Partouche continued with its efforts to restructure its loss-making business units, resulting in significantly reduced expenses and lower investments.

As a result of these measures, Groupe Partouche was able to meet its syndicated loan repayments, including in particular the repayment due on 30 April 2013, reducing the principal amount outstanding to €233.7 million.

However, Groupe Partouche remained constantly exposed to the potential (but not certain) risk that it might breach one of the covenants on its syndicated loan.

Given its circumstances, in June 2013 Groupe Partouche decided to initiate discussions with its banking syndicate with a view to rescheduling the syndicated loan. The primary aim was to extend the repayment schedule to align it with the company's ability to repay, as well as reconsidering the margin and the level of covenants.

In the absence of agreement from the banking syndicate and in light of the latter's demands, Groupe Partouche did not wish to remain exposed to the aforementioned risks, which could have resulted in the loan becoming immediately repayable. The Group opted instead to enter into the Safeguard Procedure to allow it to restructure its bank debt by extending the repayment schedule and to continue to operate unhindered.

The Group's holding company, Groupe Partouche SA, therefore successfully petitioned the Paris Commercial Court on 30 September 2013 to open a Safeguard Procedure.

This procedure only involves the company Groupe Partouche SA and in no way affects the continued operation of the Group's operating subsidiaries.

The Safeguard Procedure opened with a six-month observation period due to expire on 30 March 2014.

Group Partouche is required to submit its proposals to the insolvency authorities by end-February 2014.

As of the date on which these financial statements were approved for publication, even though there is no reason to suggest that a safeguard plan will not work, some uncertainty does exist as to whether the company will be able to continue operating. If the Safeguard Procedure fails, the company may not be able to realize its assets and extinguish its liabilities in the normal course of business.

The Safeguard Procedure initiated by Groupe Partouche SA has no impact on the parent company financial statements, which have been approved for publication on a going concern basis. Debts frozen until the end of the observation period (30 March 2014) are broken down by payments due according to the maturity schedules standing prior to the initiation of the Safeguard Procedure (see paragraph 2.6 of these Notes).

OTHER KEY EVENTS:

Acquisition of Grand Casino de Lyon from the Hôtel International de Lyon subsidiary

On 30 October 2013, the company acquired Grand Casino de Lyon from its subsidiary Hôtel International de Lyon for a value of €20 million. This transaction was authorised by the Paris commercial court. It will be paid for by offsetting the amount of the transfer against receivables by no later than 30 April 2014.

Winding up of SCI Lydia and SA Lydia

SCI Lydia and SA Lydia were wound up during the financial year. The impact of these liquidations was reflected in impairment losses on securities and current accounts recognised in Groupe Partouche's financial statements for prior years. The impact on the net profit for 2013 was thus none.

However, the presentation of the 2013 financial statements has been affected. In accordance with applicable accounting rules:

- The remaining gross value of equity investments and receivables had a €14,022k negative impact on "non-recurring items" in 2013 (non-recurring expenses);
- The corresponding reversals of provisions (set aside during prior years) are recognised in net financial items for 2013, which they increase by an equivalent amount, namely €14,022k (reversals of provisions on securities: €2,466k; reversals of provisions on current accounts: €11,556k).

The notes and tables below are an integral part of the annual financial statements.

There have been no changes to methods or presentation affecting the parent company financial statements.

1 - ACCOUNTING POLICIES AND PRESENTATION

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

- CRC Regulation 2002.10;
- the new 1999 chart of accounts adopted by the CRC on 29 April 1999 (Regulation 9903);
- Law 83-353 of 30 April 1983;
- Decree 83-1020 of 29 November 1983.

As a reminder, for the year ending 31 October 2005, the company had carried out an analysis of its buildings based on three components contributing to the net carrying value of these assets as of 31 October 2005 which breaks down as follows:

- Structures: 51%
- Fluids: 24%
- Fixtures and fittings: 25%

The main accounting policies applied are as follows:

1.1 INTANGIBLE ASSETS

Intangible assets related to software licences are written off over a period of 1 to 4 years.

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

1.2 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated in the balance sheet at their historical acquisition cost (supplemented by acquisition expenses), at their production cost or at their contribution value in respect of SIHB SA fixed assets contributed as part of the merger-renunciation agreement concluded in 1994 with retroactive effect as of 1 November 1993.

The straight-line method of depreciation is used over the expected useful lives of the assets.

BUILDINGS:	STRAIGHT-LINE	20 TO 50 YEARS
EQUIPMENT:	STRAIGHT-LINE	3 TO 8 YEARS
EVENT EQUIPMENT:	STRAIGHT-LINE	5 TO 10 YEARS
FIXTURES AND FITTINGS:	STRAIGHT-LINE	3 YEARS
VEHICLES	STRAIGHT-LINE	5 YEARS
OFFICE AND COMPUTER EQUIPMENT:	STRAIGHT-LINE	2 TO 5 YEARS

1.3 LONG-TERM FINANCIAL INVESTMENTS

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

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

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

This value can notably be determined through:

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

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

The securities contributed under the terms of the Transmission Universelle du Patrimoine in Groupe de Divonne SA were acquired at their carrying amount.

1.4 RECEIVABLES

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

1.5 RECEIVABLES AND DEBTS DENOMINATED IN FOREIGN CURRENCIES

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

1.6 CASH AND CASH EQUIVALENTS

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

Where the acquisition cost is greater than their net realisable value at the end of the financial year, a provision for impairment is established for the amount of the difference.

1.7 DIVIDENDS

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

1.8 PROVISIONS FOR CONTINGENCIES AND LOSSES

Claims by the public authorities in respect of tax and social security re-assessments are provided for, in the amount of the estimated risk on the basis of data available at the end of the financial year.

As of 31 October 2013, Group Partouche SA has been cited jointly in relation to redundancy schemes carried out at two of its subsidiaries; no provisions have been recognized as a result, since management and its advisors believe that Groupe Partouche SA has no exposure in said cases, which makes this a contingent liability under current accounting standards.

1.9 DISTINCTION BETWEEN CURRENT PROFIT AND EXCEPTIONAL ITEMS

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

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

2.1 INTANGIBLE AND TANGIBLE FIXED ASSETS

€000 AT 31 OCTOBER 2013	GROSS VALUE OF FIXED ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR	INCREASES	
		REVALUATION DURING THE YEAR	ACQUISITION, CREATION, INTER-ACCOUNT
Setup costs, research			
Other intangible assets	**76 272**		**33**
Land	7 289		-
Buildings on own land	10 250		-
Buildings on other land	2 239		-
Fixtures and fittings – buildings	4 732		-
Machinery and equipment	13		15
Other equipment, fixtures and fittings	1 266		60
Vehicles	205		-
Office and computer equipment, furniture	492		24
Fixed assets under construction	36		-
Advances and down payments	0		-
Total tangible fixed assets	**26 521**		**99**

€000 AT 31 OCTOBER 2013	DECREASES		GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	LEGAL REVALUATION ORIGINAL VALUE AT END OF FINANCIAL YEAR
	INTER-ACCOUNT TRANSFER	BY SALE OR WITHDRAWAL		
Setup costs, research	-	-	-	-
Other intangible assets	**-**	**-**	**76 306**	**-**
Land	-	-	7 289	-
Buildings on own land	-	-	10 250	-
Buildings on other land	-	-	2 239	-
Fixtures and fittings – buildings	-	-	4 732	-
Machinery and equipment	-	-	27	-
Other equipment, fixtures and fittings	-	-	1 326	-
Vehicles	-	-	205	-
Office and computer equipment, furniture	-	-	516	-
Fixed assets under construction	-	-	36	-
Advances and down payments	-	-	0	-
Total tangible fixed assets	**0**	**0**	**26 620**	**-**

The company carried out an analysis of its buildings into three distinct components as indicated above, with a view to the application of CRC Regulation 2002.10.

2.2 DEPRECIATION AND AMORTISATION

€000 AT 31 OCTOBER 2013	POSITIONS AND MOVEMENTS DURING THE FINANCIAL YEAR			
	BEGINNING OF THE FINANCIAL YEAR	APPROPRIATION DURING THE FINANCIAL YEAR	DECREASE DURING FINANCIAL YEAR	END OF THE FINANCIAL YEAR
Setup costs, research	-	-	-	-
Other intangible assets	**3 140**	**258**		**3 398**
Land	-	-	-	-
Buildings on own land	936	311	-	1 248
Buildings on other land	1 492	112	-	1 604
Fixtures and fittings – buildings	1 516	284	-	1 800
Machinery and equipment	4	4	-	8
Other equipment, fixtures and fittings	625	117	-	742
Vehicles	205	0	-	205
Office and computer equipment, furniture	373	63	-	436
Recoverable packaging and other	-	-	-	-
TOTAL	**5 151**	**891**	**0**	**6 042**
GRAND TOTAL	**8 290**	**1 149**	**0**	**9 440**

2.3 INVESTMENTS

€000 AT 31 OCTOBER 2013	GROSS VALUE AT BEGINNING OF THE FINANCIAL YEAR	ACQUISITION, INTER-ACCOUNT TRANSFER
Investments in associates	-	-
Other investments	613 389	21 522
Other long-term investment securities	0	-
Loans and other long-term investments	228	14
TOTAL	**613 617**	**21 536**

€000 AT 31 OCTOBER 2013	DECREASE BY INTER-ACCOUNT TRANSFER	DECREASE BY SALE OR WITH-DRAWAL	GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	REVALUATION OF ORIGINAL VALUE AT FINANCIAL YEAR-END
Investments in associates	-	-	-	-
Other investments	10	2 466	632 434	-
Other long-term investment securities	-	-	0	-
Loans and other long-term investments	29	7	205	-
TOTAL	**40**	**2 473**	**632 639**	**-**

The main movements of the period are as follows:

The increase in the line item "Other investments" is explained by:

- the acquisition of Grand Casino de Lyon from the Hôtel International de Lyon subsidiary for €20 million;
- the recapitalisation, by capitalisation of receivables, of the Partouche Spectacles & Évènements subsidiary, for a total amount of €1,517k;
- the derecognition of SCI Lydia and SA Lydia after both companies were wound up, for a total amount of €2,466k.

2.4 PROVISIONS

€000 AT 31 OCTOBER 2013	BEGINNING OF THE FINANCIAL YEAR	INCREASE / ALLOCATION	DECREASE / REVERSAL	END OF THE FINANCIAL YEAR
Provisions				
For litigation	79	-	79	0
For foreign exchange losses	139	203	139	203
For tax	-	48	-	48
Other contingency and loss provisions	-	-	-	-
TOTAL	**218**	**251**	**218**	**251**
For property and equipment	-	-	-	-
Provisions for investments in associates	77 386	2 210	2 466	77 130
Provisions for financial investments	-	-	-	-
Provisions for trade accounts receivable	115	-	-	115
Other provisions for impairment	144 506	36 576	13 047	168 035
TOTAL	**222 007**	**38 786**	**15 513**	**245 280**
GRAND TOTAL	**222 225**	**39 037**	**15 731**	**245 531**
Including:				
Operating allocations and recoveries		-	115	
Financial provision charges and reversals		38 989	15 616	
Exceptional allocations and reversals		48	-	
Movements by balance sheet accounts following the TUP		-	-	
Impairment of shares in equity accounted associates		-	-	

In the absence of developments, the €79k provision for disputes in respect of the TUP of SARL Thermes de Vittel in 2007/2008 was entirely reversed this year.

Additions to provisions on equity investments totalling €2,210k correspond to additional provisions on investments in subsidiaries whose net positions deteriorated during the financial year.

The winding-up of SCI Lydia and SA Lydia resulted in reversals totalling €2,466k.

The €48k tax provision concerns a tax inspection notified during the financial year and covering the years 2009 to 2011.

"Other provisions for impairment" relates to:

- current account receivables, which were provisioned in respect of the Group's subsidiaries in light of their net financial positions, corrected, where applicable, according to their carrying amount (see paragraph 1.3 of the Notes to the parent company financial statements). At financial year end, these provisions amounted to €156,390k.

  Of these reversals, €11,566k corresponds to the remaining balance on the current account with SA Lydia, which was wound up during the 2013 financial year;

- The balance of other provisions at the financial year-end concerns receivables from various third parties, including in particular:
  - a receivable of €6,860k for contractually acquired goods never delivered. Legal proceedings are still in progress; for reasons of prudence, this receivable was fully impaired during prior years;
  - a receivable from a third party which was provisioned in full when that third party was placed into court-ordered insolvency proceedings. Notwithstanding the approval of a recovery plan, the provision has been maintained at the full amount of the receivable, adjusted to reflect any payments received and interest accrued. The amount outstanding at the balance sheet date was €3,847k,
  - a Jatek receivable provisioned in full for €733k during prior years;
- an additional provision on treasury shares was recorded for €17k in the period.

2.5 MATURITIES OF RECEIVABLES

€000 AT 31 OCTOBER 2013	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR
Receivables attached to investments	595	595	
Loans	43	43	-
Other financial investments	162	162	-
Other trade receivables	172	172	-
Employee accounts payable	13	13	-
Social security and other social benefits	-	-	-
Corporate income tax	5 766	5 766	-
VAT	1 249	1 249	-
Other taxes	-	-	-
Other receivables	16	16	-
Subsidiaries and associates	330 198	330 198	-
Sundry receivables	28 990	25 964	3 025
Prepaid expenses	1 969	1 969	-
GRAND TOTAL	**369 172**	**366 147**	**3 025**
Loans granted during the financial year	-	-	-
Repayment of loans during the financial year	1	-	-

2.6 MATURITIES OF DEBTS

€000 AT 31 OCTOBER 2013	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR	MORE THAN 5 YEARS
Bank loans and overdrafts	235 192	71 284	163 908	-
Sundry loans and debts	25 534	126	25 408	-
Trade accounts payable	5 234	5 234	-	-
Liabilities to personnel	239	239	-	-
Social security and other social benefits	585	585	-	-
State and other public authorities				
- Corporate income tax	-	-	-	-
- VAT	2 137	2 137	-	-
- Other taxes	391	391	-	-
- Miscellaneous	-	-	-	-
Liabilities to fixed asset suppliers	45	45	-	-
Subsidiaries and associates	177 573	171 373	6 200	-
Other liabilities	20 284	20 284	-	-
Deferred income	43	43	-	-
GRAND TOTAL	**467 257**	**271 741**	**195 516**	**-**
Bank loans contracted during the financial year	-	-	-	-
Bank loan repayments during the financial year	11 500	-	-	-

Under Article L.622-7 of the French Commercial Code, the judgment initiating the Safeguard Procedure automatically prohibits the payment of any claims arising prior to the opening judgment, with the exception of related claims, which may be paid by offsetting. However, the principle of offsetting related claims was not applied to tax integration current accounts, so as to include in liabilities the amounts reported by the subsidiaries concerned at the date on which Groupe Partouche SA's Safeguard Procedure opened. Other receivables (in assets) and other payables (in liabilities) were thus increased by €9.2m.

STATEMENT OF DEBTS, BY TYPE, FROZEN AFTER INITIATION OF THE SAFEGUARD PROCEDURE ON 30 SEPTEMBER 2013

Status to date of Groupe Partouche SA Safeguard Procedure

In its opening judgment, the court appointed Maître Perraud as judge for the procedure (juge-commissaire), Maître Leloup-Thomas as court-appointed administrator (mandataire de justice) with sole authority to act on behalf of the creditors, and Maître Abitbol and Maître Declercq as court-appointed receivers (administrateurs judiciaires) with a supervisory remit.

In order to be able to form a creditors' committee as laid down in Articles L.626-30 et seq. of the French Commercial Code, a schedule of Groupe Partouche's payables at 30 September 2013 was drawn up as follows:

€000	TOTAL AMOUNT	EXCLUDING RELATED PARTIES	INCLUDING RELATED PARTIES
Bank loans and overdrafts (*)	234 458	234 458	-
Sundry loans and debts	25 534	-	25 534
Trade accounts payable	1 671	1 458	213
Liabilities to personnel	-	-	-
Social security and other social benefits	289	289	-
State and other public authorities			
- Corporate income tax	-	-	-
- VAT	-	-	-
- Other taxes	371	371	-
- Miscellaneous	-	-	-
Liabilities to fixed asset suppliers	18	18	-
Subsidiaries and associates	175 286	-	175 286
Other liabilities	-	-	-
GRAND TOTAL	**437 627**	**236 595**	**201 033**

(*) Including €730k in accrued loan interest at 30 September 2013.

Inclusion of these payables in the above schedule does not prejudice their inclusion in the approved list of amounts owed to creditors.

2.7 ELEMENTS RELATED TO MORE THAN ONE BALANCE SHEET ITEM

RELATED PARTY AMOUNT €000 AT 31 OCTOBER 2013	AMOUNT
Fixed assets	
Investments in associates	552 292
Receivables attached to investments	595
Current assets	
Trade receivables	42
Other receivables	185 908
Prepaid expenses	7
Debts	
Loans, sundry financial debts	25 534
Trade accounts payable	216
Liabilities in respect of securities acquisitions	20 000
Other liabilities	177 573
Deferred income	43

The information relating to financial income and expenses is mentioned in Notes 5 and 6 of the income statement.

2.8 ACCRUED INCOME

ACCRUED INCOME RECOGNISED IN THE FOLLOWING BALANCE SHEET ACCOUNTS €000 AT 31 OCTOBER 2013	AMOUNT
Accrued interest	-
Other financial investments	**-**
Trade receivables	**-**
State, income receivable	**-**
Trade accounts payable – credit notes receivable	1 403
Accrued income – social security bodies	16
Accrued income – management fees	13 005
Accrued income – other	643
Other receivables	**15 067**
Banks – accrued interests	**136**
Total	**15 203**

2.9 ACCRUED EXPENSES INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS

€000 AT 31 OCTOBER 2013	AMOUNT
Bank loans and overdrafts	-
Trade notes and accounts payable	36
Personnel – paid vacation and social charges	316
Personnel – other costs to be paid	13
Tax and social security liabilities	450
Other liabilities	279
Accrued interest on overdrafts	-
TOTAL	**1 094**

2.10 PREPAID EXPENSES

€000 AT 31 OCTOBER 2013	AMOUNT
Prepaid operating expenses	1 969
Prepaid expenses	-
Total prepaid expenses	**1 969**

2.11 DEFERRED INCOME

€000 AT 31 OCTOBER 2013	AMOUNT
Deferred income	43
Total deferred income	**43**

2.12 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€000 at 31 October 2013

EQUITY ACCOUNTS	POSITION AT 31 OCTOBER 2012	APPROPRIATION OF 2012 PROFIT	POSITION AFTER APPROPRIATION	FINANCIAL YEAR MOVEMENTS	POSITION AT 31 OCTOBER 2013
Share capital	193 631		193 631		193 631
Share premium account, merger reserve	7 881		7 881		7 881
Contribution reserve	46 404		46 404		46 404
Revaluation reserve	-		-		-
Legal reserve	8 778		8 778		8 778
Statutory reserve	-		-		-
Other reserves	14 423		14 423		14 423
Retained earnings	155 289	-10 375	144 914		144 914
Net profit (loss) for the year	-10 375	10 375	-	-13 231	-13 231
Net shareholders' equity carried forward	**416 030**	**-**	**416 030**	**-13 231**	**402 799**

2.13 BREAKDOWN OF SHARE CAPITAL

CATEGORIES OF SECURITIES	YEAR-END	NUMBER OF SHARES ISSUED DURING THE FINANCIAL YEAR	NOMINAL VALUE	TOTAL
Ordinary shares	96 815 591		2 €	193 631 182 €

19,166 shares have been self-held by the Company since the Extraordinary Shareholders' Meeting of 10 November 2003. These treasury shares are presented under marketable securities.

In addition, through the liquidity provider's agreement established in May 2012 with the company Oddo Corporate Finance, 243,319 treasury shares were held at 31 October 2013. These treasury shares are also presented under marketable securities.

The market price of Groupe Partouche shares at 31 October 2013 was €0.83.

2.14 BREAKDOWN OF NET TURNOVER

€000 AT 31 OCTOBER 2013	FRANCE	REST OF WORLD	TOTAL AMOUNT
Merchandise sales	118		118
Group management fees	9 537	1 598	11 135
Rent	1 020		1 020
Other	374		374
TOTAL	**11 049**	**1 598**	**12 647**

2.15 EXPENSE TRANSFERS

€000 AT 31 OCTOBER 2013	AMOUNT
Miscellaneous operating expense transfers	645
Total operating expense transfers	**645**

2.16 FINANCIAL INCOME FROM SUBSIDIARIES AND EQUITY INVESTMENTS

€000 AT 31 OCTOBER 2013	AMOUNT
Dividends distributed by subsidiaries	25 680
TOTAL	**25 680**

2.17 BREAKDOWN OF EXCEPTIONAL ITEMS

€000 AT 31 OCTOBER 2013	EXCEPTIONAL EXPENSE	EXCEPTIONAL INCOME
Late payment penalties, fines	-	-
Disposal and liquidation of equity investments (*)	2 466	1
Exceptional expenses on receivables following winding-up (*)	11 556	-
Premiums / discounts on treasury shares	20	35
Litigation indemnities	82	129
Various exceptional income and expenses in respect of prior periods	13	174
Exceptional contingencies and losses charge and reversal	48	-
TOTAL	**14 187**	**339**

(*) See section titled "Other key events – winding-up of SCI Lydia and SA Lydia".

2.18 BREAKDOWN OF CORPORATE INCOME TAX

€000 AT 31 OCTOBER 2013	PROFIT BEFORE TAX	TAX DUE	NET PROFIT AFTER TAX
Current profit	-9 158	5 006	-4 152
Exceptional profit	-13 848	4 768	-9 079
Accounting profit	**-23 005**	**9 774**	**-13 231**

It should be noted that Groupe Partouche SA is head of a tax consolidation group comprising 61 subsidiaries.

2.19 FINANCIAL COMMITMENTS

OFF BALANCE SHEET COMMITMENTS RELATED TO SUBSIDIARIES

€000 AT 31 OCTOBER 2013	
COMMITMENTS GIVEN	AMOUNT
Sureties and deposits	-
TOTAL	**-**
COMMITMENTS RECEIVED	AMOUNT
Claw back commitments	52 439
TOTAL	**52 439**

OFF BALANCE SHEET COMMITMENTS RELATED TO FINANCING

€000 AT 31 OCTOBER 2013	
COMMITMENTS GIVEN	AMOUNT
Guaranteed bank debt	235 192
TOTAL	**235 192**
COMMITMENTS RECEIVED	AMOUNT
Other commitments received	3 400
TOTAL	**3 400**

OFF BALANCE SHEET COMMITMENTS RELATED TO BUSINESS ACTIVITY

€000 AT 31 OCTOBER 2013	
COMMITMENTS GIVEN	**AMOUNT**
Sureties and deposits	4 033
Retirement indemnities	74
Operating lease contract	2 286
Other commitments given	-
TOTAL	**6 393**
COMMITMENTS RECEIVED	**AMOUNT**
Operating lease contract	5 697
TOTAL	**5 697**

2.20 OTHER INFORMATION

SYNDICATED LOAN

A syndicated loan of €233,728k (the principal remaining due as of 31 October 2013) is the only bank loan of Group Partouche SA. Given that the Group entered the Safeguard Procedure on 30 September 2013, the September and October interest payments were not made and are also included in the balance sheet item "Borrowings and financial liabilities with credit institutions" for an amount of €1,464k at 31 October 2013.

- Original loan amount: €431,000,000
- Principal amount outstanding at period-end: €233,728,000 (frozen until the end of the observation period, due to expire on 30 March 2014)
- Repayment terms:

The outstanding principal is divided into three tranches; the net income of the asset divestments is used as early repayment of Tranche A, for its nearest maturity date.

Outstanding syndicated loan amounts at the balance sheet date were as follows (€000):

MATURITY DATES (FINANCIAL YEAR ENDED)	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2013	94 903	50 000	88 825	233 728

INTEREST RATES

The annual interest rates by tranche are as follows:

Tranche A: Euribor for the period plus the bank interest margin, equal to 4.0% per year, falling to 3.0% once €30m has been amortised, and to 2.5% once €60m has been amortised.

Since the loan was taken out, Tranche A has been amortised for an accumulated amount of €5.18m.

Tranche B: Euribor for the period plus the bank interest margin, equal to 3.0% per year.

Tranche C: Euribor for the period plus the bank interest margin, equal to 3.25% per year.

GUARANTEES

Until 30 September 2013, when the Safeguard Procedure was initiated for Groupe Partouche SA, the syndicated loan agreement included various covenants that, if breached, could require immediate repayment of the loan (see previous reference documents for details), namely:

- ratios for the coverage of financial expenses, fixed costs and debt on a half-yearly basis with respect to the preceeding 12 months;
- a €30m annual limit on internally financed investments;
- an absolute debt limit.

The agreement also included a stipulation that a portion of consolidated surplus cash flow be used to pay off debt.

None of the covenants or stipulations described above are applicable at the 2013 balance sheet date, as a result of the Safeguard Procedure initiated for Groupe Partouche SA as of 30 September 2013.

The pledges of securities as collateral described in the Annual Report under 4.1.8 «Pledges» remain in effect.

Shareholders' advance agreement signed on 29 August 2003, amended on 30 September 2005 and 31 December 2009, between Financière Partouche SA and Groupe Partouche SA:

The balance of this shareholders' advance at 31 October 2013 is shown under the "Sundry borrowings and financial liabilities" item of Groupe Partouche's balance sheet for a gross amount of €25.4 million. Interest on this advance is charged to the Financière Partouche current account, the balance on which is included in liabilities under "Other payables" for an amount of €6.2 million. Because of the Safeguard Procedure, these liabilities are frozen until the end of the observation period (30 March 2014).

2.21 AVERAGE WORKFORCE

AT 31 OCTOBER 2013	STAFF
Executives	19
Non-executives	17
TOTAL	**36**

2.22 MANAGEMENT REMUNERATION

These compensations amounted to €1,386,977 and consisted of:

- remuneration allocated to the members of the Supervisory Board: €592,200;
- remuneration allocated to the members of the Executive Board: €794,777.

No directors' fees were allocated to the members of the Supervisory Board.

2.23 COMMITMENTS FOR PENSIONS AND OTHER RETIREMENT COSTS

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

2.24 SUNDRY INFORMATION

Since the syndicated loan is a variable-rate loan, Groupe Partouche has hedged its risk with the following hedges:

- a €50m collar starting on 31 July 2012 and expiring on 31 October 2014 with a range of 0.99% - 1.99%;
- a €30m swap starting on 31 July 2012 and expiring on 31 October 2015 at 1.35%;
- a €30m swap starting on 31 October 2013 and expiring on 31 October 2014 at 0.90%.

2.25 DEFERRED TAX

€000 AT 31 OCTOBER 2013	AMOUNT
Tax to be paid on:	
Pre-deducted expenses	-68
Prepaid tax on:	
Temporarily non-deductible expenses (to be deducted on the following financial year)	696
Taxed revenue to be deducted at a later date	0
Net deferred tax	**628**

3 – SUBSIDIARIES AND ASSOCIATED ENTITIES AT 31 OCTOBER 2013

Information in €000.

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY	
SUBSIDIARIES (MORE THAN 50% OF SHARE CAPITAL)				
Cie EUROPÉENNE DE CASINOS	PARIS	24 813	274 141	
HOLDING GARDEN PINÈDE	JUAN-LES-PINS	15 418	14 998	
HÔTEL COSMOS	CONTREXÉVILLE	50	(4 069)	
SOC EXPLOIT° CASINO ET HÔTELS CONTREXÉVILLE	CONTREXÉVILLE	75	(1 564)	
SOCIÉTÉ DU CASINO DE ST-AMAND-LES-EAUX	ST-AMAND-LES-EAUX	17 786	23 755	
SOCIÉTÉ DU GRAND CASINO DE CABOURG	CABOURG	300	739	
GRAND CASINO DE LA TRINITÉ-SUR-MER	LA TRINITÉ-SUR-MER	38	(448)	
GRAND CASINO DE BEAULIEU (company in liquidation)	BEAULIEU	0	0	
JEAN METZ	BERCK-SUR-MER	80	282	
NUMA	BOULOGNE-SUR-MER	80	637	
GRAND CASINO DE LYON	LYON	750	2 928	
SA DU CASINO ET DES BAINS DE MER	DIEPPE	396	1 096	
SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	CONTREXÉVILLE	50	136	
GRAND CASINO DU HAVRE	LE HAVRE	150	(928)	
SCI LES THERMES	AIX-EN-PROVENCE	150	753	
SCI DE LA RUE ROYALE	PARIS	134	157	
SOCIÉTÉ CANNES BALNÉAIRE	CANNES	2 551	(58 026)	
GROUPE PARTOUCHE INTERNATIONAL	BRUSSELS	144	(33 677)	
SATHEL	LA TOUR DE SALVAGNY	323	10 390	
CASINO DES 4 SAISONS	LE TOUQUET	392	1 340	
HÔTEL INTERNATIONAL DE LYON	LYON	300	23 384	
LE TOUQUET'S	CALAIS	92	1 041	
CASINOS DE VICHY	VICHY	240	(15 023)	
ÉLYSÉE PALACE EXPANSION	VICHY	40	(898)	
ÉLYSÉE PALACE HOTEL	VICHY	40	(999)	
SOC CHEMINS FER ET HÔTELS MONTAGNE PYRÉNÉES	VICHY	701	1 131	
CASINO DE LA TREMBLADE	LA TREMBLADE	39	(244)	
FORGES THERMAL	FORGES-LES-EAUX	15 600	35 843	
TTH DIVONNE	DIVONNE-LES-BAINS	2 442	10 066	
CASINO D'ANNEMASSE – SGCA	ANNEMASSE	200	4 346	

	% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET PROFIT FOR THE YEAR
	100,00 %	0	316 504	316 504	0	-	0	4 006
	100,00 %	0	336	336	3 867	-	0	205
	100,00 %	0	50	0	4 434	-	1 564	(406)
	100,00 %	0	6 833	1 412	1 431	-	1 982	(473)
	100,00 %	2 674	18 371	18 371	9 013	-	21 590	2 589
	100,00 %	0	2 769	2 769	867	-	4 930	60
	100,00 %	0	4 476	0	3 444	-	1 580	(482)
	-	0	152	0	8 276	-	-	-
	100,00 %	342	3 025	3 025	348	-	3 577	194
	100,00 %	425	3 458	3 458	122	-	4 136	218
	100,00 %	0	20 000	20 000	0		15 097	1 713
	100,00 %	0	4 611	4 611	0	-	5 678	138
	100,00 %	80	50	50	1 032	-	322	82
	100,00 %	0	6 450	6 450	13 099	-	10 300	(1 366)
	99,99 %	0	0	0	2 616	-	1 414	865
	99,99 %	0	534	534	0	-	75	25
	99,99 %	0	48 424	0	61 492	-	1 019	(429)
	99,90 %	0	153	0	40 146	-	0	(2 734)
	99,86 %	11 073	93 511	93 511	20 672	-	23 409	6 067
	99,53 %	297	5 593	5 593	607	-	3 290	240
	97,25 %	3 112	4 207	4 207	14 081	-	14 339	20 949
	90,10 %	360	4 668	4 668	0	-	3 659	337
	79,93 %	0	371	0	15 489	-	3 080	(878)
	79,68 %	0	1 307	1 307	4 378	-	0	(39)
	79,68 %	0	1 240	0	626	-	0	(71)
	76,63 %	0	602	602	0	-	52	(41)
	99,03 %	0	1 178	0	0	-	1 548	(28)
	59,50 %	1 673	11 575	11 575	0	-	22 389	763
	98,70 %	813	25 075	25 075	0	-	25 204	2 851
	99,93 %	2 099	10 390	10 390	0	-	11 179	2 396

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY	
CASINO DE CRANS-MONTANA	CRANS-MONTANA (Switzerland)	4 054	9 106	
CASINO D'HAUTEVILLE-LOMPNES – SCHL	HAUTEVILLE-LOMPNES	60	(1 591)	
PARTOUCHE INTERACTIVE	PARIS	370	(35 218)	
PARTOUCHE IMMOBILIER	PARIS	12 000	12 739	
PARTOUCHE SPECTACLES & ÉVÉNEMENTS	PARIS	37	(147)	
CENTRE FORMATION PROFESSIONNEL CASINOS	FORGES-LES-EAUX	8	(360)	
EQUITY INVESTMENTS (10 TO 50%)				
SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL	AIX-EN-PROVENCE	2 160	17 326	
SOCIETAT DE L'OCI DELS PYRENEUS	ESCALDES ENGORDANY	38	NC	
BASTIDE II RICH TAVERN	MONTPELLIER	46	NC	
PALAVAS INVESTISSEMENT	PALAVAS-LES-FLOTS	8	38	
CASINO DE ST-JULIEN-EN-GENEVOIS	ST-JULIEN-EN-GENEVOIS	210	8 086	
GLOBAL GAMING VENTURE LTD	LONDON (UK)	NC	NC	
GLOBAL GAMING VENTURE BATH LTD	LONDON (UK)	NC	NC	
SUD CONCERTS	MARSEILLE	61	7	
OTHER INTERESTS				
CASINO DE PALAVAS	PALAVAS-LES-FLOTS	330	623	
CASINO MUNICIPAL DE ROYAT	ROYAT	240	1 886	
EDEN BEACH CASINO	JUAN-LES-PINS	1 056	8 948	
SCI TREMBLADE	LA TREMBLADE	1	101	
SEMTEE	ESCALDES ENGORDANY	29 403	49 530	
CASINO D'AGON COUTAINVILLE	AGON COUTAINVILLE	51	8 342	
CASINO D'ARCACHON	ARCACHON	60	255	
SOCIÉTÉ THERMALE DE PLOMBIÈRES-LES-BAINS	PLOMBIÈRES-LES-BAINS	38	NC	
CASINO LE LION BLANC	ST-GALMIER	240	1 193	
CASINO LES FLOTS BLEUS	LA CIOTAT	200	1 067	
CASINO LE MIAMI	ANDERNOS	758	1 631	
CASINO DE LA ROCHE-POSAY	LA ROCHE-POSAY	177	39 943	
SCI DE L'ARVE	ANNEMASSE	381	1 462	

(*) Equity includes share capital, reserves and retained earnings, income for the financial year as well as investment subsidies and statutory provisions.

	% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET PROFIT FOR THE YEAR
	57,00 %	2 157	1 857	1 857	8	-	10 924	3 729
	100,00 %	0	4 350	0	3 050	-	1 733	(701)
	96,00 %	0	9 706	0	47 456	-	0	(22 052)
	100,00 %	0	12 600	12 600	15 723	-	2 188	537
	100,00 %	0	1 554	0	253	-	39	(241)
	100,00 %	0	8	0	297	-	287	(139)
	38,63 %	522	2 780	2 780	0	-	25 895	449
	33,00 %	-	13	13	50	-	NC	NC
	25,00 %	-	46	0	-	-	NC	NC
	10,00 %	-	122	122	100	-	228	195
	18,00 %	-	2 224	2 224	0	-	6 737	5
	15,00 %	-	0	0	900		NC	NC
	51,00 %		0	0	71		NC	NC
	39,83 %		71	71	417		8 310	(27)
	9,09 %	35	183	183	0	-	5 672	(135)
	1,91 %	16	73	73	0	-	6 616	846
	1,44 %	0	155	155	1 512	-	6 604	(724)
	1,00 %	0	0	0	2 324		321	119
	0,61 %	0	181	181	0	-	10 832	904
	0,05 %	0	2	2	0	-	2 513	244
	0,03 %	0	1	1	9	-	2 560	(629)
	0,00 %	-	2	0	0	-	NC	NC
	0,16 %	2	0	0	0	-	6 144	879
	0,02 %	0	0	0	0	-	3 574	411
	0,00 %	0	0	0	0	-	2 795	280
	0,00 %	0	0	0	0	-	8 004	1 943
	0,04 %	0	0	0	0	-	900	375

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

Contributing company: SIHB Company absorbed by Compagnie fermière des eaux (now Groupe Partouche)

Beneficiary company: Groupe Partouche
141 bis rue de Saussure - 75017 Paris, France

Nature of the operation: Merger

Date of the operation: Extraordinary Shareholders' Meeting of 29 July 1994 which authorised the merger with retroactive effect as of 1/11/1993

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

LAND

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Cliff	1	-	(1)

INVESTMENTS IN ASSOCIATES

NAME	NUMBER OF SHARES	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
SAS CASINO DES 4 SAISONS 26 rue St-Jean 62520 Le Touquet	22 050	1 210	5 488	4 278
SA EDEN BEACH CASINO Boulevard Edouard Baudouin 06160 Juan-les-Pins	924	305	155	-150
SA FORGES THERMAL Avenue des Sources 76440 Forges-les-Eaux	6 210	2 310	9 072	6 762
SAS JEAN METZ Avenue du Général de Gaulle 62600 Berck-sur-Mer	992	27	3 025	2 998
SAS NUMA Place de la République 62200 Boulogne-sur-Mer	4 930	113	3 457	3 344
SAS CASINO ET BAINS DE MER DIEPPE Boulevard de Verdun 76200 Dieppe	4 600	991	3 825	2 834
SA SATHEL 200 avenue du Casino 69890 La Tour de Salvagny	10 008	10 965	29 104	18 139
SAS LE TOUQUET'S 59 rue Royale 62100 Calais	1 801	210	4 668	4 458
SUBTOTAL		**16 131**	**58 794**	**42 663**

RECEIVABLES

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
JATEK	778	778	-

CAPITAL GAINS ON DEPRECIABLE ASSETS (*)

BUILDINGS

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Granville cellar	0	1	1
Saint-Placide apartment	19	76	57
Subtotal	**19**	**77**	**58**
TOTAL	**16 929**	**59 649**	**42 720**

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

4BIS - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: SA Groupe de Divonne
141 bis rue de Saussure - 75017 Paris, France

Beneficiary company: Groupe Partouche
141 bis rue de Saussure - 75017 Paris, France

Nature of the operation: "Transmission universelle de patrimoine"

Date of the operation: 2 November 2007

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

NON-DEPRECIABLE ASSETS	TAX VALUE	BOOK VALUE	BALANCING AMOUNT RECEIVED	BALANCING AMOUNT TAXED	EXCHANGE OR CONTRIBUTION VALUE
Internally-generated goodwill		71 719			71 719
Other intangible assets					
Land					
Investments in associates	40 368	40 347			40 347
Other financial investments - Loan of securities	15	15			15

CAPITAL GAINS ON DEPRECIABLE ASSETS

DEPRECIABLE ASSETS	REINTEGRATION PERIOD	CAPITAL GAINS REALISED	AMOUNT PREVIOUSLY REINTEGRATED	AMOUNT AS A PROPORTION OF NET PROFIT FOR THE YEAR	AMOUNT REMAINING TO BE REINTEGRATED
Patents					
Other intangible rights					
Land used for business operations			NONE		
Buildings					
Machinery and equipment					
Other tangible fixed assets					

5 – RESULTS OF THE LAST FIVE YEARS (EXPRESSED IN EUROS)

INDICATION	FINANCIAL YEAR ENDED 31 OCTOBER 2009 (12 MONTHS)	FINANCIAL YEAR ENDED 31 OCTOBER 2010 (12 MONTHS)	FINANCIAL YEAR ENDED 31 OCTOBER 2011 (12 MONTHS)	FINANCIAL YEAR ENDED 31 OCTOBER 2012 (12 MONTHS)	FINANCIAL YEAR ENDED 31 OCTOBER 2013 (12 MONTHS) BEFORE AGM APPROVAL
I- SHARE CAPITAL AT THE END OF THE FINANCIAL YEAR					
Share capital	86 194 836	163 640 414	193 631 182	193 631 182	193 631 182
Number of existing ordinary shares	43 097 418	81 820 207	96 815 591	96 815 591	96 815 591
Number of shares carrying priority dividends	-	-	-	-	-
(Without voting rights)	-	-	-	-	-
Maximum number of shares that may be created in the future	-	-	-	-	-
By conversion of bonds	-	-	-	-	-
By exercising share subscription options	-	-	-	-	-
II- RESULTS FOR THE FINANCIAL YEAR					
Turnover excluding tax	13 670 179	14 404 586	14 310 681	13 983 338	12 646 922
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	6 409 212	-25 186 673	14 333 847	13 692 936	1 450 084
Corporate income tax	-19 188 997	-16 565 318	-14 979 568	-14 387 356	-9 774 079
Employee profit-sharing for the financial year	0	0	0	0	0
Depreciation, amortisation and provision charges	26 464 308	70 411 732	26 151 335	38 455 197	24 455 360
Net profit	-866 100	-79 033 087	3 162 080	-10 374 906	-13 231 196
Distributed profit	0	0	0	0	0
III- EARNINGS PER SHARE					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	0,59	-0,11	0,30	0,29	0,12
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	-0,02	-0,97	0,03	-0,11	-0,14
Dividend per share	0.00	0.00	0.00	0.00	0.00
IV- PERSONNEL COSTS					
Average workforce during the financial year	45	46	47	48	46
Payroll for the financial year	3 261 394	3 468 842	3 669 742	4 073 799	3 660 360
Social benefits paid for the financial year	1 331 574	1 461 183	1 447 761	1 580 300	1 476 944

20.3 VERIFICATION OF ANNUAL HISTORIC FINANCIAL INFORMATION

20.3.1 STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2013

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby report to you for the financial year ended 31 October 2013 on:

- The audit of the consolidated financial statements of Groupe Partouche SA, as attached to this report;
- The justification of our assessments;
- The special verification required by law.

The consolidated financial statements were approved for publication by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, on a test basis, or using other sampling methods, the evidence substantiating the amounts shown and disclosures made in the consolidated financial statements. An audit also includes assessing the accounting principles adopted and the significant estimates made in drawing up the financial statements, as well as assessing their overall presentation. We believe that the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position and its assets and liabilities, and of the results of the operations of the group of persons and entities included in the scope of consolidation for the year then ended, in accordance with IFRS as adopted by the European Union.

Without qualifying the opinion given above, we wish to draw your attention to the uncertainty regarding business continuity set out in Note 1 "Key events" in the paragraph entitled "Initiation of a Safeguard Procedure (procédure de sauvegarde) for the Groupe Partouche SA holding company" in the Notes to the consolidated financial statements.

II - JUSTIFICATION OF ASSESSMENTS

In accordance with Article L. 823-9 of the French Commercial Code (Code de commerce) governing the justification of our assessments, we hereby report on:

- As specified in the first part of this report, Note 1 to the consolidated financial statements, in the paragraph entitled "Initiation of a Safeguard Procedure (procédure de sauvegarde) for the Groupe Partouche SA holding company", gives an account of the uncertainty that exists regarding its ability to continue its activities.

We have noted the development of the Safeguard Procedure (procédure de sauvegarde), on the understanding that the company must transmit its proposals to the court administrator (administrateur judiciaire) at the end of February 2014.

On the basis of our audit and of the information provided to us to date, and in the context of our assessment of the accounting principles adopted by your company, we believe that the note provides appropriate information on the company's situation in view of the aforementioned uncertainty regarding its ability to continue its activities.

- At each financial year-end, the company systematically performs tests to determine any impairment in the value of goodwill, in accordance with the methods described in Note 2 of the notes to the consolidated financial statements (paragraph "Description of the accounting policies and valuation methods applied by the Group"). We have examined the methods used for these tests goodwill impairment tests as well as the estimates of cash flows and assumptions used, and we have verified that the Notes 2 and 5 of the notes to the consolidated financial statements give appropriate information. As specified in Note 2 of the notes to the consolidated financial statements, these estimates are based on assumptions, which, by nature, have an uncertain characteristic, therefore the performance may differ, sometimes significantly, from the estimates.

The assessments on these matters were performed in the context of our audit approach for the consolidated statements taken as a whole and therefore contributed to the expression of our opinion in the first part of this report.

III - SPECIFIC AUDIT PROCEDURE

We also performed the specific procedures in accordance with professional standards applicable in France and required by law in relation to the information contained in the Group's management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Marseille and Paris, on 26 February 2014

MCR Baker Tilly	**France Audit Expertise**
Alexandra Mathieu	Emmanuel Quiniou

REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2013

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby report to you for the financial year ended 31 October 2013 on:

- the audit of the accompanying annual financial statements of Groupe Partouche SA as appended to this report;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

The financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I - OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves the verification, either on a test basis or using other sampling methods, of the evidence substantiating the amounts and disclosures appearing in the annual financial statements. An audit also includes assessing the accounting principles adopted and the significant estimates made in drawing up the financial statements, as well as assessing their overall presentation. We believe that the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of 31 October 2013 and of the results of its operations for the year then ended, in accordance with French accounting regulations.

Without qualifying the opinion given above, we wish to draw your attention to the uncertainty regarding business continuity set out in the notes to the parent company financial statements in the paragraph entitled "Safeguard Procedure (procédure de sauvegarde)".

II - JUSTIFICATION OF ASSESSMENTS

In accordance with Article L. 823-9 of the French Commercial Code (Code de commerce) governing the justification of our assessments, we hereby report on:

- As specified in the first part of this report, the Notes to the parent company financial statements, in the paragraph entitled "Safeguard Procedure (procédure de sauvegarde)", gives an account of the uncertainty that exists regarding its ability to continue its activities.

We have noted the development of the Safeguard Procedure (procédure de sauvegarde), on the understanding that the company must transmit its proposals to the court administrator (administrateur judiciaire) at the end of February 2014.

On the basis of our audit and of the information provided to us to date, and in the context of our assessment of the accounting principles adopted by your company, we believe that the note provides appropriate information on the company's situation in view of the aforementioned uncertainty regarding its ability to continue its activities.

- Note 1.3 to the parent company financial statements, which sets out the accounting principles and methods applicable to non-current financial assets applied by the company, notably the assessment criterion for the book value compared to value in use of investment securities or their fair market value.

As part of our assessment of the accounting methods and principles adopted by your group, we verified the appropriateness of the above-mentioned accounting policies and that of the disclosures in the notes to the financial statements and have ascertained that they were properly applied.

These assessments were made in the context of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III - SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the Executive Board's management report and in the documents addressed to shareholders with respect to the financial position and the parent company financial statements.

We checked the disclosures made pursuant to Article L. 225-102-1 of the French Commercial Code concerning the remuneration and benefits paid to the corporate officers and the commitments entered-into in their favour, for consistency with the financial statements or with the data used to draw up those financial statements and, where applicable, with the information provided to your company by the companies controlled by it or that it controls. On the basis of our audit, we hereby certify the truthfulness and accuracy of, and fair view provided by this information.

Pursuant to the law, we have verified that the Executive Board's report contains the appropriate disclosures as to the identity of and percentage interests and votes held by shareholders.

Marseille and Paris, on 26 February 2014

MCR Baker Tilly	**France Audit Expertise**
Alexandra Mathieu	Emmanuel Quiniou

20.3.2 OTHER INFORMATION VERIFIED BY THE STATUTORY AUDITORS

No other information has been verified by the Statutory Auditors other than the information cited in their reports presented above (Section 20.3.1).

20.3.3 FINANCIAL INFORMATION NOT CONTAINED IN THE FINANCIAL STATEMENTS

On 19 February 2014, Groupe Partouche published its revenue for the first quarter of the financial year in progress, which has been reproduced in Section 12. This internally sourced financial information has not been verified by the Statutory Auditors.

20.4 DIVIDEND DISTRIBUTION POLICY

The net dividends distributed for the previous five financial years, tax paid (tax credit) and the total corresponding income are as follows:

FINANCIAL YEAR FOR WHICH THE DIVIDEND WAS PAID YEAR ENDED 31 OCTOBER	NET DIVIDEND PER SHARE (IN €)	TAX ALREADY PAID (TAX CREDIT)	COMPREHENSIVE INCOME
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-

During the financial year ending 31 October 2012, no interim dividend was paid.

Any dividend that remains unclaimed within five years of falling due is payable under applicable legal provisions to the French state (Service des domaines - French government estates commission).

No dividend has been proposed in respect of the financial year ending 31 October 2013.

Groupe Partouche has not distributed any dividends for a number of years, since its priority is to reimburse the bank debt contracted in connection with external growth transactions (Compagnie Européenne de Casinos in 2002 and Groupe de Divonne in 2005). The October 2009 agreement with the syndicated-loan banking pool entails a covenant in an amendment to the subordination agreement restraining the Group from voting dividend payments or other distributions of earnings until the loan is fully repaid, which is scheduled for 31 October 2015. On 30 September 2013, Groupe Partouche obtained access to a Safeguard Procedure (procédure de sauvegarde) from the Paris Commercial Court, which prohibits all payments on this loan pending the adoption of a recovery plan, the provisions of which have not yet been validated.

20.5 LEGAL AND ARBITRATION PROCEEDINGS

See Note 2 to the consolidated financial statements, "Description of the accounting policies and valuation methods applied by the Group".
See also Note 16 to the consolidated financial statements, "Other current and non-current provisions".

ACCOUNTING OPTIONS FOR CONTINGENCIES AND CLAIMS

A legal claim is only provisioned when the obligation towards a third party is deemed likely to lead to an outflow of resources without consideration.

CLAIMS

- Following a legal claim dated April 2000 related to an agreement of sale of the assets of SA Riviera in Cannes, on 31 January 2013, the Aix-en-Provence Court of Appeal ordered Mr Jean Rouch to pay to Groupe Partouche the sum of €6,860,705.78 with interest starting from 16 May 2007. Groupe Partouche is seeking enforcement of this decision.
- A longstanding legal claim relating to events that occurred in 1991 concerning the Hyères casino and disputing the actions at that time of a local notary and Crédit Foncier was reactivated in 2011. The implication of the company CDTH operating the Hyères casino as having indirectly benefitted at the time of these disputed wrongdoings appears unfounded and simply opportunistic. The legal proceedings have not yet resulted in a ruling to date.
- Following the judicial liquidation of the company Grand Casino de Beaulieu, the employees of this casino believed that they could initiate proceedings against Groupe Partouche SA, alleging that it was their co-employer. This action against the holding company is unfounded in view of the reality of the facts and current case law. Two different sections of the Nice Labour Court handed down contradictory rulings. The case will be referred to the Aix-en-Provence Court of Appeal. Since then, a similar action has been initiated by employees of the Bandol casino before the Marseille Labour Court. Groupe Partouche contests the entirety of this claim.
- The employees of GIE IMCJC dismissed as part of the redundancy plan have initiated an appeal before the Troyes Labour Court.
- Active tax-related claims have been estimated on the basis of information available at the balance sheet date. Evaluations of any tax-related claims are conducted within each subsidiary, on a case-by-case basis and in detail with respect to each of the grounds presented for reassessment. Provisions are recognised for any claims for which a favourable outcome does not seem likely.

CLAIMS INVOLVING THE COMPANY OR THE GROUP

To the best of the company's knowledge, there are no governmental, legal or arbitration proceedings, including any proceedings that might be suspended or threatened, which may have or which have had a direct or indirect material impact on the company's or the Group's financial position or profitability during the past twelve months.

20.6 SIGNIFICANT CHANGES IN THE FINANCIAL OR TRADING POSITION

No significant change in the financial or trading position of the Group has occurred since the end of the financial year for which verified financial statements or interim financial statements have been published.


PARTOUCHE BINGO
FAITES
LE PLEIN DE LOTS



21 ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

21.1.1 SHARE CAPITAL AT 31 OCTOBER 2013

At 31 October 2013, the share capital amounted to €193,631,182 (one hundred and ninety three million six hundred and thirty one thousand one hundred and eighty two euros).

It comprises 96,815,591 (ninety six million eight hundred and fifteen thousand five hundred and ninety one) shares of 2 (two) euros each, with their nominal value fully paid up.

21.1.2 SECURITIES THAT DO NOT REPRESENT THE SHARE CAPITAL

There are no securities that do not represent the share capital, since all of the shares issued are the same type.

21.1.3 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

PURCHASE TRANSACTIONS RELATING TO THE SHARES OF THE COMPANY BY THE COMPANY IN RESPECT OF FINANCIAL YEAR 2012-2013

Since the Shareholders' Meeting of 24 April 1998, Groupe Partouche SA has had an authorisation relating to the purchase of treasury shares each year in compliance with the provisions of Article L.225-209 of the French Commercial Code.

The Annual Shareholder's Meeting of 10 April 2013 thus once again authorised the Executive Board to purchase the Company's shares for a period of 18 months and specified the terms and limits to which these purchases are subject.

It was decided that the shares thus purchased could only be:

- allocated, without consideration, to employees or officers of the Company and/or related companies or companies which will become related under conditions set forth by Article L.225-209-5 of the French Commercial Code;
- held and subsequently exchanged or used as payment for future acquisitions;
- used to help ensure the liquidity and regularity of trading in the Company's shares under a liquidity contract with a provider of investment services and in compliance with the code of conduct of the Autorité des Marchés Financiers, the French financial markets authority.

NUMBER OF TREASURY SHARES HELD

Groupe Partouche has held treasury shares since 2000, and on 31 October 2013 it held 19,166 of its own shares. These shares are to be allocated, without consideration, to Company employees or officers pursuant to Article L.225-209-5 of the French Commercial Code. They are shown on Groupe Partouche's balance sheet at a nominal value of 38,332 euros and in the annual financial statements at a carrying amount of 15,907.78 euros.

During the financial year, the Executive Board also implemented a share buyback programme to help ensure the liquidity and regularity of trading in the Company's shares under a liquidity contract with Oddo, an investment services provider, and held 243,319 shares for this purpose at the end of the financial year on 31 October 2013, which were shown

on Groupe Partouche's balance sheet at a nominal value of 486,638 euros and in its annual financial statements at a carrying amount of 201,954.77 euros.

At the balance sheet date of 31 October 2013, the Company therefore held a total of 262,485 of its own shares, which were shown on Groupe Partouche's balance sheet at a nominal amount of 524,970 euros and in the annual financial statements at a carrying amount of 217,862.55 euros.

SHARE BUYBACK PROGRAMME

As of 31 December 2013, the following Groupe Partouche shares had been purchased and sold:

Account N°	P or S	Number	Amount	Average price
630154	P	685 034	634 786,16	0,93
630154	S	588 964	556 973,24	0,95

The liquidity account contained the following shares and cash at 31/12/13:

- 177,310 Groupe Partouche shares;
- 85,455 euros in cash.

EXISTING AUTHORISATION

The Extraordinary Shareholders' Meeting of 10 April 2013 renewed its authorisation to the Executive Board to repurchase its own shares on the stock market under the provisions of Article L.225-209 of the French Commercial Code, in order to allocate these shares to employees or senior executives in the event of a bonus share award falling under the terms set forth by Article L.225-209-5 of the French Commercial Code, remit these shares under the terms of an external growth transaction, or enhance the liquidity and regularity of share quotations.

The maximum purchase price has been set at 8 euros per share with an overall ceiling of 75,000,000 euros. This authorisation, which is valid for a maximum period of 18 months, will expire on 9 October 2014.

21.1.4 OTHER SECURITIES GIVING ACCESS TO THE CAPITAL

None.

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

The Executive Board benefits from the following authorisations granted by the Extraordinary Shareholders' Meeting of 10 April 2013, which may lead to the issue of securities conferring access to the share capital. These authorisations are summarised in the table below:

NATURE OF TRANSACTION AUTHORISED	DURATION AND EXPIRATION OF AUTHORISATION	MAXIMUM AMOUNT	TERMS
Capital increase ▪ In cash (ESM of 10 April 2013)	26 months 10 June 2015	30 000 000 €	With and without preferential right of subscription
Capital increase ▪ By capitalisation of reserves, share premium or net profit (ESM of 10 April 2013)	26 months 10 June 2015	Amount of premiums, reserves and earnings available	
Capital increase ▪ By private investments (ESM of 10 April 2013)	26 months 10 June 2015	Maximum amount of 20% of the share capital per year	Without preferential right of subscription
Capital increase ▪ By in-kind contributions (ESM 10 April 2013)	26 months 10 June 2015	Maximum amount of 10% of the share capital	Without preferential right of subscription

To date, the Executive Board has not used any of the aforementioned authorisations granted by the Extraordinary Shareholders' Meeting of 10 April 2013.

21.1.6 SHARE CAPITAL UNDER OPTION

None.

21.1.7 HISTORY OF SHARE CAPITAL

Changes in share capital over the five preceding financial years:

YEAR (FROM 1 NOVEMBER 2008 TO 31 OCTOBER 2013)	TYPE OF OPERATION	AMOUNT OF CHANGE IN SHARE CAPITAL	SUCCESSIVE AMOUNTS OF SHARE CAPITAL	CUMULATIVE NUMBER OF SHARES
2009			86 194 836 €	43 097 418
2010	Capital increase of 11/08/2011	77 445 578 €	163 640 414 €	81 820 207
2011	Capital increase of 04/05/2011	24 249 000 €	187 889 414 €	93 944 707
2011	Capital increase of 27/05/2011	5 741 768 €	193 631 182 €	96 815 591
2012			193 631 182 €	96 815 591
2013			193 631 182 €	96 815 591

21.1.8 MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Groupe Partouche shares are listed on the Euronext Paris stock exchange – Eurolist Comp. B (ISIN code: FR0000053548) and are included in the CAC Mid & Small, CAC Small and CAC All Tradable indices.

Share transfers and payments of dividends are handled by CM-CIC Securities (6 rue de Provence, 75009 Paris, France).

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

PERIOD	PERIOD HIGH AND LOW (IN EUROS)		NUMBER OF SHARES EXCHANGED	CAPITAL (IN €M)
	HIGH	LOW		
2012				
January	1,45	1,11	3 774 031	4,84
February	1,7	1,44	9 441 166	14,72
March	1,62	1,44	1 687 182	2,63
April	1,58	1,13	1 345 792	1,78
May	1,35	1,2	380 902	0,48
June	1,26	0,88	1 884 181	1,95
July	1	0,84	1 517 341	1,39
August	1,06	0,88	1 594 740	1,55
September	1,04	0,89	2 399 750	2,33
October	0,94	0,84	704 922	0,63
November	0,97	0,87	1 399 385	1,27
December	1,05	0,91	2 109 016	2,03

PERIOD	PERIOD HIGH AND LOW (IN EUROS)		NUMBER OF SHARES EXCHANGED	CAPITAL (IN €M)
	HIGH	LOW		
2013				
January	1,17	0,96	3 100 616	3,33
February	1,07	0,95	1 460 987	1,48
March	1,00	0,94	574 804	0,56
April	0,96	0,81	762 620	0,67
May	0,92	0,82	667 872	0,58
June	0,97	0,85	934 159	0,85
July	0,98	0,92	662 525	0,63
August	1,06	0,93	1 564 484	1,56
September	1,09	0,91	1 465 468	1,45
October	0,88	0,79	2 041 723	1,70
November	0,95	0,76	1 991 161	1,68
December	0,88	0,74	887 603	0,73

21.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

Constituent Deeds and Articles of Association (please see Section 5.1.3)

Pursuant to Article 37 of the Articles of Association, the latter may only be amended by an Extraordinary Shareholders' Meeting, notably in respect of a change to the type of the Company. However, an Extraordinary Shareholders' Meeting may not increase shareholders' commitments, subject to transactions arising from any grouping together of shares, duly and properly carried out.

21.2.1 PURPOSE

Pursuant to Article 3 of the Articles of Association, the purpose of the Company in France and all other countries is:

- the administrative, financial and accounting management of all the present or future companies operating mainly in the entertainment, hotel 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 aforementioned 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 aforementioned purpose or any other connected purpose.

21.2.2 DISPOSITIONS IN THE ARTICLES OF ASSOCIATION OR ELSEWHERE RELATING TO EXECUTIVE AND MANAGEMENT BODIES

FUNCTIONING OF THE SUPERVISORY BOARD

(See Section 14.3 on internal regulations)

Members of the Supervisory Board must own at least one share.

The Supervisory Board's organisational and operating methods are detailed in Section 14.3, which relates to the internal regulation that it adopted on 27 October 2005, as modified on 24 December 2008 and 8 June 2011; as well as in Articles 21 and 22 of Groupe Partouche SA's Articles of Association, reproduced below:

ARTICLE 21 - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

- The Supervisory Board elects natural persons from among its members as Chairman and Vice-Chairman, responsible for convening Supervisory Board meetings and chairing these meetings. They are appointed for the period of their mandate on the Supervisory Board. The Board determines their remuneration, if any. The Board may appoint a secretary who need not be a shareholder.

- The Board meets as often as the interests of the Company dictate. However, the Chairman must convene a meeting of the Board no more than 15 days after the request date, when at least one member of the Executive Board or at least one third of the members of the Supervisory Board presents him with a substantiated request to do so. Meetings take place at the registered office or at any other location indicated in the meeting notice. Any member of the Board may, via letter or telegram, mandate another advisor to represent him at a Board meeting. The effective presence of at least half of the members of the Board is required for its operations to be valid. The Executive Board's deliberations shall be valid if at least half of its members are present or deemed present; each member present or represented has one vote and each member present only has one vote. In the event of a tie, the Chairman casts the deciding vote.

- A register is kept and signed by the members of the Board who attend the meeting. The Supervisory Board's deliberations are officially established by minutes kept in a special record filed at the Company's registered office. Copies or extracts of minutes presenting the Board's deliberations are provided and certified in accordance with the law.

ARTICLE 22 - POWERS OF THE SUPERVISORY BOARD

The Supervisory Board performs a permanent control of the way in which the Company is managed by the Executive Board.

It appoints the members of the Executive Board and designates its Chairman, and, where applicable, the General Managers; it proposes their revocation to the Shareholders' Meeting and sets the level of their remuneration.

It convenes the Shareholders' Meeting of Shareholders, if convocation is not issued by the Executive Board.

It gives the Executive Board the authorisations required prior to the operations falling within the provisions of Article 17 above.

It authorises agreements governed by Article 24 of the Articles of Association. At any time, it may perform verifications and controls as it sees fit, and may receive any document it deems useful to accomplish its mission. It presents its observations on the Executive Board report and the accounts for the financial year to the Ordinary Annual Shareholders' Meeting.

The Supervisory Board may decide to transfer the registered office within the same department or to an adjoining department, subject to the ratification of this decision by the next Ordinary Shareholders' Meeting.

The Supervisory Board may grant one or more of its members any special mandates for one or more pre-determined purposes and set their remuneration for this end.

EXECUTIVE BOARD ORGANISATION AND PROCEDURES

The organisation and procedures of the Executive Board are stipulated in Articles 16 and 18 of Groupe Partouche SA's Articles of Association, reproduced below:

ARTICLE 16 - FORMATION OF THE EXECUTIVE BOARD

1 - The Company is managed by an Executive Board under control of the Supervisory Board.

The Executive Board is formed by at least two members (seven at most) appointed by the Supervisory Board.

2 - The members of the Executive Board must be individual entities who may be selected apart from the shareholders, even from among the Company's paid personnel.

Should a member of the Supervisory Board be appointed to the Executive Board, this member's first mandate shall come to an end as soon as he or she takes office on the Executive Board.

Subject to legal exceptions, no member may simultaneously belong to more than two Executive Boards, nor exercise the functions of General Manager or Chairman of the Board of Directors in more than two limited companies with their head offices in metropolitan France.

A member of the Executive Board may not accept an appointment to another company's Executive Board or as another company's sole General Manager without the prior authorisation of the Supervisory Board.

3 - The appointment of any member of the Executive Board may be revoked by the Ordinary Shareholders' Meeting upon recommendation of the Supervisory Board.

If the member concerned has an employment contract with the Company, the revocation of his or her appointment as a member of the Executive Board does not lead to the termination of his or her employment contract.

4 - The Supervisory Board sets the remuneration of each member of the Executive Board upon their nomination.

ARTICLE 18 - ORGANISATION AND PROCEDURES OF THE EXECUTIVE BOARD

1 - The Supervisory Board appoints one of the members of the Executive Board as Chairman.

The Executive Board meets as often as the interests of the Company dictate, as convened by its Chairman or at least half of its members, at the registered office or at any other location indicated in the meeting notice.

The Chairman of the Executive Board presides over its meetings and appoints a secretary, who need not be a member of the Executive Board.

The Executive Board's deliberations are only valid if at least half of its members are in attendance.

The Executive Board's decisions are taken based on the majority of the votes of its members. Voting by proxy is prohibited.

In the event of a tie, the Chairman casts the deciding vote.

2 - The deliberations of the Executive Board may be officially established by minutes kept in a special record, signed by the members of the Executive Board having attended the meeting.

The minutes mention the names of the members in attendance and those of the absent members.

Copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members and, in the event of liquidation, by the authorised liquidator.

3 - The members of the Executive Board may divide among themselves all management tasks, subject to the authorisation of the Supervisory Board. However, this allocation of tasks may not under any circumstances absolve the Executive Board from its obligation to meet regularly and deliberate upon the most important issues faced in managing the Company, nor may it prevent its members from acting collectively to ensure the management of the Company.

ARTICLE 19 - POWERS AND OBLIGATIONS OF THE EXECUTIVE BOARD

1 - The Executive Board is invested with the most extensive powers to act in all circumstances in the name of the Company in its relations with third parties, within the limits of the Company's purpose and subject to the powers that the law expressly confers upon the Supervisory Board and Shareholders' Meetings.

In its relations with third parties, the Company is bound even by acts of the Executive Board that are not within the Company's purpose, unless it can prove that the third party knew that the act went beyond this purpose or could not have been unaware thereof given the circumstances, mere publication of the Articles not being sufficient to constitute such proof.

The disposal of property, the full or partial disposal of shareholdings and the pledging of collateral, guarantees, security and warranties are subject to authorization by the Supervisory Board. Failure to comply with this provision may not be invoked against third parties except as provided for by law.

Should the Supervisory Board refuse to authorise one of the aforementioned operations, the Executive Board may, if it deems necessary, call an Ordinary Shareholders' Meeting on an extraordinary basis, which may grant the authorisation requested and draw all the necessary conclusions from the dispute arising between the management bodies.

The Executive Board calls Shareholders' Meetings, sets the agenda for these meetings and carries out the decisions there made.

2 - The Executive Board submits a management report to the Supervisory Board at least once per quarter. Within three months following the close of the financial year, it submits the annual financial statements and if necessary the consolidated financial statements to the Supervisory Board for verification and control.

3 - The Company is represented by the Chairman of the Executive Board in its relations with third parties.

The Supervisory Board may allot the same representative power to one or more of the members of the Executive Board, who are then called Group Managing Directors.

All documents committing the Company with regard to third parties must be signed by either the Chairman of the Executive Board, one of the Group Managing Directors or any other person authorised to this effect.

As provided by Article 8 of the Articles of Association, the Executive Board is also entrusted with the powers necessary to increase the Company's share capital.

I - Capital increases

[...] Capital increases are decided upon or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the performance of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting having decided upon or authorised the increase, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided pursuant to the provisions of Article L. 225-229-III of the French Commercial Code. [...]

21.2.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

These are stipulated in Article 15 of the Articles of Association, which is reproduced below:

ARTICLE 15 - RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

1 - Each share entitles its holder to a share in the Company's profits and assets proportional to the number of shares issued, as stipulated in Articles 40 and 43 hereafter.

2 - Ownership of a share automatically implies acceptance of the Company's Articles of Association and of the resolutions passed by the Shareholders' Meeting.

The rights and obligations attached to a share pass to the acquirer thereof, whoever he or she may be.

The heirs or creditors of a shareholder may not, on any pretext whatsoever, demand that seals be affixed to the property of the Company or request the division or public sale by auction of same, or interfere in any way in the Company's administration; in order to exercise their rights they are obliged to refer to the company registers and decisions of the Shareholders' Meetings.

3 - Shareholders are only liable for the debts of the Company up to the par value of the shares they hold.

21.2.4 CHANGES TO SHAREHOLDERS' RIGHTS

By reference to Article 21.2.4 of Annex I of European Regulation 809-2004, no actions exist to modify shareholders' rights that are stricter than those provided by law.

21.2.5 SHAREHOLDERS' MEETINGS

(See Articles 27 to 37 of the Articles of Association, Article R.225-61 et seq. of the French Commercial Code; Decree of 23 June 2010)

GENERAL REGULATIONS

Meeting notice procedures – Announcements to shareholders

- Shareholders' Meetings may be convened by the Executive Board, or failing this, by the Supervisory Board or the Statutory Auditors, as provided by Article R.225-162 of the French Commercial Code, 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.

- Shareholders' Meetings are held at either the head office or any other location that should be specified in the meeting notice.

- Notices are published in one of the newspapers entitled to receive legal notices in the departmental region of the head office, as well as in the French Bulletin des Annonces Légales Obligatoires. Shareholders who have held nominative shares for at least one month at the announcement's publication date are convened by an ordinary letter. They may ask to receive notices by registered letter if they remit the relevant postage costs to the Company.

- Letters must be sent and/or publication must take place at least fifteen days before the meeting date for the first notice, and ten days before the meeting date for the second notice and any subsequent notices.

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

Pursuant to Article R.225-85 of the Decree of 23 June 2010, it shall also contain a clear and exact description of the terms under which particular faculties of shareholders may be exercised.

Should a meeting be adjourned due to a failure to obtain an adequate quorum, a second meeting shall be 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 may be annulled. However, the action for annulment shall be inadmissible where all the shareholders were present or represented.

The proxy form sent to shareholders by the Company or the person it designates must clearly inform shareholders that if they return the proxy form without designating the name of the nominated representative, their vote shall be considered favourable to the resolutions submitted by the Executive Board. Each proxy form must be accompanied by the documents listed in Article R.225-81 of the French Commercial Code.

Announcements to shareholders, in advance of any meeting, are made by the following means:

- Sending, at their request, the agenda of the meeting, all draft resolutions, notices in respect of the members of the Executive and Supervisory Boards and the candidates to these positions, the report of the Executive Board, the observations of the Supervisory Board, and a summary of the Company's financial position and net profit for the past five years. Moreover, the following must be enclosed:
  - in advance of an Annual Shareholders' Meeting, the income statement, the balance sheet and the special report of the Statutory Auditors,
  - in advance of an Extraordinary Shareholders' Meeting, the Statutory Auditors' report, if applicable;

- Making the aforementioned documents available to shareholders at the Company's head office, along with the list of companies, the company registers, and the indication of the total compensation paid to the Company's five or ten highest-earning individuals, as well as the Statutory Auditors' report and, if applicable, any merger or disposal proposals.

VOTING BY CORRESPONDENCE

Any shareholder may vote by correspondence by completing an official form established in accordance with the law. To be considered valid, this form must be received at least six days prior to the date of the Shareholders' Meeting. Forms which do not indicate a clear vote or which express an abstention are considered nay votes.

ADMISSION TO SHAREHOLDERS' MEETINGS

(Article 28 of the Articles of Association; Article L.225-106-1 of the French Commercial Code)

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

The right to take part in Shareholders' Meetings is conditional upon the shareholder's registration on the register of the Company's registered shares, and, for holders of bearer shares, upon the deposit in the locations indicated in the meeting notice of a certificate of any authorised intermediary establishing the blocking of their shares until the meeting date. These formalities must be completed at least three days prior to the meeting.

VOTING RIGHTS *(Article 31 of the Articles of Association)*

Each shareholder present or represented by proxy at a Shareholders' Meeting has as many votes as the shares held or represented, without limitation.

MULTIPLE VOTING RIGHTS

None.

QUORUM *(Articles 34 for the ASM and 36 for the ESM of the Articles of Association, and Article 6 of the Law of 26 July 2005)*

The Extraordinary Shareholders' Meeting decides on changes to the Articles of Association, subject to a majority quorum as provided by Article 36 reproduced below:

1 - The deliberations of the Extraordinary Shareholders' Meeting are deemed valid when the shareholders present or represented own one quarter for a first convening or one fifth for the second convening of the Company shares with voting rights. Should this quorum fail to be reached, the second Shareholders' Meeting may be postponed for up to two months following the date upon which it was initially convened.

The quorum for all Shareholders' Meetings is calculated after the deduction of shares with no voting rights as provided by the law or the regulations in force.

II - The resolutions voted on by all Extraordinary Shareholders' Meetings, whether on first or second convening, are deemed valid with at least two thirds of the voting rights of the shareholders present or represented.

Shareholders' Meetings held on second convening may only deliberate on the agenda of the first Shareholders' Meeting.

21.2.6 CLAUSES DELAYING, DEFERRING OR PREVENTING A CHANGE OF CONTROL

There are no clauses that restrict a change of control.

Article 13 of the Articles of Association stipulates:

ARTICLE 13 - TRANSMISSION OF SHARES

Shares may be freely exchanged subject to legal provisions. Transmission is effected by account transfer under the terms and conditions specified by the texts in force.

21.2.7 CROSSING OF OWNERSHIP THRESHOLDS

CROSSING OF STATUTORY THRESHOLDS AND PENALTIES IN THE EVENT OF NON-COMPLIANCE WITH DISCLOSURE REQUIREMENTS *(Article 12 of the Articles of Association)*

Pursuant to Article L. 233-7 §5 of the French Commercial Code, and Article 12 of the Articles of Association, shareholders must notify the Company of the number of shares held directly or indirectly, alone or in concert, whenever their holding crosses the threshold of 2% of the share capital or a multiple of this percentage. In the event of non-compliance with this disclosure obligation, shares exceeding the non-disclosed fraction shall be deprived of their voting rights at the request, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders, holding at least 5% of the Company's capital, where its shares are officially listed on a stock exchange.

21.2.8 CHANGES IN THE SHARE CAPITAL

Article 8 of the Articles of Association stipulates as follows:

ARTICLE 8 - CHANGES IN THE SHARE CAPITAL

I - Capital increases

The share capital may be increased either by issuing new shares or by increasing the par value of the existing shares.

The new shares shall be paid for either in cash or through compensation with debts in liquid funds due and payable by the Company, through capitalisation of reserves, income or share issue premiums, with assets in kind or through bond conversion.

The new shares are issued either at their par value or at this value increased by an issue premium: they may be ordinary shares or preferred shares enjoying certain advantages over other shares and entitling their holders to preferential rights to income or assets or any other indirect advantage.

Capital increases are decided upon or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the

Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the performance of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting having decided upon or authorised the increase, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided pursuant to the provisions of Article L. 225-229-III of the French Commercial Code.

When a capital increase takes place through the capitalisation of reserves, income or share issue premiums, the Shareholders' Meeting deciding upon the increase must meet the quorum and majority requirements for Ordinary Shareholders' Meetings.

In the event of an issue of new shares to be paid for in cash, the share capital of the Company prior to the proposed increase must first be fully paid up and the shareholders shall be entitled to exercise their pre-emptive right to subscribe to shares as provided by law. The entitlement of usufructuaries and bare owners to the pre-emptive subscription right is governed by the aforementioned Article.

If the new shares are paid for through compensation with debts due and payable by the Company, the latter shall be disclosed in financial statements prepared by the Executive Board, certified as valid by the Statutory Auditors and attached to the statement of subscription and payment.

The minimum subscription period is ten trading days, with the option for early termination of this period once the capital increase is subscribed by shareholders in proportion to their existing holdings.

The Shareholders' Meeting that decides upon the capital increase may elect to exclude the pre-emptive subscription right upon examining the reports of the Executive Board and the Statutory Auditors.

Capital increases shall be carried out notwithstanding the existence of fractional rights. Those shareholders not possessing the number of subscription or share rights exactly required to obtain a whole number of new shares, shall have to personally arrange for the purchase or sale of fractional rights to bring their holdings to a whole number.

In conjunction with any decision to increase the Company's share capital, the Extraordinary Shareholders' Meeting shall also need to consider a draft resolution intended to authorise a capital increase reserved for employees. Moreover, a draft resolution of this kind must be presented, once every three years for the approval of an Extraordinary Shareholders' Meeting convened for this purpose, as long as the shares held by the employees of the Company and of any affiliated company as defined under Article L. 225-180 of the French Commercial Code represent less than 3% of the total share capital.

II - Redemption of share capital

The share capital may, upon the decision of the Extraordinary Shareholders' Meeting, be redeemed by way of an equivalent reimbursement for each share, through transfer of income or reserves, with the exception of the legal reserve.

Dividend shares thus created may be reconverted into capital shares, either through an obligatory transfer of the portion of Company profits attributable to these shares, or through an optional payment by each of the owners of dividend shares.

III - Capital decreases

The share capital may be reduced in one or more stages for any reason, either by reducing the par value of shares or the number of shares. If a capital decrease is not entailed by losses, bondholders and creditors may oppose the decrease.

A decision to reduce the share capital to a level below the minimum required by law, regardless of the motivation behind this decision, may only be taken if a capital increase can be effected to increase the share capital to a level above said minimum, unless the Company is to be transformed into a company of another form not requiring a capital amount greater than its share capital following the decrease.

Should this condition not be met, any interested party may apply for a court order requiring the dissolution of the Company. The dissolution of the Company shall not take effect if, on the date when the court's decision is rendered, the share capital has been brought back up to the legal minimum.

The Company is not authorised to buy back its own shares. However, the Shareholders' Meeting having decided upon a capital decrease not entailed by losses may authorise the Executive Board to buy back a specified number of shares as to cancel them. This buyback shall be proportional to the number of shares held by each shareholder and limited to shares available in the market.

Capital decreases are decided or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry them out.

In all cases, the proposal for a reduction in the share capital is communicated to the Statutory Auditors no less than 45 days prior to the Shareholders' Meeting of shareholders convened to decide upon this proposal.

The meeting examines the report of the Statutory Auditors, who present their assessment of the justification and conditions for the capital decrease.

If the capital decrease is carried out by reducing the number of shares, shareholders are required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares may be exchanged for new shares.

IV - Stock splits and reverse stock splits

In the event of a stock split or reverse stock split, shareholders are also required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares may be exchanged for new shares.

21.2.9 PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS *(Articles 39 and 40 of the Articles of Association)*

ARTICLE 39 – PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

I - Presentation of the accounts

At the end of each financial year, the Executive Board establishes the schedule of the assets and liabilities existing at that date.

It also draws up the income statement and the balance sheet.

The Executive Board prepares a written report on the results for the financial year, the situation of the Company and its business activity during the period under review.

These documents are made available to the Statutory Auditors at the Company's registered office at least 45 days prior to the Shareholders' Meeting convened to approve the parent company financial statements, with the exception of the report on the results for the financial year and the situation of the Company, which may be made available to the Statutory Auditors no less than 20 days prior to the meeting. Copies of these documents must be forwarded to the Statutory Auditors should they request them.

II - Presentation and measurement methods

The income statement and the balance sheet are established each year in accordance with the same presentation guidelines and measurement methods used in previous years. However, in the event of any proposed changes, the Shareholders' Meeting, upon examining the financial statements established in accordance with both the proposed and existing presentation guidelines and methods, as well as the reports of the Executive Board and the Statutory Auditors, shall render its decision upon the proposed changes.

If methods other than those required by applicable legal and regulatory provisions were used for the measurement of the Company's assets in the schedule and in the balance sheet, mention is made of this fact in the report presented by the Executive Board.

III - Depreciation, amortisation and provisions

All necessary depreciation, amortisation and provisions are recognised even if there has not been any profit or it has been insufficient, to ensure that the balance sheet provides a fair view of the Company's financial position.

An impairment charge is recognised for any impairment in the carrying amount of assets, whether due to wear, change in techniques, or any other causes.

Provisions are recognised for all capital losses on other assets as well as probable future losses and expenses.

The Company's incorporation costs are amortised prior to any distribution of profit.

Capital increase expenses are amortised no later than the end of the fifth financial year following the one in which these expenses were incurred. These expenses may be charged to the amount of the issue premium relating to the capital increase.

IV - Deposits, sureties and guarantees

The amounts of deposits, sureties or guarantees given are mentioned at the foot of the balance sheet.

ARTICLE 40 - APPROPRIATION AND ALLOCATION OF EARNINGS

- Net earnings consist of the net profit for the financial year, less overheads and other Company expenditure, as well as the depreciation or amortisation of Company assets and all provisions for commercial and industrial contingencies.
- Net earnings are appropriated and allocated as follows:
  - A deduction of 5% is taken from net profit for the year after the offset of any prior year losses carried forward, for the purpose of creating the legally required "legal reserves", until these reserves equal one tenth of the Company's share capital;
  - Net earnings to be appropriated consist of the net profit for the financial year, less prior-year losses and legally required reserves, plus retained earnings carried forward;
  - The Shareholders' Meeting then allocates the amounts it deems appropriate to the optional, ordinary and/or extraordinary reserves, and to retained earnings.

The resulting balance, if any, is allocated among all shareholders proportionately to their paid-up outstanding shareholdings. However, except in the event of a capital decrease, no payment to shareholders is carried out if the resulting amount of net assets is or would otherwise become less than the combined amount of the share capital and reserves that may be distributed as provided by law or by the Articles of Association.

The Shareholders' Meeting may decide to allocate amounts deducted from the optional reserves either in order to provide or supplement a dividend or for the purpose of allocating exceptional provisions; in this case, the resolution shall expressly indicate the reserve categories from which these deductions are to be made.

After the approval of the financial statements by the Shareholders' Meeting, any losses are recorded in a special account for offset against profit of future years until the expiry of their availability for carry forward.

- The Shareholders' Meeting convened to approve the financial statements for a given year may grant to each shareholder, in respect of all or a part of the dividend set aside for distribution, an option to be paid either in cash or in shares, the price of which is previously determined as provided by law. The offer of payment in shares must be made simultaneously to all shareholders. Requests by shareholders in this regard must be made during a period determined by the Shareholders' Meeting, which may not last longer than three months from the date of this meeting.

21.3 STATUTORY AUDITORS' FEES

	MCR				FRANCE AUDIT EXPERTISE			
	AMOUNT (€K)		%		AMOUNT (€K)		%	
AT 31 OCTOBER	2013	2012	2013	2012	2013	2012	2013	2012
Audit Statutory audit, certification, audit of the individual company and consolidated financial statements								
Issuer	152	118	32 %	29 %	159	118	13 %	12 %
Fully consolidated subsidiaries	321	294	68 %	71 %	1 061	890	87 %	88 %
Other work and services performed directly related to the Statutory Auditor's mission								
Issuer								
Fully consolidated subsidiaries								
SUBTOTAL	**473**	**412**	**100 %**	**100 %**	**1 220**	**1008**	**100 %**	**100 %**
Other services rendered by the networks to fully consolidated subsidiaries								
Legal, tax, employee-related								
Other (specify if > 10% of audit fees)								
SUBTOTAL	**0**	**0**		**0 %**	**0**	**0**	**0 %**	**0 %**
TOTAL	**473**	**412**	**100 %**	**100 %**	**1 220**	**1008**	**100 %**	**100 %**


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1 4 7 10 13 16 19 22 25 28 31 34
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2ème 12
3ème 12
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PAIR
IMPAIR
19 - 36
402



22 MATERIAL CONTRACTS

SYNDICATED LOAN

On 27 September 2005, at the same time as the acquisition of Groupe de Divonne, Groupe Partouche contracted a new syndicated loan, which constitutes the bulk of the Group's bank debt. This credit was for an initial term of seven years for an amount of €431m, of which the outstanding balance totalled €233.7m upon the initiation of the Safeguard Procedure (procédure de sauvegarde). The guarantees related to this credit are the collateralisations of the securities of the Group's main subsidiaries (see Section 4.1.1 "Liquidity risk").

SHAREHOLDER ADVANCE AGREEMENT

On 26 August 2003, Groupe Partouche concluded a shareholder advance agreement granted by Financière Partouche SA, for an amount of €100,000,000 for a duration of 7 years and 3 months as of 29 August 2003. This advance is remunerated at the annual rate of Euribor plus 2%.

Following a rider to this agreement signed on 26 April 2005, Financière Partouche agreed a supplementary advance of €20,000,000 for a period of 5 years and 7 months from the date the monies are made available.

The rider to this agreement signed on 30 September 2005 specifies that the shareholder advance will be extended until 30 November 2012.

A third rider signed on 30 December 2009 extended it to 31 December 2015.

Following the capital increase in 2010, the amount of this advance is €25.4m.

At 31 October 2013, the shareholder advance and the interest it generates, totalling €31.6m, were recorded in financial debt. This balance was frozen at 30 September 2013 pending the conclusion of the Safeguard Procedure (procédure de sauvegarde) on 30 March 2014.

RECEIVABLE FROM SOCIÉTÉ FRANÇAISE DE CASINOS

On 26 April 2006, Groupe Partouche sold the investment that it held in the capital of Société Française de Casinos (i.e. 55.55% of the share capital for a total amount of €17.5m, including current accounts) to the company La Tête Dans Les Nuages.

The €4.5m balance falling due in respect of current accounts was paid in a normal manner in financial year 2007 and the balance of €10m in respect of the SFC share price, which was fixed at 15 April 2007, was paid in the amount of €5m in July 2007, thus reducing the balance at the balance sheet date to €5m.

The accrued interest was recognised and presented in the balance sheet for the financial year ended 31 October 2007 in assets above the €5m, since the €1m penalty amount had not been recognised.

Following the difficulties encountered by the debtor, a memorandum of understanding was signed after the closing date for the financial year 2007 accounts, which set as a fixed sum of €6.4m the principal remaining due in respect of the price of the shares, accrued interest and contractual penalty.

This amount had to be settled based on the following schedule, following the validation of the memorandum of understanding:

- €2.0m at 17 April 2008 (paid);
- €2.4m at 30 April 2009;
- €2.0m at 30 April 2010.

Following the non-compliance with the 30 April 2009 settlement, new terms of payment were set up:

- €0.5m at 13 October 2009 (paid);
- €0.5m at 04 December 2009 (paid);
- The balance of €3.4m to be paid in six annual settlements on 30 October.

Following the declaration of suspension of payments on 30 July 2010 and the beginning of insolvency proceedings in respect of SFC on 12 August 2010, the instalment due on 30 October 2010 was not paid; 50% of the amount was provisioned in the accounts of Groupe Partouche for the 2010 financial year.

In its ruling handed down on 21 July 2011, the Paris Commercial Court approved the recovery plan presented by SFC, during which the company would continue to operate, setting up payment to Group Partouche over 8 years, according to the following schedule:

■ 21/07/2012	1st annuity	5%	€170,000
■ 21/07/2013	2nd annuity	5%	€170,000
■ 21/07/2014	3rd annuity	5%	€170,000
■ 21/07/2015	4th annuity	8%	€272,000
■ 21/07/2016	5th annuity	12%	€408,000
■ 21/07/2017	6th annuity	15%	€510,000
■ 21/07/2018	7th annuity	25%	€850,000
■ 21/07/2019	8th annuity	25%	€850,000

Groupe Partouche activated the mortgage guarantee it held for Casino de Châtel-Guyon, SFC's subsidiary. This action, aiming at selling by auction the building of the casino located in Châtel-Guyon, is subject to disputes which will probably delay its outcome.

An additional amount provisioned in 2011 led to the full provisioning of this receivable (capital and interest) in the financial statements of Groupe Partouche.



23 THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST

Decree n° 2012-557 of 24 April 2012 relating to labour, social and environmental transparency requirements for companies stipulates that published data relating to these subjects must be verified by an independent third-party body, according to methods laid down by ministerial decree. Compta Durable, an accounting firm located at 21 rue Auber, 75009 Paris, France, was commissioned by Groupe Partouche to carry out these verifications.

DOCUMENTS ON DISPLAY

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24.1 DOCUMENTS ON DISPLAY

During the period of validity of this Reference Document, the following documents (or copy of these documents) may, where applicable, be consulted:

a) the memorandum and Articles of Association of the issuer;

b) all reports, correspondence and other documents, historic financial information, valuations and declarations established by an expert at the request of the issuer, certain of which are included or referred to in the Reference Document;

c) the historic financial information of the issuer or, in the case of a group, the historic financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the Reference Document.

The documents above may be consulted at the registered office of the Company - Groupe Partouche SA, 141bis rue de Saussure 75017 Paris, France.

24.2 PERSON RESPONSIBLE FOR THE INFORMATION

Alain Cens, Chief Financial Officer

Telephone: +33 (0)1 47 64 33 45

24.3 FINANCIAL COMMUNICATION CALENDAR

Results for the financial year ending 31 October 2013	>	Wednesday, 29 January 2014, in the evening
1st quarter turnover at 31 January 2014	>	Wednesday, 19 February 2014, in the evening
2nd quarter turnover at 30 April 2014	>	Wednesday, 11 June 2014, in the evening
1st half-year results at 30 April 2014	>	Wednesday, 25 June 2014, in the evening
3rd quarter turnover at 31 July 2014	>	Wednesday, 10 September 2014, in the evening
4th quarter turnover at 31 October 2014	>	Wednesday, 10 December 2014, in the evening
Results for the financial year ending 31 October 2014	>	Wednesday, 28 January 2015, in the evening



25 INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS

Please refer to the table of subsidiaries and equity investments in the Company presented in point 3 of the individual company financial statements in Section 20.2.2 above, in addition to Note 34 of the Group's consolidated financial statements for the financial year ended 31 October 2013, presented in Section 20.2.1 of this document.





26 TABLE OF RECONCILIATION

In order to facilitate the reader's access to information in the annual report, for which the original French version has been registered as a Document de référence, the following table of reconciliation presents the headings relating to the minimum disclosure requirements in this Reference Document.

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AUTORITÉ
DES MARCHÉS FINANCIERS

Le présent document, document de référence, a été déposé auprès de l'Autorité des marchés financiers le 26 février 2014, conformément à l'article 212-13 du réglement général de l'AMF.

Il pourra être utilisé à l'appui d'une opération financière s'il est complété par une note d'opération visée par l'Autorité des marchés financiers.

« Ce document a été établi par l'émetteur et engage la responsabilité de ses signataires. »

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