GROUPE PARTOUCHE

ANNUAL REPORT 2012





2012, OPENING OF THE PASINO OF LA GRANDE-MOTTE

MESSAGE FROM THE FOUNDER
MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD
MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD
FINANCIAL REPORT 2012

MESSAGE FROM THE FOUNDER



40 years.

40 years of building – made up of joy, immense satisfaction, and happiness. But also interspersed with pitfalls, with constant battles to elicit even the slightest change in the mentalities and regulations applied to our business.

40 years of major upheaval as well. The global landscape for casinos has changed fundamentally over the years, but what I know for sure is that this business is timeless. And even if it must withstand crises or moments of doubt, it will always endure.

These 40 years have also given me the memory of numerous encounters and of sharing an unwavering mutual passion for this business with the thousands of employees who have worked alongside me.

So, yes, it is a difficult period, but it is difficult for everyone. My now advanced age has taught me that life is a series of such ups and downs. And when faced with a down period, our optimism must win out, because an upturn is inevitably on the horizon!

I sincerely wish all my associates, friends, employees, patrons and shareholders another 40 years at least as wonderful as those we have just shared.

Isidore Partouche



MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

Groupe Partouche is first and foremost a human adventure that has now lasted 40 years!

40 years devoted to customer satisfaction, and above all to our adherence to certain values.

In these troubled times, as much for our longstanding trade as for all its patrons, it is important to recall what Groupe Partouche is.

It is a family business comprised of businessmen and businesswomen at heart.

But above all, it is the men and women who own this magnificent enterprise. And they, like our founder Isidore Partouche, are free and not allied to any network.

These people – and I count myself among them – have battled against long-established competitors who thought networks and connections were all it took to keep pace with the changing wants and needs of customers.

Monopolies that have incessantly scoffed at the values we uphold in gaming, and whose regulators continue to tell us “do as I say, not as I do!”

And the French state, who has forgotten that these casinos work for it at more than 50%, who has forgotten that this now overtaxed industry provides for many more people than just the Partouche family.

Times are difficult and, for quite a while, Groupe Partouche has been under attack. I see more passion than reason in these attacks.

To our chairman, to all our employees, I have only one thing to say: continue the enormous task that you undertook three years ago; do not listen to those who follow the pack.

Like many, the Group will get through this mid life crisis and start looking ahead to its 50th year!

After the fire and the passion, comes the age of maturity and judgment calls.

It will be painful, but there’s no way around it.

Best of luck to all, and happy anniversary, Groupe Partouche!

Patrick Partouche



MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

The past year proved to be complicated, particularly during the second half of the year, which revealed the significance of the crisis that our country is dealing with.

For five years, five long years, all of the Group's teams have been struggling on a daily basis to adapt operations to a new environment. This new landscape was formed in the wake of major disruptions, from the ban on tobacco to the crisis of confidence and consumption that now impacts our patrons.

Throughout this time, we had to continue to promote our activities, to maintain and enhance our facilities, all while meeting our financial obligations. And we succeeded.

In addition, we never stopped calling on our regulators for greater space for Liberty, space that is necessary to undertake and adapt our offerings more quickly to a customer base that increasingly expects innovation.

In a world that changes with increasing speed, how can we wait months for the government to agree to authorize casinos to operate a game like Casino War, tried with success by Groupe Partouche for six months yet withdrawn in April 2012 pending a forthcoming licence? This game created jobs, brought in new revenue for the government's budget, and above all found its audience as part of the redesign of our games offerings…

What's more, we remember that the last major innovation was poker, and that already dates back to the summer of 2007! Since then, any operator whatsoever has been granted a licence to operate online, leading in the end to a recent court case ordering it to disappear before long, trivializing it in the worst possible way!

We are also fighting for greater Equality in France's gaming landscape. This is an essential condition for our business, which employs more than 15,500 people in France's 197 casinos, to stand up to the increasingly aggressive and unfettered competition imposed on us by the duopoly: Française des Jeux and PMU.

How can the government let a flagrantly unjust situation carry on with these two other operators that are still not subject, as casinos are, to identity control measures, which seemed so necessary to protect minors and those who chose voluntarily to be prohibited from gaming? Why are there still no preventive measures, no effective disclosures on excessive gaming in their thousands of points of sale, nor even any mandatory training for customer facing staff, while we have been required to provide all of that for a number of years?

And how can it be, that while casinos have to report and record every transaction above 2,000 euros under strict anti-money-laundering laws, that gamers can wager any amounts, with no controls, at FDJ and PMU points of sale?

Our business suffers more and more from a lack of this essential dose of **Liberty** necessary to grow and needs greater **Equality** in relation to the other gaming monopolies. But fortunately, with regard to **Fraternity**, we maintain it every day with our patrons because we are, and remain, the only gaming business in France to offer a real environment that provides security, conviviality and social ties for players.

We hope that the public authorities will be able to hear this call, the call of the casino business that I am conveying on behalf of Groupe Partouche, from major economic players in France for development on the ground, for jobs, and encompassing a host of other businesses like restaurants, hotels and live entertainment.

Fabrice Paire



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01 PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

M. 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 214 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 period ended 31 October 2012, set out on page 193 of the Reference Document.

The Statutory Auditors have issued a report on the Group's parent company financial statements for the period 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 period ended 31 October 2011, set out on page 196 of the Reference 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 financial statements, setting out, in the section entitled «Accounting judgments and estimates»:

- Error corrections 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 period ended 31 October 2011, set out on page 197 of the Reference Document.

The Statutory Auditors issued a report on the Group's consolidated financial statements for the period ended 31 October 2010, set out on page 194 of the Reference Document, filed with the AMF on 25 February 2011 - reference number D11 0081; this report contains an observation:

'Without qualifying the opinion given above, we wish to draw your attention to Note 2 «Accounting estimates and assumptions" in the Notes to the financial statements, setting out a change of estimates in respect of goodwill.'

The Statutory Auditors issued a report on the Group's parent company financial statements for the period ended 31 October 2010, set out on page 195 of the Reference Document.»

Paris, 26 February 2013

Fabrice Paire

Chairman of the Executive Board



02 AUDITORS

2.1 STATUTORY AUDITORS

IDENTITY OF THE STATUTORY AUDITORS	PROFESSIONAL BODY	DATE OF THE LAST RENEWAL	DATE OF FIRST APPOINTMENT	END OF TERM
PRINCIPAL				
MCR Baker Tilly 232 avenue du Prado 13008 Marseille	Independent member of Baker Tilly France	AGM 20 April 2010	AGM 24 April 2007	AGM called to approve the financial statements for the financial year ending 31 October 2015
PRINCIPAL				
France Audit Expertise 148 boulevard Malesherbes 75017 Paris			AGM 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 20 April 2010	AGM 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 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 2010, 2011 and 2012 prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

BUSINESS ACTIVITY

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Casinos	407 981	417 710	431 557
Hotels	33 325	34 593	31 917
Interactive Division	6 204	6 932	7 579
Other	3 440	5 070	7 123
TOTAL TURNOVER	**450 951**	**464 304**	**478 126**

CASINOS €000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
GGR of table games	80 644	79 777	88 226
GGR slot machine	592 448	616 577	613 531
TOTAL GGR	**673 092**	**696 354**	**701 757**
Levies	342 692	356 863	360 216
In% of GGR	50,9 %	51,2 %	51,3 %
NET GAMING REVENUE	**330 400**	**339 491**	**341 542**
Number of slot machine in France	5 601	5 607	5 743

HOTELS AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Number of hotels	19	19	19
Number of rooms	1 244	1 245	1251
Occupancy rate	60,89 %	58,27 %	54,36 %

PROFITABILITY

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT DATA PER SHARE)	2012	2011	2010 RESTATED (*)
Turnover	450 951	464 304	478 126
Current operating profit	26 717	40 076	50 731
Operating profit	9 137	28 942	(23 036)
Total net profit	**(8 609)**	**2 036**	**(52 385)**
Of which, Group share	(17 114)	(6 953)	(60 398)
Net earnings per share attributable to the Group	(0,177)	(0,078)	(1,173)
Dividend distributed per share	-	-	-

EBITDA €000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Consolidated Ebitda	**73 937**	**88 566**	**98 395**
% of Turnover	16,40 %	19,08 %	20,57 %

BALANCE SHEET AND FINANCIAL STRUCTURE

ASSETS €000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Non-current assets	670 449	696 030	727 459
Current assets	170 086	176 579	152 242
Assets held for sale	4 500	2 768	1 245
TOTAL ASSETS	**845 035**	**875 376**	**881 246**

LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Equity attributable to the Group	316 150	335 466	312 558
Minority interests	30 531	32 128	29 961
Total equity	346 681	367 594	342 519
Total non-current liabilities	300 854	338 819	250 816
Total current liabilities	197 500	166 304	287 003
Held for sale liabilities	-	2 660	907
TOTAL LIABILITIES AND EQUITY	**845 035**	**875 376**	**881 246**

CASH LESS GAMING LEVIES

€000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Cash and cash equivalents (assets)	126 141	132 029	107 611
- Levies	(30 629)	(34 157)	(32 929)
= CASH AFTER LEVIES	**95 513**	**97 872**	**74 682**

DEBT AND RATIOS

€000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Equity	346 681	367 594	342 519
Consolidated Ebitda	73 937	88 566	98 395
Gross debt (*)	280 697	303 188	329 569
Available cash less gaming levies (**)	87 513	97 872	74 682
Net financial debt	193 184	205 316	254 887
Net debt to equity ("gearing") ratio	0,6	0,56	0,74
Net debt to consolidated Ebitda ("leverage") ratio	2,6x	2,3x	2,6x

(*) See section 9.1.2.

(**) See section 9.1.2 and chapter 20 note 17.

CASH FLOW

CASH FLOW STATEMENT €000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Cash flow from operating activities	58 107	57 384	66 522
Cash flow from investing activities	(36 981)	(26 505)	(24 825)
Cash flow from financing activities	(26 356)	(7 594)	(13 857)
CLOSING CASH POSITION	**126 057**	**131 970**	**107 596**

(*) The consolidated financial statements for the financial year ended 31 October 2010 have been restated in accordance with IAS 8 following the change in accounting treatment for the territorial economic contribution (CET) described in Chapter 20.2.1, Note 2 "Accounting estimates and assumptions".



04 RISK FACTORS

The company carried out a review of the risks which could have a significant negative impact on its business activity, financial position and results, and believes that there are no significant risks other than those disclosed. The means implemented to assure risk management and control are explained in Chapter 16.5. The company specifically analysed the liquidity risk related to the repayment of the syndicated loan, to the financial ratios and to the investment programmes of the La Ciotat, Bandol and La Grande Motte Pasinos (refer to Chapter 5.2.3) which have been scaled down. Also considering the restructuring of the syndicated loan under the terms of the riders signed on 25 January and 19 December 2011, and considering the revised financial ratios stipulated hereinafter, the company considers that, after completion of the review, it will be able to deal with the upcoming instalments over the next twelve months.

4.1 FINANCIAL RISKS

The quantative data presented in this section have been audited.

4.1.1 LIQUIDITY RISK

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

A breakdown of financial debt by type and maturity date can be found in Note 17 §20.2.1 of the notes to the consolidated financial statements for the financial year ended 31 October 2012. Readers may also refer to Note 13 §20.2.1 Cash and cash equivalents in the notes to the consolidated financial statements for the financial year ended 31 October 2012.

SYNDICATED LOAN

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 banking pool 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 banking pool 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, modifying the contract as follows:

Quarterly financial indicators

Variances compared to forecasts in revenue (GGR in France) and profitability (EBITDA in casinos and hotels) indicators could, until a certain time, trigger mandatory early repayment of the syndicated loan. This provision is now deleted.

Financial ratios

The levels of both financial ratios to be complied with, R1 (financial expense coverage) and R3 (gearing), have been modified in order to take into account the new revenue forecasts for 2015 and the improvement in financial position.

In addition, the definition of R2 was modified, in a beneficial manner for the company.

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.

The main characteristics of the loan at the balance sheet, before the abovementioned modifications, are as follows:

1. Repayment terms

Original loan amount: €431,000,000

Principal amount outstanding at period end: €245,228,000

Repayment terms and conditions: the principal amount outstanding comprises three tranches; the net proceeds from asset disposals serve to reimburse in advance preferentially tranche A with regard to its next instalment.

The annual repayment schedule at balance sheet date is as follows:

REPAYMENT DATE (FINANCIAL YEAR-END)	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2013	15 000 000	20 000 000	1 320 000	36 320 000
31/10/2014	25 000 000	20 000 000	-	45 000 000
31/10/2015	55 083 000	20 000 000	88 825 000	163 908 000
TOTAL	95 083 000	60 000 000	90 145 000	245 228 000

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;

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.

2. COVENANTS

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

It should be noted that the reclassification of the CVAE expense from Ebitda to "Income tax", described in Chapter 20.2.1, Note 2, paragraph "Accounting estimates and assumptions", has been applied in the Group's accounts since the 2011 financial year.

DÉFINITIONS

R1 FINANCIAL EXPENSE COVERAGE:

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

- 3.9x at 31 October 2012
- 4.0x at 30 April 2013
- 4.0x at 31 October 2013

R2 FIXED COST COVERAGE:

The financial ratio restated cash flow / consolidated debt servicing costs must be greater than or equal to:

- 1x at 31 October 2012
- 1x at 30 April 2013
- 1x at 31 October 2013

R3 GEARING:

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

- 3.1x at 31 October 2012
- 3.1x at 30 April 2013
- 3.0x at 31 October 2013

CALCULATION OF RATIOS AT 31 OCTOBER 2012

R1 CALCULATION:

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

	GROUP EBITDA	FORGES MINORITY INTERESTS	MEYRIN MINORITY INTERESTS	CRANS MINORITY INTERESTS	RESTATED EBITDA
% Minority interests		40,51 %	60,00 %	43,00 %	
€ Millions	73,9	1,2	9,1	2,6	61,1

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

Cost of debt -€12.1m

+ Cost of interest rate hedging -€2.9m

+ Investment income €1.2m

= Consolidated net financial expenses -€13.8m

R1: 61.1 / 13.8 = 4.44

R2 CALCULATION:

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

Consolidated net financial expenses: €13.8m

Bank debt 2012: €246.9m

- Bank debt 2011: €270.5m

= Change in debt: €23.6m

Consolidated debt servicing cost: €37.3m

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

Net cash at the beginning of the period (30 April 2012): €86.9m

Net cash of the Swiss casinos at the beginning of the half-year period (30 April 2012): €12.1m

Restated cash flow is the change in cash position (as disclosed in the consolidated cash flow statement in the Group's half-yearly and annual financial statements), adjusted for consolidated debt servicing costs plus net cash of Swiss casinos at the beginning of the half-year period.

Change in cash position: -€5.9m

+ Consolidated debt servicing costs: €37.3m

+ Net cash at the beginning of the half-year period: €86.9m

- Net cash of the Swiss Casinos at the beginning of the half-year period: €12.1m

= Restated cash flow = €106.2m

R2: 106.2 / 37.3 = 2.84

R3 CALCULATION:

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

Bank borrowings: €246.9m

- Bank borrowings attributable to minority shareholders: €0m

= Group debt: €246.9m

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

Cash and cash equivalents: €126.1m

- Gaming levies: €30.6m

= Net cash: €95.5m

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

Net cash: €95.5m

- Net cash from Casino Lac Meyrin and Casino Crans-Montana: €19.2m

- Physical cash held: €9.9m

- Other cash unavailable (cash subject to conditions precedent): €8.0m

= Restated net cash: €58.5m

Consolidated net debt represents the Group's debt after offsetting its restated net cash flow.

Group debt: €246.9m

- Restated net cash: €58.5m

= Consolidated net debt: €188.4m

R3: 188.4 / 61.1 = 3.08

As of 31 October 2012, all financial indicator commitments were met and had the following values:

R1: financial expense coverage was 4.44, with the requirement of being greater than or equal to 3.9.

R2: fixed cost coverage was 2.84, with the requirement of being greater than or equal to 1.0.

R3: gearing was 3.08, with the requirement of being less than or equal to 3.1.

3. INVESTMENT LIMITS

The upper limit for self-financed annual investments, without the exceptional allowance mentioned hereunder is €30m.

With an amount of €23.4m, this limit was observed for financial year 2012.

4. DEBT LIMITS

The Group's debt, as defined in the calculation of R3, is to remain below the following limits:

- €267m at 31 October 2012
- €257m at 30 April 2013
- €231m at 31 October 2013

Non-compliance with the covenants, investment limits and debt limits outlined in the above points 2, 3 and 4 triggers mandatory early repayment of the loan.

5. REPAYMENT OF SURPLUS CASH FLOW

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

5.1 DEFINITION

Consolidated surplus cash flow is defined as any sum of restated net cash flow, less bank overdrafts (as recorded in the Group's half-yearly and annual financial statements) over a €15,000,000 threshold, supplemented by (i) the unused amount of the investor contribution (aggregate of the two capital increases in May 2011) and (ii) the unused share of the exceptional allowance defined below.

The exceptional allowance represents an amount of €26,000,000 enabling La Grande Motte, La Ciotat and Bandol Pasinos to be financed, given that the exceptional allowance shall be reduced to zero as of 31 October 2014.

Only the unused amount of the exceptional allowance at the end of financial years 2011, 2012 and 2013 shall be subtracted from the surplus consolidated cash flow.

Consolidated surplus cash flow will be broken down as follows:

A specific proportion, i.e. 20%, is retained by Groupe Partouche.

The balance is allocated as follows:

- 80% will be allocated to reimbursing Tranche C and then Tranche B of the syndicated loan;

- 20% used to cover interest payments accruing on the current account (shareholder advance) from Financière Partouche.

5.2 CALCULATION FOR FINANCIAL YEAR 2012

Restated Net Cash	€585m
- Bank overdrafts	-€01m
- Contractual threshold	-€15.0m
- Investor contribution	-€30.6m
- Unused amount of exceptional allowance	-€10.7m
Representing a balance of	€2.1m

The share of surplus cash flow to be repaid to the banking pool for financial year 2012 is €1,320k, allocated to the reimbursement of Tranche C.

€330k will be used to pay off interest on the Financière Partouche shareholder advance.

5.3 INTEREST OWED TO FINANCIÈRE PARTOUCHE

At 31/10/2012, the amount of interest owed to Financière Partouche amounted to €5,918,894

This interest is accrued with no payment schedule requirement and generates interest at financial year-end Euribor +0.25%.

Only the surplus cash flow can 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.

4.1.2 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 reference variable 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 2012 closing, the net position is as follows:

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	0	1601	-	0	-	-
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	-	-
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**

Exposure to interest rate risk is periodically assessed by the Group's management, with assistance from the Treasurer, among others. The interest rate hedging policy is designed to protect future cash flows and reduce any volatility in financial expenses. The finance department implements the favoured solutions. All of the interest rate hedging instruments are set in place to hedge interest rate risks centrally, particularly 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 €53m, would have an effect on consolidated financial items of €527k.

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

LIABILITIES €000 AT 31 OCTOBER 2011	TOTAL	- 1 YEAR		1 TO 5 YEARS		+5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Syndicated loan	267 168	-	21 940	-	245 228	-	-
Bank borrowings	3 255	31	1 623	-	1 601	-	-
Overdrafts	59		59	-		-	-
Financière Partouche current account	30 504	-	-	-	30 504	-	-
TOTAL	300 986	31	23 622	-	277 333	-	-

ASSETS €000 AT 31 OCTOBER 2011	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)	55 223		55 223	-	-	-	-
Investments	42 649	40 000	2 649	-	-	-	-
TOTAL	97 872	40 000	57 872	-	-	-	-
NET POSITION BEFORE HEDGING	**203 114**	**(39 969)**	**(34 250)**	**0**	**277 333**	**0**	**0**
Interest rate hedging	-	160 000	(160 000)	-	-	-	-
NET POSITION AFTER HEDGING	**203 114**	**120 031**	**(194 250)**	**0**	**277 333**	**0**	**0**

4.1.3 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 22 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 has to 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 outside the euro zone are denominated in the local currency. Given the Group's low exposure to foreign exchange risk, no specific procedures are applied to monitor such risks.

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

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

€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 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 2011:

€M AT 31 OCTOBER 2011	ON TURNOVER	% GROUP'S TOTAL	ON OPERATING PROFIT	% GROUP'S TOTAL
GBP	0,00	0,00 %	-0,00	-0,00 %
CHF	0,40	0,09 %	0,19	0,56 %
USD	0,00	0,00 %	0,00	-0,01 %
TND	0,01	0,00 %	0,00	0,00 %
EGP (equity method)	NA	NA	NA	NA

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

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP	K USD	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	1 360,7	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

The table below presents the local currency positions of receivables and payables denominated in foreign currency at 31 October 2011:

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP	K USD	K TND TUNISIA	K EGP EGYPT
ASSETS	1 884,2	1,9	16,9	1 474,0	Equity method
LIABILITIES	9 787,9	6,3	4,3	1 201,8	Equity method
Net position before hedging	-7 903,7	-4,4	12,6	272,2	Equity method
Hedging position	-	-	-	-	Equity method
Net position after hedging	-7 903,7	-4,4	12,6	272,2	Equity method

4.1.4 TRANSLATION RISK

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

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

4.1.5 EQUITY RISK

The Group's cash investments do not include any listed shares and money-market products are used exclusively. 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 2012) as part of a liquidity provider's agreement (see paragraph 21.1.3 «Acquisition by the Company of its own shares»), as well as 161,100 other shares.

At the close of financial year 2012 the Company thus owned a total of 180,266 treasury shares, recorded on Groupe Partouche's balance sheet with a par value of €360,532 and a net book value of €160,436.74.

	NUMBER OF SHARES	CARRYING AMOUNT €	MARKET VALUE (PRICE AT 31/10/12) IN €	POTENTIAL CAPITAL LOSS €
Acquired in 2000	19 166	168 767,00	17 057,74	-151 709,26
Liquidity provider's agreement 2012	161 100	152 066,93	143 379,00	-8 687,93
TOTAL	**180 266**	**320 833,93**	**160 436,74**	**-160 397,19**

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 €16,043.67 in the parent company financial statements.

4.1.6 GOODWILL IMPAIRMENT RISK

In accordance with the information presented in the 2010 Reference Document (cf. specifically in paragraph 9.1.2 "Position and trends for the Group activity in the financial year ended 31 October 2010" and in Note 2 "Description of the accounting policies and valuation methods applied by the Group", of this Reference Document), the company has decided to no longer base its goodwill impairment tests 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, except where justified. The effect of this change in the accounting estimate represented an additional goodwill impairment of €46.8m in 2010, which was included in the total impairment of €71.2m that was booked in respect of the 2010 financial year; the continuing use of the method used up until now accounted for the remainder. Additional writedowns in the value of goodwill were recognized in financial years subsequent to this change, in the following amounts:

- €7,843k in additional impairment charges in respect of the financial year ended 31 October 2011;
- €10,406k in additional impairment charges in respect of the financial year ended 31 October 2012.

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.

However, considering, on the one hand, the total net amount of goodwill (€318,453k) with regard to the company's consolidated shareholders' equity (€346,681k) 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.

4.1.7 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 in principal, interest, commission, fees and other expenses, Groupe Partouche pledged to banks the shares other financial instruments accounts that it held in the subsidiaries listed in the table below.

- **Beneficiary:** the banking pool led by Natixis comprises the following banks: The Governor and Company of the Bank of Ireland, ARKEA Banque, Banque Populaire Loire et Lyonnais, Bred Banque Populaire, CIC Lyonnaise de Banque, Commerzbank International SA, Caisse Régionale de Crédit Agricole Mutuel de Normandie Seine, Deutsche Bank London Branch, IKB Deutsche Industriebank, Natixis, Scotiabank Europe PLC, West LB AG;
- **Condition for the removal of the pledge:** repayment of the loan;
- **Commencement date of the pledge:** 30 September 2005; pursuant to the agreement on 21 October 2009, the maturity date of the pledge was deferred from 30 September 2012 to 31 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 SA	18 500	92,50 %
SATHEL SA	20 080	99,60 %	GROUPE DE DIVONNE SA	2 659 969	99,99 %
GROUPE PARTOUCHE INTERNATIONAL SA	5 990	99,83 %	CASINOS DU TOUQUET SAS	24 384	99,52 %
SARL HÔTEL COSMOS	49 950	99,90 %	ELYSÉE PALACE EXPANSION SA	1 895	75,80 %
SOCIÉTÉ CIVILE IMMOBILIÈRE DE LA RUE ROYALE	8 917	99,98 %	CASINOS DE VICHY SAS	11 978	79,85 %
SOCIÉTÉ CIVILE IMMOBILIÈRE LES THERMES	9 950	99,90 %	NUMA SAS	5 000	100,00 %
SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	49 950	99,90 %	SOCIETÉ DES CHEMINS DE FER ET HÔTELS DE MONTAGNE AUX PYRÉNÉES SA	178 000	76,17 %
SOCIÉTÉ DU CASINO ET BAINS DE MER SAS	6 600	100,00 %	SOCIÉTÉ D'EXPLOITATION DU CASINO ET HÔTELS DE CONTREXÉVILLE SAS	4 950	99,00 %
LE TOUQUET'S SAS	1 801	90,05 %	JEAN METZ SAS	1 000	100,00 %
GRAND CASINO DU HAVRE	149 993	99,99 %	CANNES BALNÉAIRES PALM BEACH SA	5 099 366	99,97 %

It is further stated that Financière Partouche, which on 30 September 2005 had pledged its 26,848,500 shares in Groupe Partouche to its banking pool, made a further pledge, in accordance with the memorandum of understanding of 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, Financière Partouche assigned the 37,295,843 new shares it had subscribed, as part of the capital increase, to the pool of banks as collateral against the syndicated loan. 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	Banking pool led by Natixis	30 Sep. 2005	31 Dec. 2015	Repayment of loan	64,335,843	66.45%

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 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 establishments, an

initiative that it is currently developing in partnership with Addictel.

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

In order to guard against these risks, all Groupe Partouche's establishments are regularly audited by Silliker, an outside approved firm.

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 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.

Since 2011, this department has been completely overhauling the company's internal network in order to ensure that it is optimally secure. Around a hundred pieces of network security equipment were installed in the Group's gaming facilities in 2012.

Moreover, following the initial risk analysis phase of the EBIOS method completed in 2012, advanced penetration testing is scheduled to be carried out during the first quarter of 2013 in order to confirm that the Group's network is highly secure.

However, despite the Group's efforts to optimise security, its information systems may be subject to failure or be totally or partially bypassed, potentially giving rise to a material unfavourable 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 12% 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 RISKS

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 High 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 con-

cession 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 chapter 4.2.14), with destination competition (Monte Carlo, 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, 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. This phenomenon occurred this year in the Var, where the opening of the Seyne-sur-Mer casino weighed heavily on Bandol and Hyères casinos. In the long term, the opening of Larmor Plage casino and Vannes casino in the Morbihan region and Fort-Mahon in the Somme will inevitably impact the results of the Trinité-sur-Mer and Berck casinos. 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 presently 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 taxes.

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. The Group invested in creating smoking areas, in the form of booths equipped with extractor fans, for players wishing to smoke in its casinos.

In addition, the publication of Law n° 2010-476 of 12 May 2010 on the remote gaming industry's opening to competition and the industry's regulation, which legalised online gaming, including remote betting and lotteries and remote games of chance (sports, horse racing and poker), could have an adverse effect on casinos' client numbers, due to clients switching to online gaming (see Section 4.2.14 below for specific risks related to online poker).

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, 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.

Despite the consequences - notably economic - of online gaming legalisation being still uncertain (they depend mainly on any changes in people's gaming habits and on the authorisation of a relatively high number of establishments offering such online games), this trend could have a significant adverse effect on the business of authorised "bricks and mortar" casinos. The strong potential of the online gaming industry in France has consequently already led to a large number of other countries' operators applying for poker licences, which are awarded by the French online gaming regulatory authority (ARJEL). The Group is a direct competitor of these companies.

Generally speaking, a growth in the number of the different forms of competition could 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

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

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

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

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

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

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

Our activity in the leisure business has no impact on the ecosystem, natural habitats and protected species of animals and vegetation. Our Group strives to ensure that its establishments and activity are optimally adapted with the surrounding scenery, in order to integrate its sites into the natural environment.

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

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

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

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

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

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

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

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

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

None of Groupe Partouche's current or formerly-owned establishments had to make provisions or guarantees for environmental risks during 2012.

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

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

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

The points (information and Group initiatives) mentioned above apply to the Group's foreign subsidiaries (in Belgium, Switzerland and Tunisia), regarding which there are no specific environmental issues to report.

4.4 RISK MANAGEMENT AND INSURANCE

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

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. .

Synopsis of risks insured from 1 November 2011 to 31 October 2012

CASINOS	COVERAGE	AMOUNT OF GUARANTEES	PREMIUMS (INCLUDING CLAIMS MANAGEMENT EXPENSES)
CASINO MULTI-RISK	Damages to assets and operating losses	Limit of liability €65m	€990,836
CIVIL LIABILITY INCLUDING ONLINE GAMES			
Civil liability operations:			
	Physical, material and non-material damages	€20m per claim	€109,000
	Goods consigned to the hotels	€250,000 per year	
	Valet parking guarantee	€100,000 per claim	
	Non consecutive non-material damages	€300,000 per claim €1,000,000 per year	
	Pollution due to accident	€350,000 per claim €500,000 per year	
Civil liability after delivery:			
	Physical, material and non-material damages consecutive or non-consecutive	€10m per year	
	Non consecutive non-material damages	€3m per year	
EXECUTIVES' CIVIL LIABILITY		€8m per claim and per year	€14,186
ALL RISKS' EXPOSURE			€2,063
POLICIES FOR WORKS OF ART			€15,432
VEHICLES	Vehicle fleet	All risks	€64,680
	Staff missions		€9,591
	Transportation of goods	Self-insured	€1,433

HOTELS	COVERAGE	AMOUNT OF GUARANTEES	PREMIUMS (INCLUDING CLAIMS MANAGEMENT EXPENSES)
Hotel multi-risk	Damage to assets and operating losses	Limit of liability €6m to €39m	€113,268
Hotel civil liability	Included in the Group's civil liability policy		


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MEGAPOT



05 INFORMATION ABOUT THE ISSUER

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 Casino Palm Beach, and finally 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 is 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 as opening new establishments - Meyrin in Switzerland in 2003 and the Palais de la Méditerranée in Nice in 2004 – changes were made concerning its existing establishments.

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 – 2012 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 dissuasive effect on client numbers and that penalised the gaming clientele.

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 Casino Palm Beach, 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 thus of 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.

5.1.1 COMPANY NAME

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

5.1.2 COMMERCIAL REGISTER

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

Its NAF code is 7010 Z.

5.1.3 DATE OF INCORPORATION AND LENGTH OF LIFE OF THE COMPANY

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

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

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

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

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

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

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

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

5.2 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 nonstrategic 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;
- maintenance and adaptation of the existing assets within the limits of a gross annual amount of €30m (a commitment under the syndicated loan agreement);
- limiting the development of new "Pasinos" to just three: La Ciotat, Bandol and La Grande Motte.

2010 INVESTMENTS

The investments in the financial year 2010 amounted to €24.8m and consisted particularly of:

- €21.4m in capital expenditures on tangible assets. These investments constituted essentially maintenance costs and were apportioned across the entire Group. By way of illustration, the biggest payment concerned the work to extend Casino de Val André for €1.9m and work carried out at Meyrin for €1.2m;
- €1.8m in capital expenditures on intangible assets, involving the Interactive division in the amount of €1.2m (relating in particular to the development of website and game offerings);
- €2.6m for the purchase of minority interest shares (including Casino de Djerba in the amount of €2.5m).

In financial year 2010, France accounted for 74% of total investments.

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 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.

5.2.2 MAJOR INVESTMENTS IN PROGRESS

Assets in progress which had a net value of €3.1m at the end of the financial year mainly relate to work apportioned over Partouche Immobilier for €1.7m (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 comprise:

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;
- An application is currently being processed for a building permit in connection with the future Pasino in La Ciotat, which should be ready to open before the summer 2014 season; 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 will total €2m over the next two years (2013 and 2014), 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.

The other significant investments planned by the Group relate to existing casinos and hotels and mainly concern the Casino in Crans-Montana, with the building of an underground car park, at the cost of €5.5m. Part of the works shall be undertaken during the 2013 financial year for about €2.7m, with the full project spread over at least two financial years.

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 given the revocation of the early repayment clause in the event that the divestment programme initially planned is not implemented. The divestment programme remains nevertheless relevant but it will be implemented in better conditions. If satisfactory offers are received, the programme may concern casinos. The company, which has always sought to own the buildings in order to render its business sustainable in compliance with its policy, may however consider disposing the building and the business goodwill of a casino. It may also concern hotels and business goodwill which represent a much more highly sought after asset than a casino.

However, in the scope of the shareholders' pact entered into between BCP and Financière Partouche (refer to Chapter 18.3), Financière Partouche has undertaken to facilitate the implementation of a disposal of assets programme with the objective of carrying out disposals to the minimum overall amount of €25m by 31 December 2014.

5.2.5 RELATIONS BETWEEN INVESTMENTS AND FINANCING ACTIVITIES

Carrying out these main investments remains subject to an annual investment limit (useful information available in Chapter 4.1.1 "Liquidity risk"). Their implementation is based on the future surplus cash flows and possible external financing (useful information available in Chapter 4.1.1 "Liquidity risk" and more specifically to the notions of exceptional allowance and debt limit).

Concerning the financing of this investment programme presented in Chapter 5.2.3, cash amounting to €26m has been allocated under contract to the Pasinos programme. Net proceeds from the capital increases carried out in May 2011 may, if necessary, be used to finance the Group's investments. Finally, in the scope of the syndicated loan, the Group is authorised to invest up to €30m per year. This investment limit authorised under contract, gives way, over and above operating asset maintenance, to an additional investment amount. A certain amount of internal financing may thus be raised over each financial year. All these financing means enable the Group not to have recourse to any kind of external financing or public offering.

Nevertheless, the company does not exclude having recourse to external property financing, such as property leasing, which would take the place of the bank debt in order to financially optimise the duration of the loan and the level of the margins applied. One such project is currently being prepared by legal counsel for the refinancing of the Pasino de la Grande Motte in the amount of €14.5m.

BUSINESS OVERVIEW 06



6.1 PRINCIPAL ACTIVITIES IN 2012

PRINCIPAL ACTIVITIES

The casino business represents the Group's main business activity with hotels occasionally. More recently, the Group positioned itself on the online gaming market.

BREAKDOWN OF TURNOVER BY ACTIVITY

TURNOVER €000 AT 31 OCTOBER	2012	%	2011	%	2010 RESTATED	%
Casinos	407 981	90,5 %	417 710	89,9 %	431 557	90,3 %
Hotels	33 325	7,4 %	34 593	7,5 %	31 917	6,7 %
Interactive Division	6 204	1,4 %	6 932	1,5 %	7 529	1,6 %
Other transactions	3 440	0,7 %	5 070	1,1 %	7 123	1,5 %
TOTAL	**450 951**	**100,0 %**	**464 304**	**100,0 %**	**478 126**	**100,0 %**

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

BREAKDOWN OF TURNOVER BY GEOGRAPHIC AREAS

TURNOVER €000 AT 31 OCTOBER	2012	%	2011	%	2010 RESTATED	%
France	380 491	84,4 %	393 682	84,8 %	406 204	85,0 %
Europe (excl. France)	68 636	15,2 %	69 114	14,9 %	69 505	14,5 %
Outside Europe	1 823	0,4 %	1 508	0,3 %	2 417	0,5 %
TOTAL	**450 951**	**100,0 %**	**464 304**	**100,0 %**	**478 126**	**100,0 %**

COMMUNICATION AND SPONSORSHIP

After a wealth of major developments in 2011 (a new visual identity, a new slogan and investment in relationship marketing platforms), 2012 was a transitional year for Groupe Partouche in terms of marketing and communication activity, including in particular preparations for the Group's 40th anniversary in 2013.

At the same time, the Group, which has already been involved in football sponsorship for over 10 years by supporting Lille football club (Losc), continued its partnership with the Valenciennes football club. During the financial year, the Group also entered into a partnership with Montpellier football club, which is currently the reigning French champion.

As it does each year, Groupe Partouche engaged in sponsorship activities by taking part in organising and hosting more than a hundred events throughout France, investing a total of more than €10m. This makes the Group a major player in the cultural life of the nation.

6.1.1 CASINOS

Casinos are the Group's major activity. France authorises the following games, among others:

TABLE GAMES:

Boule:

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

Texas Hold'em Poker:

Omaha Poker 4 high.

Electronic table gables:

Electronic roulette .

SLOT MACHINES:

Slot machines are legally defined as automatic machines incorporating games of chance and comprise "roll machines" and "video games". Groupe Partouche has 5,601 machines installed in France and 1,104 machines installed abroad at 31 October 2012.

A) 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 Law of 15 June 1907 created an exception to this prohibition, allowing casinos to be opened in seaside and health resorts and thermal spas. Law 88-13 of 5 January 1988 extended this authorization to include conurbations with a population of more than 500,000 that offer specific tourist and cultural activities. The modificatory Law of 14 April 2006 enlarged the geographic scope of communes eligible for a casino to towns and resorts falling under Article L. 161 of the French Code of Communes and to communes which, as they were in the process of being classified as thermal spas or climate-specific resorts before the enactment of the Law of 2006, will be classified as official tourist resorts within five years of the enactment of this law. Licences to open casinos are granted by the Ministry of the Interior with due notice from the local council of the area in which the activity is to be carried out, following an investigation and on the basis of a list of specifications drawn up by the municipality. The latter then issues a business concession to the enterprise after verifying that the conditions of the tender procedure defined by Law 93-122 of 29 January 1993 (the Sapin Law) have been met. 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 to represent the official resorts (stations classées). It is chaired by a concillor extraordinary of the Conseil d'Etat.

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 have radically altered the authorisation criteria for slot machines. The number of slot machines authorised in a casino is now determined by reference to a ratio of the number of machines to the number of gaming tables, which is laid down by the casino gaming regulations. The first gaming table gives entitlement to 50 slot machines and each of the subsequent tables gives entitlement to 25 additional machines.

This reform is a major advance for casinos in giving them greater control over the definition of their gaming offer. By this means, the gaming supply can now be adapted to the specific features of the local market and customers' wishes without having to embark on an unwieldy administrative procedure requiring notification by the betting and gaming commission at the elapse of a 4- or 5-month application processing period. These adaptations are now implemented by the Interior Ministry under applicant-initiated declaration procedures with a short processing period, affording better responsiveness to market changes. 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, opening times for table games and slot machines were separated on a trial basis in 2012. This made it possible 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. The Central Racing and Gaming Department judged the experiment to be conclusive, and the scheme is to be permanently rolled out under the terms of a forthcoming new ministerial order.

Finally, under the terms of the same order issued in July 2011, the Consultative Committee on Gaming now has the power to temporarily authorise trials involving new games or technical equipment in relation to such games. This means that there is now a regulatory framework governing such experiments, which are increasing in number as technology and the imagination of game designers evolves. For example, 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. Regulations authorising casinos in France to offer this game are due to be published in the French official gazette in the very near future. This means that many establishments will be able 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. It also opens up the possibility of marketing multi game and multi denomination slot machines that are of greater interest to new generations of gamers. As far as table games are concerned, black jack tournaments will be tested out and then set up to promote a communal form of gaming that is already highly appreciated in poker and that is beginning to appear in various forms in slot machine gaming as well.

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 modified Decree of 22 December 1959 and the Decision (arrêté) of 14 May 2007, amended by the Decision of 24 December 2008, as well as the Decrees and Decisions of 29 October 2010 and 29 July 2011.

B) TAX LEVIES

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

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

GROSS GAMING REVENUE

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

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

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 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. 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. However, the combined total of the state and local authority levies cannot exceed 80% of the tax base. Where the combined total would otherwise exceed the 80% threshold, the local authority's share is deducted from the State's share.

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

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

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

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

The 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 Octo-

ber 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, operated 50 casinos at 31 December 2012; 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, OOSTENDE, 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 December 2012, 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 authorization. Other casinos operators are allowed to bid during the renewal, the tender being public (Sapin Act).

To date, no gaming concessions were lost by Groupe Partouche.

E) DUE DATES OF THE OPERATING CONCESSIONS

YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2013	2
2014	0
2015	5
2016	6
2017	6
2018	2
2019	1
2020	3
2021	3
2022	4
2023	2
2024	1
2025	0
2026	0
2027	1
2028	2
2029	2
2030	0
2031	0
2032	2

F) ANCILLARY ACTIVITIES OF CASINOS

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

At 31 October 2012, the Group operates:

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

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

- Casino Forges-les-Eaux;
- Casino Saint-Amand-les-Eaux;
- Casino Havre;
- Casino Divonne-les-Bains;
- Casino Lyon Vert at La Tour de Salvagny;
- Casino Hyères;
- Casino La Roche-Posay;
- Casino Dieppe;
- Casino Salies-de-Béarn;
- Casino 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 THE INTERACTIVE DIVISION

On 27 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.

A) 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. A law 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, poker. Through its subsidiary Partouche Gaming France, Groupe Partouche applied for a poker licence, which it obtained on 25 June 2010. Partouche Gaming France started its activity on 6 July 2010. Groupe Partouche will examine the future possibility of its applying to ARJEL for a sports betting licence and horse racing betting licence, as well as any regulatory change that could improve the conditions under which licences operate. Numerous operators, without waiting for the Law's amendment, wich was previously scheduled for December 2011 and then postponed till after the presidential elections of May 2012, are asking for a relaxation in the regulation. They highlight in particular the exclusion of casino gaming, scratch cards and lotteries.

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 32.5% of GGR for financial year 2012.

Pursuant to §VII of Article 21 of Law n° 2010-476 of 12 May 2010 on the opening of the online gaming industry to the competition and its regulation, 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 22 January 2013, there were only 22 such operators, 16 of which were authorised for poker. This means that 30% of operators have withdrawn from the market.

These figures reflect a market that has matured very quickly and whose potential has ultimately fallen short of the expectations of both operators and observers.

BELGIUM

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

B) 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 is an interactive gaming TV channel;

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

Partouche Tournois organises logistical arrangement for poker tournaments;

Quarisma is an interactive platform dedicated to the real-time management of quality services between customers and casino operators; in 2012, 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, which holds a gaming licence and conducts gaming operations based in Gibraltar;

International Gambling Systems is considered a type E licenced provider by the Belgian gaming authorities;

Partouche Betting Malta has a gaming licence in Malta, which it has sublicenced 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 «live-betting.com» internationally;

Partouche Gaming France is holder of an online poker licence in France. The company started operating on 6 July 2010.

For more details on these subsidiaries, please refer to §9.1 and §20.2.1 of the Reference Document.

C) STRATEGY

Towards the end of financial year 2012, the Group announced (via a press release dated 14 September 2012) a strategic reorientation in light of the unsuitable business model of French online poker, affecting both online poker and casino activities.

The main changes arising from this strategic shift in poker activities within Groupe Partouche were as follows:

- a reduction in activities and resources in favour of the partouche.fr website, particularly in terms of marketing costs and customer service;
- the adjournment of all «home» tournament circuits in Partouche casinos, including the cessation of the Partouche Poker Tour circuit;
- the opening-up of opportunities for operators wishing to organise tournaments in Partouche casinos or to establish partnerships.

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

As a result, the Group has already 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 games.

Moreover, technical autonomy remains an imperative for Groupe Partouche and its subsidiaries. It should be noted that Partouche Technologies provided its customers, Partouche Gaming France and International Gaming System (Belgium), with a new and more efficient poker gaming platform, also available in a mobile-friendly version.

6.1.4 OTHER ACTIVITIES

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

6.2 MAIN MARKETS

6.2.1 FRENCH GAMING MARKET

THE CASINO SECTOR

For the financial year ended 31 October 2012, gross gaming revenue for the entire French casino sector totalled €2,275.0m, down 1.81%. GGR from slot machines accounted for €2,054.0m, i.e. 90.29% of the total, down 2.51%. GGR from table games was up 5.2% on the previous year.

Gaming levies on GGR represented 54% for the 2011/2012 financial year.

France's casino industry counts 196 authorised casinos on the national territory (up 1 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 2012 GROSS GAMING REVENUE (€M)
GROUPE PARTOUCHE SA	42	560,6
GROUPE BARRIÈRE SAS	34	741,3
GROUPE JOA	20	179,1
GROUPE TRANCHANT	16	189,7
GROUPE COGIT	9	81,7
GROUPE ÉMERAUDE	8	67,8
SMCFC	2	54,8

Source: Statistics report on the 2011-2012 season, Service central des courses et jeux (31/10/2012).

ONLINE TABLE GAMES MARKET

In online gaming, financial year 2012 saw operators of table games affected by a decrease in Gross Gaming Revenue relative to 2011. This decline was noted by the Online Gaming Regulatory Authority in its 2012 report, issued on 14 January 2013:

Bets, buy-ins and Gross Gaming Revenue for table games

ONLINE TABLE GAMES, 2010-2012	2010 TOTAL (*)	2011 TOTAL	2012 TOTAL	DIFFERENCE 2011/2012
ACTIVE PLAYER ACCOUNTS	1 188 000	1 686 000	1 713 000	+2 %
CASH GAME BETS	3 705 M€	7 593 M€ 6 534 M€ (**)	6 182 M€	-5 % (**)
TOURNAMENT BUY-INS	412 M€	1 159 M€	1 397 M€	+21 %
GROSS GAMING REVENUE	139 M€	314 M€	297 M€	-5 %
RATE OF RETURN TO PLAYERS (NOT INCLUDING BONUSES)	97 %	96 %	96 %	-

(*) Six months.

(**) On a like-for-like accounting basis.

Source: ARJEL, «The French online gambling and gaming market», 2012 report

6.2.2 SWISS GAMING MARKET

Following the opening of the Zurich casino (type A) and the Neuchâtel casino (type B), Switzerland had a total of 21 casinos in 2012. 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 multisites 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. The awarding of a licence is conditional on this report.

IN 000 CHF	2011	2010	CHANGE
Gross gaming revenue	824'789	868'737	-5,1 %
Tax levies on casinos	419'363	449'797	-6,8 %
Net gaming revenue	405'426	418'940	-3,2 %

(Source: CFMJ rapport 2011)

In 2011, for the third consecutive year, the Swiss casino sector sustained a fall in GGR of 5.1% (decrease of 7.2% in 2010 and of 5.6% in 2009). In addition to the cyclical economic slowdown, the strength of the Swiss franc also had a negative effect, particularly on gaming establishments located in border regions. The latter are also faced with increased competition from the wider availability of so-called terrestrial games in Italy and Germany, both of which have relatively few casinos but increasing numbers of gaming rooms dedicated to slot machines. There is also competition from online games, which are prohibited under Swiss law. Consideration is being given to whether the law should be amended and relaxed in this area; any change in the law would not be implemented for at least two to three years. It is also important not to underestimate the role of obligations placed upon gaming establishments in respect of social security. Unlike casinos in neighbouring countries and operators of other types of games of chance, Swiss establishments are required to fulfil a series of obligations, compliance with which is rigorously checked by the Swiss Gaming Commission. Finally, two new casinos opened in 2012: a type A casino in Zurich and a type B casino in Neuchâtel.

6.2.3 BELGIAN GAMING MARKET

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

A. OFFLINE CASINOS

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

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

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, Oostende, Chaudfontaine and Dinant) amounted to 36.8% as at 31 December 2012, representing an increase of half a percentage point 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, four of which belong to Groupe Partouche.

Of the four online casino operating licences potentially available, there are currently three cases in which a type A+ licence has been granted or an application is in progress:

- **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 launch period, on a trial basis). The average gross turnover of partouche.be is currently between €100k and €110k per month.
- **Knokke:** the Knokke Casino was granted a type A+ licence in December 2012. As of February 2013, this licence will be operated under the name www.jackpotparty.be as part of a joint operation between the Knokke Casino and WMS.
- **Oostende:** a licence application is in progress; a type A+ licence should be granted during the first quarter of 2013. It will be operated under the name www.bwin.be as part of a joint operation between the Oostende 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 Oostende 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 99	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 2012 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 paragraph 4.2.10 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 the Premier Marché of the Paris Stock Exchange.

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

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

For the financial year ended 31 October 2012, the total amount received under head office services agreements was €12,857k excluding VAT.

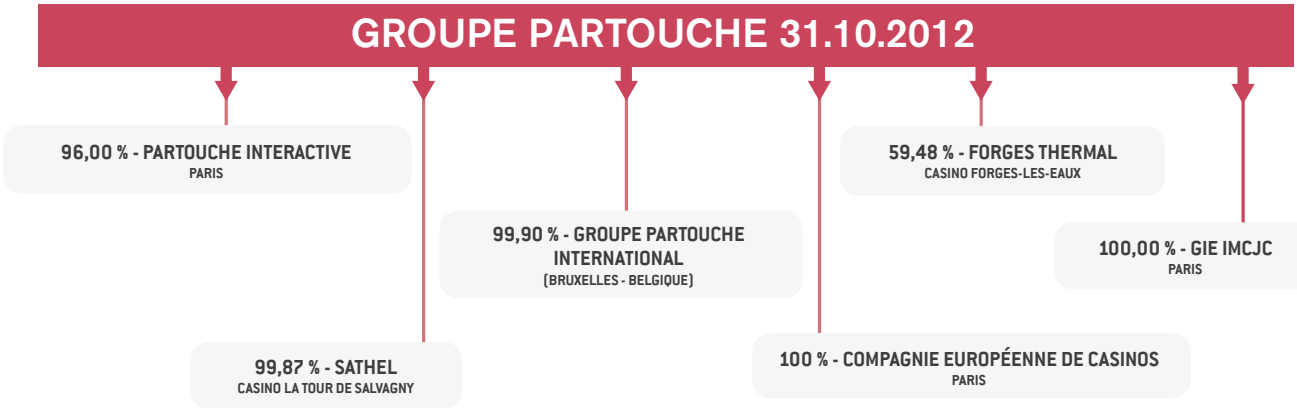
Furthermore, Groupe Partouche maintains a parent-subsidiary relationship with each of the consolidated companies, for which the main related elements for the year ended 31 October 2012 are centralized short-term cash management and the administration of a French tax consolidation structure.

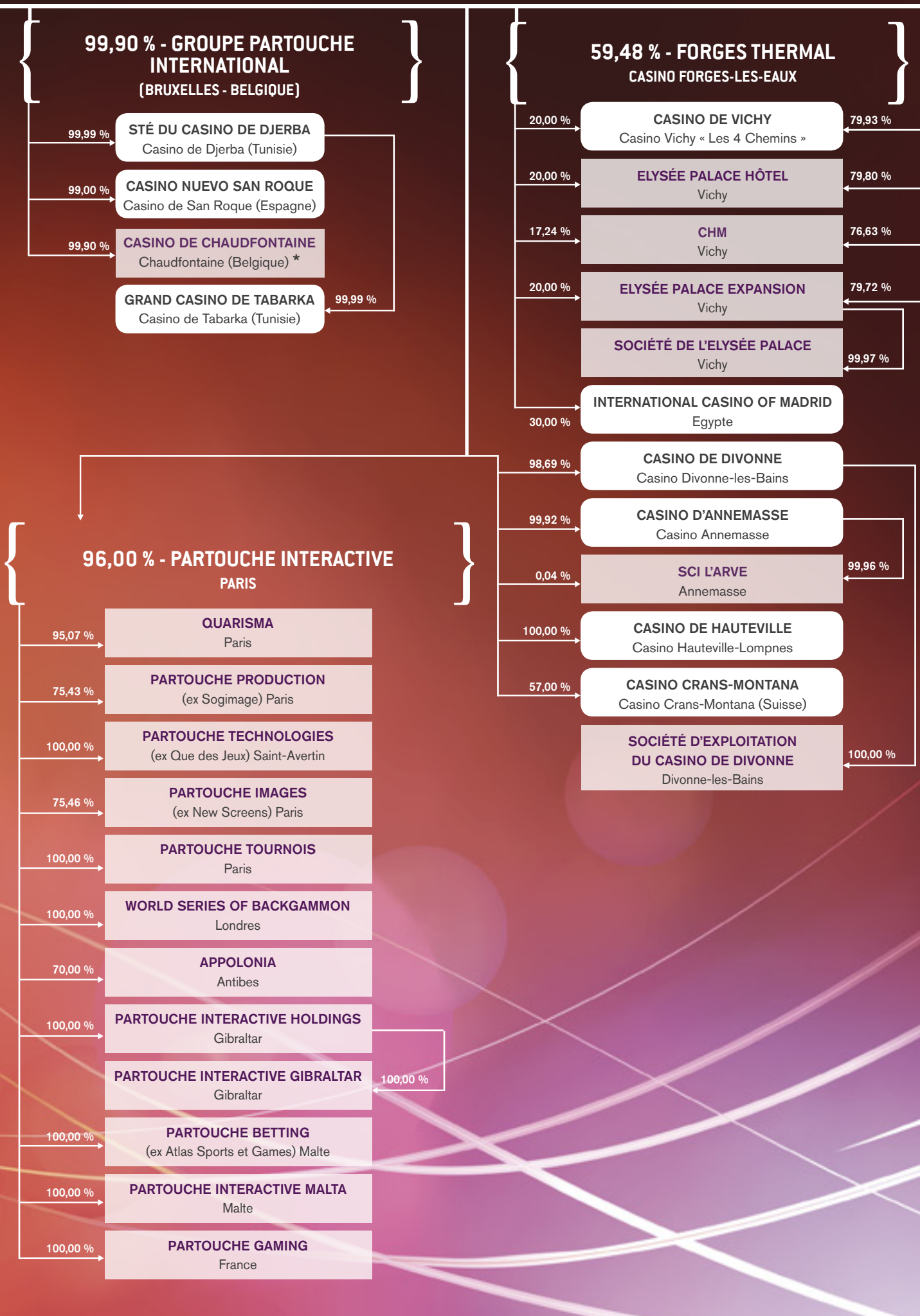
As the group's holding company, which does not have any independent economic activity of its own, Groupe Partouche SA has substantial fixed assets with €535m in net value, essentially attributable to investments in the group's subsidiaries. The other significant portion comprises receivables of €205m, net of provisions, mainly relating to the group's subsidiaries.

Groupe Partouche SA's liabilities and equity comprise €416m in equity, €25m in the current account of the majority shareholder Financière Partouche, €166m in current accounts of the subsidiaries and €245m in the bank debt.

7.2 THE GROUP

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 %
59,48 % - FORGES THERMAL
CASINO FORGES-LES-EAUX
20,00 %
CASINO DE VICHY
Casino Vichy « Les 4 Chemins »
79,93 %
20,00 %
ELYSÉE PALACE HÔTEL
Vichy
79,80 %
17,24 %
CHM
Vichy
76,63 %
20,00 %
ELYSÉE PALACE EXPANSION
Vichy
79,72 %
SOCIÉTÉ DE L'ELYSÉE PALACE
Vichy
99,97 %
30,00 %
INTERNATIONAL CASINO OF MADRID
Egypte
98,69 %
CASINO DE DIVONNE
Casino Divonne-les-Bains
99,92 %
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 %
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
100,00 %
PARTOUCHE INTERACTIVE MALTA
Malte
100,00 %
PARTOUCHE GAMING
France

GROUPE PARTOUCHE 31.10.2012

100,00 % - GIE IMCJC
PARIS

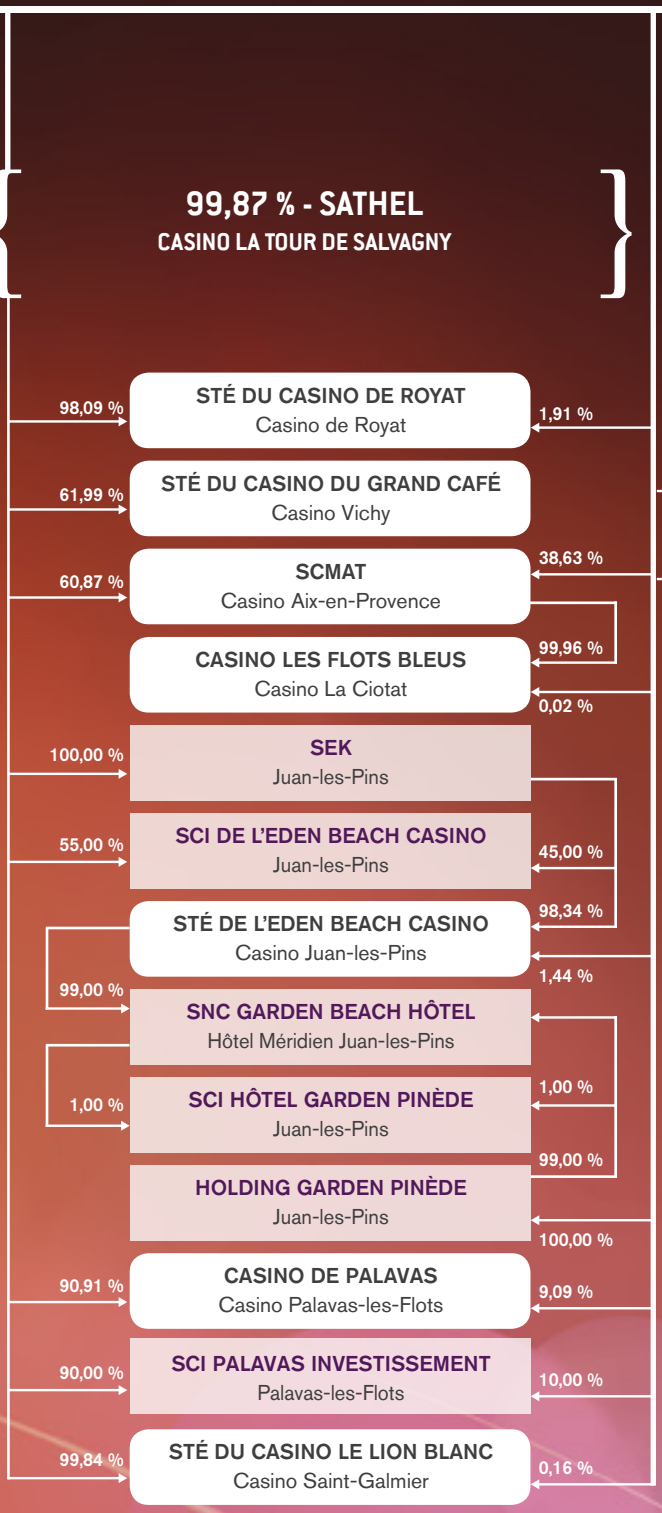
- 100,00 % → CASINO TRINITÉ-SUR-MER — Casino La Trinité-sur-Mer
- 97,25 % → HÔTEL INTERNATIONAL DE LYON — Hôtel Hilton Lyon
- 100,00 % → STÉ DU GRAND CASINO DE LYON — Casino Lyon
- 97,30 % → SA LYDIA INVESTISSEMENT — Casino Port-Barcarès
- 97,00 % → SCI LYDIA — Port-Barcarès
- 99,99 % → CANNES BALNÉAIRE — 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 % → CASINO DE LA TREMBLADE — Casino La Tremblade
    - 99,03 % → SCI LA TREMBLADE — La Tremblade
    - 1,00 % → PARTOUCHE SPECTACLES — Paris
    - 100,00 % → GROUPEMENT CASINOS — Paris
    - 99,00 % → SCI LA TREMBLADE — La Tremblade

LÉGENDE

- Casinos
- Autres entités

* 0,10 % sont détenus par Belcasinos


99,87 % - SATHEL
CASINO LA TOUR DE SALVAGNY
98,09 %
STÉ DU CASINO DE ROYAT
Casino de Royat
1,91 %
61,99 %
STÉ DU CASINO DU GRAND CAFÉ
Casino Vichy
60,87 %
SCMAT
Casino Aix-en-Provence
38,63 %
CASINO LES FLOTS BLEUS
Casino La Ciotat
99,96 %
0,02 %
100,00 %
SEK
Juan-les-Pins
55,00 %
SCI DE L'EDEN BEACH CASINO
Juan-les-Pins
45,00 %
STÉ DE L'EDEN BEACH CASINO
Casino Juan-les-Pins
98,34 %
1,44 %
99,00 %
SNC GARDEN BEACH HÔTEL
Hôtel Méridien Juan-les-Pins
1,00 %
SCI HÔTEL GARDEN PINÈDE
Juan-les-Pins
99,00 %
HOLDING GARDEN PINÈDE
Juan-les-Pins
100,00 %
90,91 %
CASINO DE PALAVAS
Casino Palavas-les-Flots
9,09 %
90,00 %
SCI PALAVAS INVESTISSEMENT
Palavas-les-Flots
10,00 %
99,84 %
STÉ DU CASINO LE LION BLANC
Casino Saint-Galmier
0,16 %
LE MIAMI
Casino Andernos
99,78 %
0,05 %
CASINO DE COUTAINVILLE
Casino Coutainville
89,51 %
0,03 %
STÉ DU CASINO D'ARCACHON
Casino Arcachon
98,68 %
LUDICA
Paris
100,00 %
99,99 %
GRAND CASINO DE BANDOL
Casino Bandol
95,24 %
CASINO DE LA GRANDE-MOTTE
Casino La Grande-Motte
4,74 %
CIE DÉVT TOURISME HYÉROIS
Casino Hyères
99,90 %
CASINO DU PALAIS DE LA MÉDITERRANÉE
Casino Nice
100,00 %
CPLXE CCIAL DE LA ROCHE-POSAY
Casino La Roche-Posay
89,70 %
99,00 %
SCI GAFA
La Roche-Posay
1,00 %
80,00 %
SARL HÔTEL DU CHÂTEAU
La Roche-Posay
99,90 %
SCI PARC DE POSAY
La Roche-Posay
0,10 %

GROUPE PARTOUCHE 31.10.2012

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 %
- 100,00 % → CASINO DE SALIES-DE-BÉARN — Casino Salies-de-Béarn
- 100,00 % → CASINO D'ÉVAUX-LES-BAINS — Casino Évaux-les-Bains
- 100,00 % → GIE GESTION CONSEIL COMMUNICATION — Paris
- 100,00 % → CASINO DE PORNICHET — Casino Pornichet
- 100,00 % → SOC. EXPL. CASINO LA ROTONDE — Casino Val-André
  - 100,00 % → SINOCA — Hôtel Val-André ← 99,00 %
  - 1,00 % → SCI JMB — Val-André
- 100,00 % → GRD CASINO DE GRÉOUX — Casino Gréoux-les-Bains
- 99,99 % → SCI RÉSIDENCE LES JARRES — Gréoux-les-Bains ← 0,01 %
- 96,99 % → DÉVT DE LA BAIE DE KERNIC — Casino Plouescat

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

LÉGENDE

- Casinos
- Autres entités



08 PROPERTY, PLANT AND EQUIPMENT

8.1 EXISTING OR PLANNED MAJOR ITEMS OF PROPERTY AND EQUIPMENT

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

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

The Group holds the property ownership, directly or under long leases, of 28 out of the 50 casinos the Group operates and rents the buildings of the remaining 22 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 property holdings, based on floor space are as follows:

ESTABLISHMENT	LEGAL STATUS	FLOOR SPACE
Aix-en-Provence casino	Long lease agreement	9 907 m^2
Cannes 3.14 hotel	Full ownership	3 445 m^2
Contrexéville casino & hotels	Full ownership	13 398 m^2
Divonne-les-Bains casino, hotel & golf course	Full ownership	16 399 m^2
Forges-les-Eaux casino & hotels	Full ownership	34 273 m^2
Hyères casino & hotel	Long lease agreement	6 100 m^2
Juan-les-Pins casino & hotel	Full ownership	12 280 m^2
La Tour de Salvagny casino & hotel	Full ownership	12 243 m^2
Lyons casino & hotel	Long lease agreement	22 605 m^2
Saint-Amand-les-Eaux casino	Long lease agreement	10 584 m^2

Groupe Partouche has 5,601 slot machines installed in France and 1,104 machines installed abroad at 31 October 2012.

In view of the market's maturity and the amendment of the regulations concerning the installation of these machines (see § 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 paragraphs 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, Groupe Partouche commissioned a summary estimate in 2005 from a real-estate expert (refer to Chapter 23 "Information from third parties, statements by experts and declarations of interest") of its properties located in France; the estimate is based primarily on applying market values to premises regarded as "occupied", except those that are commonly known to be vacant. This study was completed at end-2005 and has been updated since then on an ongoing basis; in December 2011, the value of this real-estate portfolio was estimated at €395.6m, of which €87.2m in long-term, long lease agreements. The reliability of such assessments is mostly based on the valuation allocated to various buildings in the scope of portfolio valuations. As specified in the valuation method, portfolio valuation is established with reference to the market prices in the surrounding area and depending on the category and the qualification of the existing buildings.

The methodology chosen by the expert's firm is described below:

"An expert performed the valuation of the property portfolio of Groupe Partouche, a portfolio comprising wholly-owned properties, rights in long leased buildings and majority shares of ownership in certain assets.

The portfolio includes, besides buildings, housing casinos, hotels, residential premises (houses, flats) and incidentally commercial premises and un-built land."

1 - Site valuation methods

1/1 - PROPERTY VALUATION METHOD

The main criterion to value an asset is reference to comparisons with market prices of similar assets in the same sector. Of course, disposals of casino or hotel buildings are not frequent enough for there to be disposals or sales of similar assets for all valued sites. Therefore, the appropriate method was to adapt the values of sold assets observed on property websites, taking into considering a sales negotiation margin ranging from 5 to 10%.

The specificity of the property market for professional activities must be mentioned; the evolution of market prices stayed quite modest over the previous years, though the value of residential assets has increased very significantly.

In any case, a preliminary remark should be made on the nature of the value given to property. Indeed, even though they are estimated as closely as possibly to the market values of similar assets, in a similar area or location, these values cannot be considered as "portfolio" values. The specific conditions of property transactions in a supply-constrained market of professional assets could imply a variance between the effective disposal value and "portfolio" values.

1/2 - VALUING PROPERTY AS "VACANT"

Most of the buildings used by casinos or hotels are commercially "occupied". It is therefore common to value a property with reference to its "vacant" or "occupied" status. However, this distinction is not relevant for commercial premises for which the market value depends directly on a commercial profitability rate and which must not suffer a reduction in value because they are occupied.

There is a notable exception to this rule for hotel premises for which the building value they disposed of at the same time as the business goodwill is subject to a significant deduction ranging from 40% to 50%.

In the scope of the Group's property portfolio valuation, it was considered that occupied situations were not to be taken into account, as financial profitability can only be assessed with reference to the "vacant" value of the property because when using a price with an "occupied" value reference, the value of business goodwill would have to be integrated to assess the asset value.

In any case, in the scope of property portfolio valuation, the chosen value is a vacant value but such value, though it has no impact on professional premises, does affect hotel buildings with respect to the valuation specificity of this kind of premises.

1/3 - METHOD USED TO VALUE PREMISES USED FOR CASINO OPERATIONS

These are "atypical" premises for which the value may be valued by "rough" comparison with reference to business premises, in a "high price range" estimate. However, as the premises are in good or even very good condition and the architecture and the buildings represent an enhancing factor, a value close to the value of commercial premises was chosen. There are several exceptions of premises which could present a multipurpose character, meaning that they could be used for other purposes (shopping centre). Such kind of premises (for instance the Aix-en-Provence and Saint-Amand-les-Eaux Pasinos) is subject to a significant rise of their market value.

1/4 - HOTELS

Hotel buildings belong to a very specific market because the reported market values correspond to the sale of the building and the goodwill which means the value of the building cannot be known. However, it is commonly agreed that the value of hotel buildings is largely affected by the value of goodwill and the high costs of fittings for residential dwellings.

Both criteria can be estimated as follows:

- Concerning luxury hotels, and depending on their location, the value of goodwill is usually estimated at 3 to 5 times the average revenue including tax over 3 financial years. The multiplicator coefficient is set at the average of 3 for medium category hotels. It should however be mentioned that the gross operating surplus has a very significant effect on the value of business goodwill, especially for luxury hotels;
- Conversion costs of residential premises are very high due to the necessity of completely restructuring open spaces. The amount cannot be estimated according to the refitting objectives but a minimum of around €1,500 per square metre can be estimated.

Disposal of hotels generally combines the building and the goodwill and it is very difficult to find vacant building references. Therefore, in practice, it has been noted that because of these specificities, the value of hotel buildings are considerably lower than residential values. The observed delta ranges from 30 to 50% which implies, for instance for Aix-en-Provence, a town whose value is greatly enhanced by residential dwellings with market values ranging from €6,000 to €7,000 per square metre in the town centre, that the value of the hotel increased from €3,000 to €4,000 per square metre (vacant buildings).The Aquabella is located in the old part of Aix which means it is valued towards the top end of the market.

1/5 - VALUATION METHOD FOR LONG LEASE RIGHTS

If there are no comparisons available, a valuation method for long leases has been prepared on the basis of a usufruct value for the remaining period of the lease. The usufruct valuation parameter was chosen in preference to that of bare ownership, based on the allocation criteria of the French General Tax Code, failing any other criterion.

However, this method remains incomplete if the amount of the capitalised rent due to the lessor is not deducted, we therefore deducted the value of rent capitalised for the remaining period covered by the lease, on the basis of a 4% annual rate of return."

2 - Portfolio valuation

Estimates of the property portfolio were updated on 27 December 2011. They only concern fully-owned, partially owned or long leased property in metropolitan France, taking into account carried out divestments.

- **Change in value of long leases**

The long lease valuation method generates a decrease in the usufruct value over the years. Readjustments have therefore been implemented by adjusting the amount of the capitalised rents for which the value turned out to have increased because of annual increases. As a result, development of long leased assets was reduced (€87.2m in December 2011 compared with €91.0m in December 2010).

- **Change in value of commercial premises**

Though hardly affected by the significant increase in values of the residential market, commercial premises have still increased in value, which was taken into account. We also took into account the location of the casinos and the possibility that they could serve other purposes (commercial premises, showrooms, shopping centres) which developed their market and portfolio value.

Hotels for which the value significantly increased because of the comparison criterion directly related to the similar surrounding residential premises should be mentioned. As we have previously noted, this estimate ranges from 30 to 50% of the value of surrounding residential premises.

We are thus disclosing the following portfolio valuations post adjustments:

Value estimated at 31 December 2011:

Value of fully-owned property	264,2 M€
Estimates of long leased property	87,2 M€
Total fully-owned portfolio	351,5M€
Partially-owned portfolio	44,1 M€
Estimate of the overall portfolio	395,6 M€

8.3 PROPERTY ASSETS OWNERSHIP POLICY AND 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 given the revocation of the early repayment clause in the event that the divestment programme initially planned is not implemented. The divestment programme remains nevertheless relevant but it will be implemented in better conditions. If satisfactory offers are received, the programme may concern casinos. The company, which has always sought to own the buildings in order to render its business sustainable in compliance with its policy, may however consider disposing the building and the business goodwill of a casino. It may also concern hotels and business goodwill which represent a much more highly sought after asset than a casino.

However, in the scope of the shareholders' pact entered by BCP and Financière Partouche (refer to Chapter 18.3), Financière Partouche has undertaken 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.

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

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

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

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 carried out by the Group.



09 OPERATING AND FINANCIAL REVIEW

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 2010 prepared according to IFRS/IAS as adopted by the European Union and shown on pages 52 et seq. of the Company's Reference Document that was registered with the AMF on 25 February 2011 under no. D.11-0081.
- 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.

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

Changes to the Group's scope of consolidation were minimal during financial year 2012. Groupe Partouche deconsolidated two companies: Cinéma de Vichy, sold effective as of 1 November 2011 and treated in accordance with IFRS 5 as assets/liabilities held for sale at 31 October 2011, and Casino de Barcarès (Le Lydia), inactive since September 2009, which started liquidation proceedings during the first half of 2012.

Casino de Grasse SCI and SA, consolidated by the equity method at 31 October 2011, were sold during the second half of 2012.

9.1.2 POSITION AND TRENDS FOR GROUP ACTIVITY IN THE FINANCIAL YEAR ENDED 31 OCTOBER 2012

ACTIVITY OF THE GROUP

The Group's turnover experienced another decline during financial year 2012. Consolidated turnover at 31 October 2012 amounted to €451.0 million compared with €464.3 million in 2011, down by -2.9%.

Changes in Group turnover by quarter:

€M	2012	2011	CHANGE
First quarter	124,2	122,4	1,4 %
Second quarter	103,7	110,3	-6,0 %
Third quarter	112,8	122,2	-7,7 %
Fourth quarter	110,3	109,4	0,8 %
Total consolidated turnover	**451,0**	**464,3**	**-2,9 %**

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

SUMMARY OF 2012 TURNOVER

EN M€		2012	2011	VARIATION	ÉVOLUTION
	France	56,1	54,5	1,6	3,0 %
	Abroad	24,6	25,3	-0,8	-3,0 %
GGR OF TABLE GAMES		80,6	79,8	0,9	1,1 %
% OF ACTUAL GGR		12,0 %	11,5 %		
	France	504,5	528,7	-24,2	-4,6 %
	Abroad	87,9	87,9	0,0	0,0 %
GROSS REVENUE FROM SLOT MACHINES		592,4	616,6	-24,1	-3,9 %
% OF ACTUAL GGR		88,0 %	88,5 %		
	France	560,6	583,2	-22,5	-3,9 %
	Abroad	112,5	113,2	-0,7	-0,6 %
GROSS GAMING REVENUE (TOTAL)		673,1	696,4	-23,3	-3,3 %
	France	296,2	309,4	-13,3	-4,3 %
	Abroad	46,5	47,4	-1,0	-2,0 %
GAMING LEVIES		342,7	356,9	-14,2	-4,0 %
	France	52,8 %	53,1 %		
	Abroad	41,3 %	41,9 %		
LEVY PERCENTAGE		50,9 %	51,2 %		
	France	264,5	273,7	-9,3	-3,4 %
	Abroad	66,0	65,8	0,2	0,4 %
RECOGNISED NET GAMING REVENUE		330,4	339,5	-9,0	-2,7 %
% OF TOTAL TURNOVER		73,3 %	73,1 %		
	France	116,0	119,9	-3,9	-3,3 %
	Abroad	4,5	4,9	-0,3	-6,9 %
NON-GAMING REVENUE		120,6	124,8	-4,3	-3,4 %
% OF TOTAL TURNOVER		26,7 %	26,9 %		
	France	380,5	393,7	-13,2	-3,4 %
	Abroad	70,5	70,6	-0,1	-0,1 %
TURNOVER		451,0	464,3	-13,4	-2,9 %

GGR FOR THE GROUP

Financial year 2012 again brought a difficult economic environment that weighed on the resources of our clientele, leading to a 3.3% decline in total Gross Gaming Revenue (GGR). The traditional gaming sector saw growth of 1.1% to reach €80.6 million, while the slot machine sector recorded another drop in its GGR, which totalled €592.4 million compared with €616.6 million the prior financial year. The lower GGR was concentrated in the second and third quarters (i.e. the period from February to July 2012), while the start and end of the financial year saw increases.

GAMING BUSINESS IN FRANCE

The GGR for traditional gaming grew by 3.0%, in particular owing to the performance of the casinos in Lyon (Pharaon), Divonne les Bains and La Grande-Motte, the last of which is now operating as a Pasino opened on 10 July 2012.

Slot machine GGR represented €504.5 million and saw a 4.6% drop. This trend affected nearly all establishments with the exception of La Grande-Motte, which was up by 6.6%. At the financial year close, the Group was operating a stable number of slot machines, 5,601 in France versus 5,607 units at 31 October 2011.

GAMING BUSINESS ABROAD

The casino business outside France held up better than in France, recording a slight 0.6% decline due to a rather substantial drop in GGR from traditional gaming in Belgium. Slot machine activity held up better thanks to the preservation of smoking areas where slot machines can be operated. Slot machine GGR also recorded a decline in Switzerland (Meyrin down 2.8% and Crans-Montana down 8.5%), offset by the other casinos, in the end achieving stability for total GGR from slot machines.

In addition, the Casino de Tabarka (Tunisia), closed in 2011 following political and social movements in the country, was not reopened.

The number of slot machines installed outside France totalled 1,104 units compared with 1,129 in 2011.

LEVIES

The decline in GGR automatically resulted in levies that were down by 4.0%. The total amount of these levies reached €342.7 million compared with €356.9 million in 2011, which represented an outflow equal to 50.9% of total GGR compared with 51.2% in 2011.

After deducting these levies from the Group's GGR, net gaming revenue totalled €330.4 million.

TURNOVER EXCLUDING NET GAMING REVENUE

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

TURNOVER EXCLUDING NET GAMING REVENUE	2012	2011	% CHANGE
Casinos, excluding net gaming revenue	77,6	78,2	-0,8%
Hotels	33,3	34,6	-3,7%
Partouche Interactive	6,2	6,9	-10,5%
Other	3,4	5,1	-32,1%
Total consolidated turnover excluding NGR	**120,6**	**124,8**	**-3,4%**

Activities relating to casino gaming, mainly restaurants and entertainment, were influenced by the drop in attendance but were able to contain their decline to 0.8%, particularly owing to promotional offers on products at bars and restaurants.

It was also a difficult year for the hotel industry in general in 2012. Within the Group, the main hotels in Lyon, Juan-les-Pins and Cannes contributed to a 3.7% decline for this sector.

The slump in the activity of the Interactive division was essentially related to an unsuitable economic model for online poker in France, operated by the subsidiary Partouche Gaming France. As announced at the end of financial year 2012, as part of the strategic reorientation of the poker business within the Group, activity for the online poker site www.partouche.fr is currently being restructured. In Belgium, the Interactive division has operated a ".be" online gaming site since 2012 (turnover is included in net gaming revenue for the Casinos sector). It has signed partnership agreements with global leaders WMS and Bwin.Party and initiated agreements for the televised broadcast of interactive gaming, the effects of which are expected in 2013.

The decline in Other turnover was attributable for €1.7m to the deconsolidation of the loss making company Cinéma de l'Elysée Palace in Vichy.

CONSOLIDATED RESULTS

Profitability hampered by the economic environment

Taking into account the €13.4 million slump in turnover recorded for the financial year and the weight of fixed expenses in the structure of the income statement, the Group's operational profitability deteriorated in similar proportions, with current operating profit (COP) down by €13.4 million.

Within operating expenses, external purchases and expenses grew by 1.8%, having an impact of €2.7 million, mainly due to advertising costs incurred at the very beginning of the financial year in a slightly more favourable economic environment, and in particular costs relating to sponsoring and the launch of the new Pasino de La Grande-Motte and the launch of the ".be" online gaming site in Belgium.

Tax expenses were stable between the two financial years.

Personnel expenses grew by €2.3 million (up 1.1%). Of this change, €1.9 million was attributable to the unfavourable change in the provision for pension obligations, which was in

large part due to the lower discount rate used in the calculation.

Depreciation, amortisation and impairment of fixed assets amounted to a charge of €43.5 million, down by €1.3 million compared with the prior financial year (favourable impact).

Other current income and operational expenses represented a net charge of €8.3 million. This was €3.4 million lower than in the prior financial year, due in particular to allocations to/reversals from provisions associated with operations (provisions for risks and charges and provisions for impairment of current assets), which were more favourable than in 2011.

The net result of recurring operations consequently yielded a profit of €26.7 million. The €13.4 million decline recorded compared with the prior financial year was mainly focused in the casinos sector (down €10.7 million), despite the cost control efforts carried out with regard to operational expenses and stepped up in the last quarter and in the hotels sector (down €1.6 million).

The net result of non-recurring operations was a loss of €17.6 million, comprising a €10.4 million impairment charge on goodwill, a €5.3 million impairment charge on property assets, and for the remainder the impacts associated with disposals of non-current assets.

The sum of the results from recurring and non-recurring operations was an operating profit of €9.1 million, compared with an operating profit of €28.9 million in 2011.

Net financial items represented a charge of €8.0 million, a considerable improvement of €5.4 million owing in particular to a reduction in "net financial costs" (as determined in Note 26 to the financial statements) of €4.1 million (lower market interest rates and repayment of bank debt), and a gain on foreign exchange transactions (favourable impact of €1.9 million year on year).

Corporate income tax (excluding the impact of CVAE value added contributions) represented a €5.9 million charge in 2012 compared with €10.3 million 2011, which, in addition to CVAE, resulted in an aggregate tax expense of €9.7 million in 2012 compared with €13.5 million in 2011.

The Group posted a net loss of €8.6 million compared to a net profit of €2.0 million the prior year. The Group's share of this net loss was a loss of €17.1 million and the minority interest share, essentially related to the Swiss casinos, was a profit of €8.5 million.

Debt reduction continued

The Group's consolidated balance sheet recorded the following main changes:

- a €25.6 million reduction in the net value of non-current assets and a €20.9 million reduction in shareholders' equity;
- a reduction in the Group's net debt, which amounted to €193.2 million compared with €205.3 million in 2011, taking into account:
  - a €21.9 million repayment of the syndicated loan in 2012,
  - a €10.4 million reduction in "Cash net of levies", associated in particular with a capital expenditure of €14.2 million for the financial year, relating to cash outflows associated with the construction of the Pasino de La Grande-Motte.

€M AT 31 OCTOBER	2012	2011
Equity	346,7	367,6
Consolidated EBITDA	73,9	88,6
Gross debt (*)	280,7	303,2
Cash net of levies (**)	87,5	97,9
Net debt	193,2	205,3
Net debt / shareholders equity (gearing ratio)	0,56	0,56
Net debt / consolidated EBITDA (leverage ratio)	**2,6x**	**2,3x**

(*) 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 €8.0 million (see Section 20 note 17).

RECENT EVENTS AND OUTLOOK

The difficult economic environment, again confirmed by modest turnover at the start of the financial year, generates poor visibility for the coming financial year and calls for caution with regard to expectations. But, in the face of this constraint, Groupe Partouche continues to mobilise to come through this difficult period. In order to reverse the profitability curve, the Group is stepping up its expense adjustments in all sectors. New savings are expected, mainly in the casinos and in the Interactive division considering, for example, the strategic reorganisation of the poker business. The Group will continue to reduce debt, with the help of disposals of non-operating assets (buildings in Vichy and the former operating site of La Grande-Motte) already under an agreement of sale for €7.8 million in anticipation of the payment of €15.0 million due on Tranche A of the syndicated loan at 31 October 2013. The upcoming €14.5 million finance lease on the Pasino de La Grande-Motte building will translate into a proportional prepayment of the syndicated loan along with a decline in the cost of financing. This debt substitution will also be reviewed for the La Ciotat project. Investments are still under control and will reflect the start of construction on the new Pasino de La Ciotat in 2013.

ACTIVITY OF SUBSIDIARIES

GGR BY ENTITY			
€000 at 31 OCTOBER	2012	2011	2010 RESTATED
CASINO-MEYRIN	54 212	54 057	50 454
CASINO-AIX-EN-PROVENCE	52 227	55 417	54 469
CASINO-CHARBONNIÈRE (LYON VERT)	48 082	50 093	50 740
CASINO-SAINT-AMAND	35 555	36 009	38 889
CASINO-LYON (PHARAON)	35 314	35 881	35 374
CASINO-DIVONNE	34 000	32 990	32 057
CASINO-FORGES	32 549	32 432	33 696
CASINO-ANNEMASSE	25 818	26 259	24 213
CASINO-LA GRANDE-MOTTE	20 156	18 049	17 797
CASINO-HYÈRES	19 316	19 982	20 347
CASINO-PORNICHET	17 830	19 494	18 581
CASINO-BANDOL	15 231	17 439	17 142
CASINO-CRANS-MONTANA	15 227	16 885	15 266
CASINO-NICE-PALAIS	15 061	17 153	15 435
CASINO-LE HAVRE	15 038	16 094	16 148
CASINO-LA ROCHE-POSAY	14 658	15 140	15 399
CASINO-CANNES-PALM BEACH	14 132	15 051	23 733
CASINO-OSTENDE (Belgique)	13 811	13 712	11 272
CASINO-JUAN-LES-PINS	12 807	14 304	13 110
CASINO-PALAVAS	12 568	13 927	13 798
CASINO-KNOKKE ECK (Belgique)	12 082	12 489	12 133
CASINO-ROYAT	11 881	12 876	12 858
CASINO-SAINT-GALMIER	10 874	11 681	11 821
CASINO-PORNIC	9 814	10 520	10 593
CASINO-DIEPPE	9 031	9 359	9 066
CASINO-PLOUESCAT	8 120	8 723	8 431
CASINO-CHAUDFONTAINE LOISIRS (Belgique)	7 906	8 157	7 896
CASINO-VICHY-GRAND CAFÉ	7 803	8 015	7 967
CASINO DINANT (Belgique)	7 623	6 659	6 088
CASINO-BOULOGNE	7 338	7 829	7 762
CASINO-CALAIS	7 218	7 492	7 503
CASINO-BERCK	6 693	6 632	6 214
CASINO-LA CIOTAT	6 466	6 397	6 216
CASINO-CABOURG	5 849	6 024	6 274
CASINO-ARCACHON	4 683	5 415	5 867
CASINO-VAL ANDRÉ	4 645	4 712	4 264
CASINO-ANDERNOS	4 603	4 897	5 052
CASINO-AGON COUTAINVILLE	4 469	4 460	4 387

GGR BY ENTITY			
€000 at 31 OCTOBER	2012	2011	2010 RESTATED
CASINO-VICHY 4 CHEMINS	4 378	5 136	5 821
CASINO-TOUQUET	4 271	4 522	4 744
CASINO-PLOMBIÈRES	3 973	4 185	4 534
CASINO-CONTREXÉVILLE	3 450	3 643	3 868
CASINO-GRÉOUX-LES-BAINS	3 303	3 424	3 222
CASINO-HAUTEVILLE	2 772	2 614	2 532
CASINO-ÉVAUX	2 549	2 702	2 821
CASINO-LA TREMBLADE	2 214	2 206	2 222
CASINO-LA TRINITÉ	2 074	2 182	1 925
CASINO-SALIES	1 808	1 793	1 772
CASINO-DJERBA	1 612	1 211	2 135
CASINO TABARKA (Tunisie)	-	32	129
CASINO-BEAULIEU	-	-	2 394
CASINO-SAINT-HONORÉ	-	-	2 119
CASINO-SAINT-NECTAIRE	-	-	1 982
CASINO-GRASSE	-	-	1 035
CASINO-SAN ROQUE	-	-	189
CASINO-PORT-BARCARÈS	-	-	-
TOTAL PBJ	**673 092**	**696 354**	**701 757**

TURNOVER BY ENTITY			
€000 at 31 OCTOBER	2012	2011	2010 RESTATED
CASINO-AIX-EN-PROVENCE	27 996	29 973	30 068
CASINO-CHARBONNIÈRE (LYON VERT)	27 463	28 467	28 600
CASINO-MEYRIN	27 135	26 943	24 734
CASINO-DIVONNE	25 711	24 584	24 252
CASINO-FORGES	23 208	23 068	23 729
CASINO-SAINT-AMAND	22 411	22 571	24 290
CASINO-LYON (PHARAON)	16 177	16 317	16 708
CASINO-ANNEMASSE	12 048	12 272	11 802
CASINO-CRANS-MONTANA	12 040	13 056	11 809
CASINO-CANNES-PALM BEACH	11 414	11 413	20 108
CASINO-LE HAVRE	10 798	11 344	11 901
CASINO-LA GRANDE-MOTTE	10 475	9 455	9 775
CASINO-PORNICHET	9 991	10 829	10 651
CASINO-HYÈRES	9 826	10 121	10 404
CASINO-OSTENDE (Belgique)	9 010	8 899	7 424
CASINO-KNOKKE ECK (Belgique)	8 998	9 204	9 009

TURNOVER BY ENTITY			
€000 at 31 OCTOBER	2012	2011	2010 RESTATED
CASINO-NICE-PALAIS	8 584	9 509	8 941
CASINO-LA ROCHE-POSAY	8 405	8 539	8 926
CASINO-BANDOL	7 646	8 516	8 670
CASINO-JUAN-LES-PINS	6 776	7 245	7 640
CASINO-PORNIC	6 739	7 080	7 233
CASINO-ROYAT	6 574	6 819	7 053
CASINO-PALAVAS	6 500	7 245	7 497
CASINO-SAINT-GALMIER	6 146	6 456	6 617
CASINO DINANT (Belgique)	5 869	5 298	4 943
CASINO-DIEPPE	5 857	6 300	6 149
CASINO-VICHY-GRAND CAFÉ	5 595	5 782	5 625
CASINO-CHAUDFONTAINE LOISIRS (Belgique)	5 494	5 606	5 493
CASINO-CABOURG	5 007	5 046	5 203
CASINO-PLOUESCAT	4 824	5 155	5 089
CASINO-BOULOGNE	4 505	4 733	4 760
CASINO-CALAIS	4 021	4 222	4 261
CASINO-BERCK	4 007	3 907	3 705
CASINO-VAL ANDRÉ	3 866	3 863	3 496
CASINO-LA CIOTAT	3 546	3 508	3 500
CASINO-TOUQUET	3 429	3 638	3 585
CASINO-VICHY-4 CHEMINS	3 195	3 565	3 987
CASINO-ARCACHON	3 067	3 418	3 770
CASINO-ANDERNOS	2 822	3 001	3 157
CASINO-AGON COUTAINVILLE	2 693	2 672	2 644
CASINO-PLOMBIÈRES	2 556	2 711	2 966
CASINO-CONTREXÉVILLE	2 276	2 433	2 491
CASINO-SALIES	2 209	2 076	2 028
CASINO-GRÉOUX-LES-BAINS	2 095	2 135	2 084
CASINO-HAUTEVILLE	1 910	1 727	1 599
CASINO-ÉVAUX	1 873	2 009	2 081
CASINO-DJERBA	1 811	1 469	2 290
CASINO-LA TRINITÉ	1 768	1 851	1 658
CASINO-LA TREMBLADE	1 616	1 609	1 552
CASINO TABARKA (Tunisie)	-	28	116
CASINO-SAN ROQUE	-	25	173
CASINO-BEAULIEU	-	-	1 745
CASINO-SAINT-HONORÉ	-	-	1 492
CASINO-SAINT-NECTAIRE	-	-	1 303
CASINO-GRASSE	-	-	771

TURNOVER BY ENTITY			
€000 at 31 OCTOBER	2012	2011	2010 RESTATED
CASINO-PORT-BARCARÈS	-	-	4
TOTAL CASINO	**407 981**	**417 710**	**431 557**
HÔTEL-LYON-HIL	11 270	11 751	10 881
HÔTEL-JUAN-GARDEN BEACH	7 690	7 978	7 088
HÔTEL-AIX-AQUABELLA	6 392	6 314	6 097
HÔTEL-CANNES-3.14	6 103	6 661	6 217
HÔTEL-CONTREX-COSMOS	1 682	1 757	1 497
HÔTEL-VAL-ANDRÉ-SINOCA	147	105	137
HÔTEL-CONTREX-GRAND HÔTEL DU PARC	41	27	0
TOTAL HOTEL	**33 325**	**34 593**	**31 917**
PARTOUCHE GAMING FRANCE	2 564	3 487	841
PARTOUCHE IMAGES	2 383	2 319	1 621
APPOLONIA	1 081	907	593
PI GIBRALTAR	89	35	4 178
PARTOUCHE TECHNOLOGIE	88	134	289
PARTOUCHE BETTING LTD	0	0	4
PARTOUCHE PRODUCTION	0	2	2
PARTOUCHE TOURNOIS	0	-	-
INTERNATIONAL GAMBLING SYSTEMS	0	47	-
PARTOUCHE INTERACTIVE	-	-	0
WS BACKGAMMON	-	-	-
TOTAL INTERACTIVE DIVISION	**6 205**	**6 932**	**7 529**
THERMES-AIX-CBAP (Centre de Balnéothérapie)	2 495	2 513	2 479
CINÉMA ÉLYSÉE VICHY	-	1 760	1 897
BARATEM	374	410	358
SARL THERM'PARK	173	160	159
ÉLYSÉE PALACE (EPSA)	88	86	85
GROUPE PARTOUCHE	213	50	656
SCI RUE ROYALE	43	45	43
PARTOUCHE SPECTACLES ET ÉVÈNEMENTS	29	14	65
CASINO VIRGINIAN DE RENO	13	11	11
CHM	4	11	11
CANNES BALNÉAIRES	7	6	4
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	2	3	4
BELCASINOS	0	0	0

TURNOVER BY ENTITY			
€000 at 31 OCTOBER	2012	2011	2010 RESTATED
CASINO SLUIS N.V.	-	-	1 134
SARL CAFÉ CARMEN	-	-	129
SCI HÔTEL GARDEN PINÈDE	-	-	68
SA SIKB (Belgique)	-	-	11
SCI DE GRASSE	-	-	7
PARTOUCHE IMMOBILIER	0	-	-
GPT CASINOS	-	-	-
SCI LERICHE ROSTAGNE	-	-	-
THERMES-CONTREXÉVILLE	-	-	-
VZW (Belgique)	-	-	-
TOTAL OTHER	**3 440**	**5 070**	**7 123**
TOTAL TURNOVER	**450 951**	**464 304**	**478 126**

9.2 FINANCIAL POSITION AND RESULTS OF THE GROUP'S PARENT COMPANY (ANNUAL FINANCIAL STATEMENTS)

The key events in the 12-month period under review, which ran from 1 November 2011 to 31 October 2012, were as follows:

- In May, Groupe Partouche entered into a liquidity agreement with Oddo Corporate Finance. This agreement complies with the code of conduct drawn up by AMAFI (the French association of securities industry and financial market professionals) and was approved by the AMF on 21 March 2011. The purpose of the agreement is to foster regular and liquid trading in shares in Groupe Partouche (ISIN code: FR0000053548; stock code: PARP) on the NYSE Euronext regulated market in Paris;
- On 1 August 2012, Groupe Partouche bought the building of the 3.14 hotel from its property subsidiary Cannosta for €18.03m including legal fees.

Revenue in the financial year totalled €14.0m, mainly consisting of €12.9m in fees paid by subsidiaries. Operating income totalled €14.7m, compared with €14.9m in 2011.

Operating expenses were well controlled, coming in at €20.5m, slightly down on 2011 (€20.7m).

The company posted an operating loss for the year of €5.7m, similar to the previous year (€5.8m).

Financial income totalled €39.9m, including €31.2m in dividends paid by subsidiaries. Financial expenses increased from €45.9m in 2011 to €58.0m in 2012. Interest on syndicated loans fell by €3.6m, while impairment charges on equity investments and intercompany receivables increased by €17.5m. The company posted a net financial expense of €18.2m.

Total non-recurring items represented a loss of €0.9m in 2012.

Under its tax consolidation agreement, the company recognised a tax saving of €14.4m in respect of the year ended 31 October 2012.

In light of the above items, the company posted a net loss of €10.4m, compared with a net profit of €3.2m in 2011.

Notable changes in balance sheet assets include an increase in property, plant and equipment, mainly driven by the purchase from the group's subsidiary Cannosta of the building of the 3.14 hotel for €18.03m including legal fees, together with a €17.2m reduction in cash and cash equivalents.

On the liability side, €21.9m of the company's syndicated loan was paid off in the year, leaving a total outstanding balance of €245.2m as at 31 October 2012.

9.3 PROPOSED APPROPRIATION OF PROFIT FOR FINANCIAL YEAR 2012

The proposed appropriation of profit for financial year 2012 is as follows:

Net loss for the financial year	-10 374 906 €
Retained earnings	-10 374 906 €
Which, after appropriation, amounts to:	144 913 765 €



10 CASH AND CAPITAL RESOURCES

10.1 INFORMATION CONCERNING THE GROUP'S EQUITY

Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2012.
Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2011.
Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2010.

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

Please refer to Note 27 of Chapter 20.2.1 of the Group's consolidated financial statements for 2012.
Please refer to Note 27 of Chapter 20.2.1 of the Group's consolidated financial statements for 2011.
Please refer to Note 27 of Chapter 20.2.1 of the Group's consolidated financial statements for 2010.

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 Chapter 20.2.1 related to bank debt and to Note 13 of Chapter 20.2.1 relating to cash and cash equivalents for 2012.

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

Please refer to Note 17 of Chapter 20.2.1 related to bank debt and to Note 13 of Chapter 20.2.1 relating to cash and cash equivalents for 2010.

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 both of the Swiss casinos that are owned by the Group, Meyrin and Crans Montana, the legal constraints of the country prohibit the transfer of funds except for the 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 paragraph 4.1.1 Liquidity risks and 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 thus has access to broadcasting technology for its audiovisual gaming content, and continues to update its software in line with technical developments in the field.

Partouche Technologies is also working on data security applications and improvements to the online gaming platform.

Lastly, Appolonia concentrates its efforts on developing information systems dedicated to the casino industry.

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

TREND INFORMATION 12



The press release included below was published by Groupe Partouche at the close of business on Tuesday, 20 February 2013.

GROUPE PARTOUCHE

FINANCIAL INFORMATION FOR THE FIRST QUARTER OF FINANCIAL YEAR 2012–13

REVENUE DOWN 7%

1. SIGNIFICANT EVENTS AND TRANSACTIONS

Among the important highlights of this first quarter of the 2012–13 financial year, Partouche Interactive successfully furthered its strategy for growth in Belgium.

Following upon the award of an A+ gaming licence to Grand Casino de Dinant for the operation of www.partouche.be, the quarter saw two major developments:

- Already the holder of an A+ gaming licence since December 2012, Casino Knokke entered into a partnership with WMS Gaming with a view to operating www.jackpotparty.be under an additional A+ gaming licence;
- Casino Kursaal Oostende and bwin.party also formed an alliance for the purpose of operating www.bwin.be under an A+ gaming licence.

As of this writing, both of these new online casino sites are operational.

Furthermore, the interactive TV gaming channel Partouche Images concluded agreements with two leading players in the audiovisual field, RTL Group and Groupe AB, so as to be included in their channel offerings.

2. FINANCIAL POSITION AND RESULTS

The Group's profitability automatically reflects the lower level of revenue recorded in the quarter, although this impact has been attenuated compared to prior years, thanks to efforts to reduce operating expenses, especially within the Interactive division, which have already shown some measure of success and are expected to reap even greater benefits as the financial year progresses.

3. REVENUE

CASINO REVENUE

AT 31 JANUARY, IN MILLIONS OF EUROS	2013	2012	CHANGE
GGR	159,1	172,5	-7,8 %
Levies	69,3	75,4	-8,1 %
Net gaming revenue	89,7	97,1	-7,6 %

Adversely affected in part by unfavourable weather conditions during the period, first quarter GGR fell by 7.8% or €13.5 million, with €12.4 million of this decline recorded in France.

In France, GGR for table games was down slightly by €436 thousand, despite the performance of Pasino de La Grande-Motte, Casino Le Palm Beach and Casino de Forges-les-Eaux, whose results for table games improved by €576 thousand, €190 thousand and €117 thousand, respectively.

GGR for slot machines saw a marked decline of 9.3% or €11.9 million, a downward trend seen at nearly all of the Group's individual establishments, although this overall figure includes the €1.174 million increase for this gaming category recorded at Pasino de La Grande-Motte.

A less steep decline of 3.6% (€1.072 million) in GGR was posted by establishments outside France, two-thirds of which was attributable to table games.

GROUP REVENUE

AT 31 JANUARY, IN MILLIONS OF EUROS	2013	2012	CHANGE
Casinos	108,0	116,1	-7,0 %
Hotels	4,9	5,5	-10,2 %
P. Interactive	1,7	1,6	5,3 %
Other	0,9	1,0	-5,4 %
TOTAL CONSOLIDATED REVENUE	**115,5**	**124,2**	**-7,0 %**

Apart from changes in net gaming revenue, the first quarter saw the following other developments:

- a decline in revenue from casinos' related activities (down 4.2% or €0.792 million) as a result of falling attendance figures, but to a lesser extent than the drop in GGR;
- lower hotel revenue, mainly due to invoicing delays.

Total revenue was down 7.0% for the quarter.

FINANCIAL INFORMATION

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COMPANY PROFIT FORECASTS OR ESTIMATES

13



13.1 PROFIT FORECASTS OR ESTIMATES

A business plan was drawn up for discussions between the Company and its banking pool, Financière Partouche and Butler Capital Partners and was included in the update to the 2010 Reference Document.

In its press release of 12 September 2012 relating to financial information for the third quarter of the 2011–12 financial year, the Company included the following statement:

"In the face of depressed market conditions in the gaming sector over the last two quarters, the Group launched plans to reduce costs and investments with the aim of limiting the impact on the Group's profitability of declining GGR, although it is worth noting that the latter seems to have returned to a more solid footing since the end of the second quarter.

Nevertheless, GGR recorded in the third quarter and its impact on profitability measured on the basis of EBITDA – both of these indicators being essential components of the business plan as officially established by the Group in April 2011 – give cause to confirm the announcement first made upon the release of the Group's interim results, stating that its forecasts for the 2011–12 financial year would not be able to be met, thus requiring an update to this business plan. Groupe Partouche will examine the possibility of announcing revised forecasts at a later date."

At the date of this Reference Document, there are no new forecasts to be announced that would replace those included in this business plan.

14.1 INFORMATION ON MANAGEMENT BODIES

14.1.1 SUPERVISORY BOARD

IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
MR. 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	Permanent Representative: 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)

14 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT



FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)
IN FRANCE: Chairman of the Executive Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board) Chairman of the Board of Directors: SA Partouche Interactive (Paris) Chairman - Director: 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, SAS Casino de Palavas (Palavas-les-Flots), 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) Directeur: SA SIKB IMMO NV (Belgium), SA ECK Casino Knokke (Belgium), SA Grand Casino de Tabarka (Tunisia), SA Casino Kursaal Ostende (Belgium), Club Privé du Casino de Knokke (Belgium) Deputy Director: SA Chaudfontaine Loisirs (Belgium) Permanent Representative: SA Groupe Partouche, director of SA Groupe Partouche International (Belgium)

IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
MR. 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 - Director: SA Ispar Holding (Fribourg)
MR. MAURICE SEBAG BORN 1 DEC. 1926 IN TIARET (ALGERIA) 25,545 shares held	AGM of 20 June 1996	Resigned as of 13 December 2011	Member of the Supervisory Board	Vice-Chairman of the Supervisory Board of Financière Partouche SA	
MR. GASTON GHRENASSIA AKA ENRICO MACIAS BORN ON 11 DECEMBER 1938 IN CONSTANTINE (ALGERIA) 70 shares held	Co-opted to replace Mr. Jacques BENHAMOU	31 October 2013	Member of the Supervisory Board	Singer	Deputy General Manager, Director: SA Société européenne des grands restaurants (Paris)
MR. 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 Chairman of the Supervisory Board: 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 L'Eden Beach Casino (Juan-les-Pins), SAS Holding Garden Pinède (Juan-les-Pins) Corporation 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 SA Miami (Andernos) - Legal entity of SAS Cie européenne de casinos - Director 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)
IN FRANCE Vice-Chairman of the Supervisory Board Financière Partouche SA (with Executive Board and Supervisory Board) Chairman: SAS Numa (Boulogne-sur-Mer), SAS Casino de Pornichet (Pornichet), SAS Casino d'Évaux-les-Bains, SAS Société d'exploitation du Casino de la Rotonde (Pléneuf-Val-André) Director: SAS Casinos du Touquet (Le Touquet Paris Plage), SAS Jean Metz (Berck-sur-Mer)
Member of the Supervisory Board of Financière Partouche SA (with Executive Board and Supervisory Board) Chairman of the Board of Directors: 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, Director, member: Club privé du Casino de Knokke (Belgium) Director: SA ECK Casino Knokke (Belgium), SA Groupe Partouche International (Belgium), SA Grand Casino de Djerba (Tunisia)

IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
MR. WALTER BUTLER **BORN ON 16 AUGUST 1956 IN RIO DE JANEIRO (BRESIL)** 1 share held	AGM of 29 April 2011	31 October 2016	Member of the Supervisory Board	Managing Director of Butler Capital Partners	Chairman: Eden Innovations SAS Chairman of the Board of Directors and General Manager Société Doc SA Chairman of the Supervisory Board: Société Osiatis France SAS, Société Osiatis SA Chairman of the Board of Directors: Société Anov Expansion SAS Corporation Manager: Société Amstar Entreprises SARL, SCI 30 Albert 1er Director: Société Adit SA Representing Butler Capital Partners as Chairman: Société Financière Acces Industrie SAS, Société Acces Investissement SAS Permanent representative of Butler Capital Partners on the Supervisory Board: Société Acces Industrie SA, Société Vssa Holding SAS, Société Virgin Stores SA Permanent representative of Butler Capital Partners at the Board of Directors: Société Holding Sports & Evenements SA, Société Anov France SA Permanent representative of Butler Capital Partners on the Supervisory Committee: Société Colfilm SAS Director of English companies: Butler Investment Managers Limited, Butler Management Limited, BST Butler Technologies & Butler Safe Technologies UK Chairman of the Board of Directors of the Swiss company: Butler Safe Technologies (Switzerland) Chairman of the Supervisory Board of the German company: Safetic AG
MRS. LISE NOBRE **BORN ON 26 JUNE 1965 IN MARSEILLE (13)** 1 share held	AGM of 29 April 2011	31 October 2016	Member of the Supervisory Board Resigned on 12 December 2012	Partner, Butler Capital Partners	Member of the Supervisory Board: Société Virgin Stores Permanent representative of Butler Capital Partners on the Board of Directors: Société Adit Member of the Board of Managers / Corporation Manager: SARL GP Lux Investissements Deputy General Manager: Société DOC SA Director: Société Butler Safe Technologies (Switzerland) Corporation Manager: Société Lumen Equity Director: Société Lisi

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

IDENTITY / DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP (*)
BUTLER CAPITAL PARTNERS PERMANENT REPRESENTATIVE MRS 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 Access Industrie, SAS Acces Investissement, SAS Tendances management Member of the Supervisory Board: SA Acces Industrie, SAS Colfilm, SAS Financière Sernam, SAS VSSA Holding, SA Virgin Stores, SAS Christian Bernard Director: SA Holding Sports et Événements, SA Adit, SAS Anov Expansion, SAS Anov France
MR. 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 Mr Maurice Sebag, resigned	31 October 2013	Member of the Supervisory Board	Chairman of SAS Zalis	Chairman: SAS Zalis (Toulouse) Corporation 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 above mentioned 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

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP
MR. FABRICE PAIRE **BORN ON 10 OCTOBER 1969 IN MONTMORENCY (VAL D'OISE)** 2,671 shares held	Supervisory Board of November 2008	2 November 2013	Chairman of the Executive Board		Member of the Executive Committee: SAS Mereal Biometrics (Paris) Corporation 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 Cie pour le développement du tourisme hyérois, SAS Casino de Palavas (Palavas-les-Flots), SAS Partouche Gaming France (Paris) SAS Partouche Technologies (Saint-Avertin), SAS Sté d'Exploitation du Casino et Hôtels de Contrexeville, SAS Grand Casino de la Trinité
General Manager, Director: SA Partouche Interactive (Paris)
Deputy General Manager, Director: SA Sté du Casino d'Hauteville Lompnès
Member of the Executive Committee: SAS Partouche Images (Paris)
Director: SAS Société du Grand Casino de Cabourg, 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, SA Forges Thermal, Sté d'exploitation du Casino de Divonne - SECD (Divonne-les-Bains), SAS Casinos de Vichy, SA Sté des Chemins de Fer et Hôtel de Montagne aux Pyrénées CHM (Vichy), SA Elysée Palace Expansion (Vichy)
Management Accountant: Institut des métiers clients des jeux et des casinos GIE I.M.C.J.C (Troyes)

Permanent Representative:
- Legal entity of SAS Compagnie européenne des casinos – Director: SA Société du Caisno d'Arcachon, 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, Sté d'activités thermales hôtelières et de loisirs - Sathel (La Tour de Salvagny), and SAS du Grand Casino de Gréoux-les-Bains
- Legal entity of SA Groupe Partouche, Corporation Manager of SCI Rue Royale (Paris)
- Legal entity of SA SATHEL, Corporation Manager of SAS Casino le Lion Blanc (St Galmier)

Corporation Manager: SARL Société du Casino de Bourbon Lancy, SCI Lydia Investissements (Paris), SARL Quarisma (Paris)
Co-Corporation Manager: SARL Partouche Tournois (Paris)

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

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP
MR. ARI SEBAG **BORN ON 25 SEPTEMBER 1961 IN TIARET (ALGERIA)** 56,826 shares held	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board	Member of the Executive Board, General Manager of Financière Partouche SA	Corporation Manager: SCI Elisa (Paris) General Manager: Groupe Partouche Bahamas Limited
MRS. KATY ZENOU **BORN ON 6 AUGUST 1961 IN TIARET (ALGERIA)** 99,693 shares held	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board, General Manager	Member of the Executive Board, General Manager of Financière Partouche SA	
MR. ALEXANDRE SCHULMANN **BORN ON 10 JANUARY 1974 IN LESQUIN (59)** 0 share held	Supervisory Board Of 8 June 2011	2 November 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 above mentioned mandates are in force except for those whose date of expiration is expressly indicated.

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
Chairman: SAS Casino et Bains de Mer de Dieppe, SAS Partouche Spectacles & Événements « PSE » (Paris), SAS Casino de Salies-de-Béarn, SAS Casino Le Lion Blanc (Saint-Galmier), SAS Sté d'exploitation du casino de Divonne - SECD (Divonne-les-Bains), SAS Casino municipal de Royat (Royat)
Chairman of the Board of Directors: SA Le Miami (Andernos)
Chairman: Association Biennale d'Art Contemporain du Havre ABACH
Deputy General Manager - Director: SA Grand Casino du Havre
General Manager: Partouche Immobilier SAS (Paris)
Director: SA Casino de Coutainville, SAS Casino de la Tremblade, SA Société du Grand Casino d'Annemasse (Annemasse), SA du Casino d'Hauteville-Lompnes (Hauteville), SA Cannes Balnéaire (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 Casino du Grand Café (Vichy), SAS Casino de Vichy (Vichy), SAS Le Touquet's (Calais), SAS Casino de Saint-Amand (Saint-Amand-les-Eaux), SA Société du Casino d'Arcachon, SAS Sté du Grand Casino de Gréoux-les-Bains, SAS Plombinoise de Casino (Plombières-les-Bains)
Corporation Manager: SARL Partouche Productions (Paris), SARL Appolonia (Antibes), SARL Hôtel Cosmos (Contrexeville), SARL Grands Hôtels du Parc (Contrexeville)
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 Cie pour le développement du tourisme hyérois (Hyères), SAS Casino de La Grand Motte, SAS Développement de la baie de Kernic (Plouescat), and SAS Casino du Mole (Pornic)
- Legal entity SAS Compagnie européenne de casinos, Director of SAS Casino d'Évaux-les-Bains and SA Complexe commercial de la Roche-Posay, and SAS Sté du Casino du Palais de la Méditerranée (Nice)
- Legal entity Sté Casino Municipal d'Aix Thermal, Director of SA Société de brasseries et de casinos « Les Flots Bleus » La Ciotat

OUTSIDE FRANCE:
Director: 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)
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).
Permanent representative of the legal entity Groupe Partouche SA, Director of SA Cannes Balnéaire (Cannes)

OUTSIDE FRANCE:
Director: SA Groupe Partouche International - GPI (Belgium)

IN FRANCE:
Chairman: SAS du Grand Casino de Gréoux-les-Bains
Managing Director: SA Sté du casino municipal d'Aix Thermal (Aix-en-Provence), SA Casino de Coutainville (Coutainville)
Director: SAS Grand Casino de Bandol, SAS Cie 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'Évaux les Bains, SAS Sté du Casino du Palais de la Méditerranée (Nice), SAS Grand Casino de la Trinité sur Mer, SAS Sté d'Exploitation du Casino de la Rotonde (Pleuneuf Val André)
Corporation 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 COMMITTEES

DIRECTION OF RELATIONSHIP	ISIDORE PARTOUCHE	MAURICE SEBAG	GASTON GHRENASSIA	PATRICK PARTOUCHE	HUBERT BENHAMOU	LISE NOBRE	WALTER BUTLER	DANIEL COHEN	ARI SEBAG	KATY ZENOU	FABRICE PAIRE	ALEXANDRE SCHULMANN
ISIDORE PARTOUCHE	-	Brother-in-law	-	Father	Uncle	-	-	-	Uncle	Uncle	-	Great-uncle
MAURICE SEBAG	Brother-in-law	-	-	Uncle	Uncle	-	-	-	Father	Uncle	-	Grand-father
GASTON GHRENASSIA	-	-	-	-	-	-	-	-	-	-	-	-
PATRICK PARTOUCHE	Son	Nephew	-	-	Cousin	-	-	-	Cousin	Cousin	-	Second cousin
HUBERT BENHAMOU	Nephew	Nephew	-	Cousin	-	-	-	-	Cousin	Cousin	-	Second cousin
LISE NOBRE	-	-	-	-	-	-	-	-	-	-	-	-
WALTER BUTLER	-	-	-	-	-	-	-	-	-	-	-	-
DANIEL COHEN	-	-	-	-	-	-	-	-	-	-	-	-
ARI SEBAG	Nephew	Son	-	Cousin	Cousin	-	-	-	-	Cousin	-	Uncle
KATY ZENOU	Niece	Niece	-	Cousin	Cousin	-	-	-	Cousin	-	-	Second cousin
FABRICE PAIRE	-	-	-	-	-	-	-	-	-	-	-	-
ALEXANDRE SCHULMANN	Grand nephew	Grand son	-	Second cousin	Second cousin	-	-	-	Nephew	Second cousin	-	-

14.1.4 PROFESSIONAL EXPERIENCE

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

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

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

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

▸ **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 as CEO and member of Executive Board 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. Member of the Supervisory Board since 2011.

▸ **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 of which she was a partner, in charge of the «Industries» division and member of the investment committee until 2008. From 1986 to 2008, she was successively in charge of growth capital, 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 average sized companies in France, Spain, Italy and Germany. She resigned from the Supervisory Board on 12 December 2012, but remains representative of Butler Capital Partners.

▸ **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 invested in dozens of European companies among which BDDP, Ipsos, Groupe Flo, SNCM, PSG, France Champignon, 1001 Listes, ATYS, etc. Before founding Butler Capital Partners, he 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, founding chairman of Zalis 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, in its 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 partner. He was in charge of the accounts of many casinos of Groupe Partouche. He joined the latter in 2001 as administrative manager. In 2005, Patrick Partouche appointed him company secretary of the Group; Managing Director in 2008, he became 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 north west 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 Havre Pasino. He has been in charge of the Aix-en-Provence Pasino for the last four years. He is Member of the Executive Board since 8 June 2011.

14.1.5 ADDITIONAL INFORMATION

During the Supervisory Board meeting held on 12 December 2012, the company Butler Capital Partners, permanently represented by Mrs. 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 detain at least one share of the Company.

14.1.6 CONDEMNATIONS, BANKRUPTCIES, SANCTIONS, ETC.

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

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

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

14.2.1 INDEPENDENCE OF EXECUTIVE BODIES

The company is not aware of any potential conflicts of interest between 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.

It should be mentioned that prior to the appointment of Mr. Daniel Cohen to the Supervisory Board, a current agreement was entered by Groupe Partouche and Zalis, a company of which he is the Chairman, which arrived at maturity on 23 December 2012.

It should be mentioned that Paragraph 14.2 of Annex I of the European Regulation n° 809-2004 (nomination of proxies) does not apply to our Company.

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.

14.2.2 TRANSACTIONS IN SECURITIES BY GROUPE PARTOUCHE SENIOR EXECUTIVES

Members of the Supervisory Board must own 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.

During the financial year, Mr. Daniel Cohen, member of the Supervisory Board, acquired 12,600 shares.

Following the liquidation of the legacy of her father, Mr. Marcel Partouche, Mrs Katy Zenou collected 9,286 shares.

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

On 27 October 2005, the Supervisory Board decided to draw up the following internal rules of procedure covering the guiding principles for its operations, amended on 24 December 2008, and this after the suppression of the of its committees.

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.

At 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.

At the occasion of the review of the half-year and annual financial statements, the Supervisory Board questions, in addition to the finance and accounts director, 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, to one of its members or to a third party.

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

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

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

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

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

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

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

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

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

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

ARTICLE 5. SUPERVISORY BOARD COMMITTEES

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

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

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

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

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

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

The Chairman of each committee may decide to invite to certain meetings one or several external without voting rights. He brings to the knowledge of the Chairman of the Supervisory Board 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 video-conferencing methods are made available to members of the Supervisory Board who do not reside in the Paris region or who live abroad, as well as to those who find themselves in distant locations for legitimate purposes, so as to allow them to participate in the meetings of the Supervisory Board.

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 Supervisory 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 video-conferencing or other telecommunication methods shall be deemed present when calculating the quorum and the majority.

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

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

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

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

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

ARTICLE 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

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 2012 amounted to 1,974,045 euros.

15.1.2 REMUNERATION OF COMPANY OFFICERS

A) SUMMARY OF THE REMUNERATION OF EACH COMPANY'S OFFICER

Pursuant to the provisions of Article L.225-102-1 of the Code of Commerce, all of the company officers' remuneration that is received during the financial year ended 31 October 2012 from Groupe Partouche, is summarized in the table below on an individual basis:

FINANCIAL YEAR ENDED	31/10/2012		31/10/2011		31/10/2010	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
MEMBERS OF THE SUPERVISORY BOARD						
Mr. Patrick Partouche – Chairman of the Supervisory Board						
Fixed Remuneration	518 085	518 085	400 838	400 838	317 085	317 085
Exceptional Remuneration						
Directors' fees						
Benefit in kind (*)	6 915	6 915	6 915	6 915	6 915	6 915
TOTAL	525 000	525 000	407 753	407 753	324 000	324 000
Mr. Isidore Partouche – Vice Chairman of the Supervisory Board						
Fixed Remuneration	152 000	152 000	216 000	216 000	216 000	216 000
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL	152 000	152 000	216 000	216 000	216 000	216 000
Mr. Marcel Partouche – deceased on 17 January 2011						
Fixed Remuneration			42 798	42 798	205 744	205 744
Exceptional Remuneration						
Directors' fees					0	0
Benefit in kind						
TOTAL			42 798	42 798	205 744	205 744
Mr. Maurice Sebag – Member of the Supervisory Board						
Fixed Remuneration	154 179	154 179	154 179	154 179	167 454	167 454
Exceptional Remuneration						
Directors' fees					0	0
Benefit in kind						
TOTAL	154 179	154 179	154 179	154 179	167 454	167 454
Mr. Gaston Ghrenassia – Member of the Supervisory Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL	0	0	0	0	0	0

FINANCIAL YEAR ENDED	31/10/2012		31/10/2011		31/10/2010	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Mr. Hubert Benhamou – Member of the Executive Board						
Fixed Remuneration	40 000	40 000	18 900	18 900		
Exceptional Remuneration						
Directors' fees						
Benefit in kind	7 987	7 987	2 654	2 654		
TOTAL	47 987	47 987	21 554	21 554		
Mr. Walter Butler – Member of the Executive Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL	0	0	0	0		
Mrs Lise Nobre – Member of the Executive Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL	0	0	0	0		
Mr. Daniel Cohen – Member of the Executive Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL	0	0				
MEMBERS OF THE EXECUTIVE BOARD						
Mr. Fabrice Paire – Chairman the Executive Board						
Fixed Remuneration	318 000	318 000	256 517	256 517	216 000	216 000
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL	318 000	318 000	256 517	256 517	216 000	216 000
Mr. Ari Sebag – Member of the Executive Board & General Manager						
Fixed Remuneration	402 583	402 583	374 583	374 583	354 583	354 583
Exceptional Remuneration						
Directors' fees						
Benefit in kind (*)	8 006	8 006	10 180	10 180	21 473	21 473
TOTAL	410 589	410 589	384 763	384 763	376 056	376 056

FINANCIAL YEAR ENDED	31/10/2012		31/10/2011		31/10/2010	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Mrs 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						
Benefit in kind						
TOTAL	233 924	233 924	233 924	233 924	233 924	233 924
Mr. Moise Serero – Member of the Executive Board						
Fixed Remuneration			184 645	184 645	266 378	332 078
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL			184 645	184 645	266 378	332 078
Mr. Richard Partouche – Member of the Executive Board						
Fixed Remuneration					14 960	14 960
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
TOTAL					14 960	14 960
Mr. Alexandre Schulmann – Member of the Executive Board						
Fixed Remuneration	123 866	123 866	51 841	51 841		
Exceptional Remuneration						
Directors' fees (**)	8 500	8 500				
Benefit in kind						
TOTAL	132 366	132 366	51 841	51 841		

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

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

All items are fixed amounts.

B) STOCK OPTIONS AWARDED DURING THE FINANCIAL YEAR TO EACH DIRECTOR EITHER BY THE ISSUER OR ANY OTHER SUBSIDIARY

Directors have not and do not benefit of any stock options.

C) PERFORMANCE SHARES AWARDED TO EACH COMPANY OFFICER

Directors have not and do not benefit of 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		EVENTUAL INDEMNITIES OF ADVANTAGES IN CASE OF DEPARTURE OR CHANGE OF JOB POSITION		INDEMNITIES RELATED TO A NON COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
SUPERVISORY BOARD								
M. Patrick Partouche *Chairman of the Supervisory Board* *First nomination: 18 March 2011* *End of office: 2 November 2013*		X		X		X		X
Mr. Isidore Partouche *Member of the Supervisory Board* *First nomination: 20 June 1996* *End of office: 31 October 2013*		X		X		X		X
Mr. Gaston Ghrenassia *Member of the Supervisory Board* *First nomination: 11 December 1998* *End of office: 31 October 2013*		X		X		X		X
Mr. Hubert Benhamou *Member of the Supervisory Board* *First nomination: 29 April 2011* *End of office: 31 October 2016*		X		X		X		X
Mr. Walter Butler *Member of the Supervisory Board* *First nomination: 29 April 2011* *End of office: 31 October 2016*		X		X		X		X
Mrs Lise Nobre *Member of the Supervisory Board* *First nomination: 29 April 2011* *End of office: 31 October 2016*		X		X		X		X

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		EVENTUAL INDEMNITIES OF ADVANTAGES IN CASE OF DEPARTURE OR CHANGE OF JOB POSITION		INDEMNITIES RELATED TO A NON COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
Mr. Daniel Cohen *Member of the Supervisory Board* *First nomination: 13 December 2011* *End of office: 31 October 2013*		X		X		X		X
EXECUTIVE BOARD								
Mr. Fabrice Paire (*) *Chairman of the Executive Board* *First nomination: 3 November 2008* *End of office: 2 November 2013*	X			X		X		X
Mr. Ari Sebag *Member of the Executive Board – General Manager* *First nomination: 20 June 1996* *End of office: 2 November 2013*		X		X		X		X
Mrs Katy Zenou *Member of the Executive Board – General Manager* *First nomination: 20 June 1996* *End of office: 2 November 2013*		X		X		X		X
Mr. Alexandre Schulmann (**) *Member of the Executive Board* *First nomination: 8 June 2011* *End of office: 2 November 2013*	X			X		X		X

(*) Existing employment contract beforehand with Groupe Partouche SA.
(**) Existing employment contract beforehand with the subsidiary SCMAT – Casino d'Aix-en-Provence.

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 2011–12 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 for the past financial year for all persons listed in Chapter 14.1 was €4,540.

FUNCTIONING OF ADMINISTRATIVE AND MANAGEMENT BODIES

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16.1 APPOINTMENTS OF DIRECTORS AND EXECUTIVE COMPANY OFFICERS

The appointments of Messrs. Isidore Partouche, Patrick Partouche, Daniel Cohen and Gaston Ghrenassia as members of the Supervisory Board, all of which were renewed by the Shareholders' Meeting of 2 April 2008 for an additional term of six financial years, will expire at the end of the Annual Shareholders' Meeting convened to approve the financial statements for the year ended 31 October 2013.

The appointments of Messrs. Hubert Benhamou and Walter Butler, and of Butler Capital Partners (BCP) – co-opted on 12 December 2012 by decision of the Supervisory Board to replace Mrs. Lise Nobre, who had resigned – as members of the Supervisory Board for a term of six financial years, all confirmed by the Shareholders' Meeting of 29 April 2011, will expire at the end of the Annual Shareholders' Meeting convened to approve the financial statements for the year ended 31 October 2016.

The appointments of all members of the Executive Board were renewed by the Supervisory Board at its meeting of 2 November 2007 for an additional term of six financial years. These appointments will thus expire on 1 November 2013.

Groupe Partouche adheres to and implements the recommendations of the Afep-Medef report issued in 2003, which calls for staggered terms of office for company officers, as demonstrated by the appointment of three new members to the Supervisory Board by the Annual Shareholders' Meeting of 29 April 2011.

16.2 SERVICE CONTRACTS PROVIDING FOR BENEFITS UPON TERMINATION OF EMPLOYMENT

(see Special report of the Statutory Auditors, Chapter 19 and Chapter 20, Note 30)

SERVICE CONTRACTS INVOLVING FINANCIÈRE PARTOUCHE SA

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

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

Furthermore, Groupe Partouche and Financière Partouche are parties to a subordinated shareholder advance agreement, concluded on 26 August 2003, governing the €100 million 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

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% 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.

2. SUBORDINATION

Repayment of the syndicated loan will take precedence over the repayment of the shareholder advance. No dividends or interest will be 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 Note 5 "Repayments from surplus cash flow" in 4.1.1 "Liquidity risk").

SERVICE CONTRACTS INVOLVING ISPAR HOLDING SA

Ispar Holding SA is controlled and chaired by Mr. Isidore Partouche. This company provides assistance and advisory services to the Group's casinos in Switzerland. Subsequent to the assignment to Ispar Holding SA by Mr. Isidore Partouche of his rights to subscribe to the capital increase carried out on 27 May 2011, this entity has held 2,012,731 shares, i.e. 2.08% of the share capital.

SERVICE CONTRACTS INVOLVING SHAL & CO SA

Shal & Co, a company controlled and chaired by Mr. 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

COMPOSITION OF THE EXECUTIVE BOARD

Mr. Fabrice Paire, Chairman

Mr. Ari Sebag, Member and Co-Managing Director

Mrs. Katy Zenou, Member and Co-Managing Director

Mr. Alexandre Schulmann, Member

MEETINGS OF THE EXECUTIVE BOARD

During the financial year ended 31 October 2013, the Executive Board met nine times, with an attendance rate of 100%, and three times after the balance sheet date, from 1 November 2012 to 28 February 2013.

FUNCTIONING OF THE EXECUTIVE BOARD

See 21.2.2 "Dispositions in the Articles of Association or elsewhere relating to administrative and management bodies".

MAIN WORK PERFORMED IN FINANCIAL YEAR 2011–12

The meetings of the Executive Board were concerned, first and foremost, 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

- 12 December 2011 (Q4 2010–11), 20 February 2012 (Q1 2011–12), 11 June 2012 (Q2 2011–12), 10 September 2012 (Q3 2011–12);
- Interim consolidated financial statements: 25 June 2012;
- Consolidated financial statements for the year ended 31 October 2011: 30 January 2012.

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

- On 19 March 2012, to amend the wording of the 7th resolution submitted for the approval of the Annual Shareholders' Meeting to be held on 19 April 2012;
- On 5 July 2012, to grant full powers to the Chairman to sign the purchase agreement for Hotel 3.14 in Cannes, owned by real estate company SCI Cannosta;
- On 22 October 2012, to draw up a report to the Supervisory Board so as to inform the latter of its actions during the current financial year and the strategy planned for implementation in the coming financial year.

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

- On 10 December 2012, to review the accounts for Q4 2011–12 and draw up its report to the Supervisory Board;
- On 21 January 2013, to review the parent company and consolidated financial statements for the year ended 31 October 2012 and 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 18 February 2013, to review the accounts for Q1 2012–13 and approve the budget presentation for the current financial year to be submitted to the Supervisory Board.

16.3.2. SUPERVISORY BOARD

COMPOSITION OF THE SUPERVISORY BOARD

Mr. Patrick Partouche, Chairman

Mr. Isidore Partouche, Vice-Chairman

Mr. Maurice Sebag, Member (resigned on 13 December 2011)

Mr. Gaston Ghrenassia, Member

Mrs. Lise Nobre, Member (resigned on 12 December 2012)

Mr. Walter Butler, Member

Mr. Hubert Benhamou, Member

Mr. Daniel Cohen, Member (appointed following the resignation of Mr. Maurice Sebag)

Butler Capital Partners, Member (represented by Mrs. Lise Nobre, co-opted to replace Mrs. Nobre, following her resignation)

FUNCTIONING OF THE SUPERVISORY BOARD

See 21.2.2 “Dispositions in the Articles of Association or elsewhere relating to administrative and management bodies”.

MEETINGS OF THE SUPERVISORY BOARD

During the financial year ended 31 October 2012, the Supervisory Board met seven times, with an attendance rate of more than 90%, and three times after the balance sheet date.

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 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 Mrs. Nobre 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 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 2011–12

The meetings of the Supervisory Board were concerned, first and foremost, with the review of the detailed activity reports 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 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:

- the Group's quarterly financial results: 13 December 2011 (Q4 2010–11), 21 February 2012 (Q1 2011–12), 12 June 2012 (Q2 2011–12), and 11 September 2012 (Q3 2011–12);
- the interim consolidated financial statements: 26 June 2012;
- the parent company and consolidated financial statements for the year ended 31 October 2011: 31 January 2012.

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

- On 13 December 2011, to officially note Mr. Maurice Sebag's resignation from the Board, co-opting Mr. Daniel Cohen as his replacement, an appointment confirmed by the Annual Shareholders' Meeting of 19 April 2012;
- On 31 January 2012, to appoint Mr. Daniel Cohen to the Audit Committee;
- On 21 February 2012, to review the Executive Board's summary statement of its provisional budget for the 2011–12 financial year, to hear the report of the Audit Committee meeting of 16 February 2012, and to authorise the purchase by Groupe Partouche of Hotel 3.14 in Cannes, owned by SCI Cannosta;
- On 26 June 2012, to hear the Executive Board's presentation on its strategy and the Audit Committee's report on the interim financial statements following its meeting held the same day, and to authorise the signing of a debt forgiveness agreement with a return to profitability clause in favour of Casino de Vichy;
- On 11 September 2012, to authorise the disposal by the Executive Board of the property used by Casino de La Grande-Motte as well as the signing of a full recourse guaranty, covering Casino de la Pointe Croisette (Le Palm Beach)'s obligations to BNP Paribas;
- On 29 October 2012, to authorise Partouche Immobilier to dispose of the property used by Casino de La Grande-

Motte with a view to entering into a lease agreement intended to finance the works carried out in connection with the construction of this casino, to review the operating procedures of the Supervisory Board, to initiate discussions on executive performance, to review the report of the Executive Board on its actions during the current financial year and its announced strategy for the coming financial year, to authorise the signing of a subordination agreement between Groupe Partouche and Casino de Vichy for the latter's current account, and finally, to authorise the signing of a unilateral promise to sell various properties operated in Vichy and Contrexéville to Groupe Chanzy.

In this same meeting, the Supervisory Board also authorised the signing of a bilateral promise to sell entered into by STTH and Ispar Holding SA for Golf de Divonne at an agreed price of €10 million, which called for an initial payment of €8 million. This promise granted for three months did not give rise to the sale in question, as the conditions precedent set forth in the agreement were not met within the agreed time period.

AFTER THE BALANCE SHEET DATE, FROM 1 NOVEMBER 2012 TO 28 FEBRUARY 2013, THE SUPERVISORY BOARD MET THREE TIMES TO CONDUCT THE FOLLOWING ITEMS OF BUSINESS:

- On 12 December 2012, to review the report of the Executive Board on the financial results for the fourth quarter of 2011–12, to officially note the resignation of Mrs. Lise Nobre from her appointment as a company officer, to provisionally co-opt BCP as her replacement pending the approval of its appointment by the Annual Shareholders' Meeting and to appoint BCP to the Audit Committee;
- On 30 January 2013, to review the report of the Executive Board on the parent company and consolidated financial statements for the year ended 31 October 2012 and to hear the presentation by the Audit Committee on the financial statements for the year ended 31 October 2012, following its meeting of 23 January 2013 attended by the Executive Board members and the Statutory Auditors;
- On 19 February 2013, to hear the presentation by the Executive Board on its activity report for the first quarter of the 2012–13 financial year.

16.4 CORPORATE GOVERNANCE PRACTICES

Groupe Partouche SA's corporate governance practices are not defined by any corporate governance framework or code. However, the Group strives to comply with and adhere to principles of good governance, referring in particular to MiddleNext's governance code for small and medium-sized French listed companies issued in December 2009.

In 2012, the Group focused its efforts on its adherence to some of these principles with which it had not been able to ensure compliance in the past, due to the maintenance of strong ties to its family origins.

The Group's main departure from the recommendations of MiddleNext's code consists in its decision to maintain Mr. Paire's employment contract. Indeed, it would seem that it is in Groupe Partouche SA's best interest that Mr. Paire, Chief Administrative Officer since 2001 and then Secretary Shareholders' for the Group since 2005, keep his positions after his appointment as a member and then Chairman of the Executive Board, considering the skills, experience and effectiveness he has demonstrated in his positions within the Group, completely distinct from those he brings as a company officer.

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 14.3) that governs the procedures to be followed by the Supervisory Board and sets out the duties of its members.

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 Mr. Daniel Cohen, to replace Mr. Maurice Sebag, who had resigned.

In addition, as from 8 June 2011, the Supervisory Board once again has an Audit Committee and an Appointments and Remuneration Committee (see 14.2.1, Articles 6 and 7 of the Supervisory Board's internal rules).

Although neither the Supervisory Board nor therefore its Audit Committee has any members that may be considered as independent, despite the recommendation to this effect included in the AMF's final report on audit committees dated 22 July 2010, all Supervisory Board 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.

The Audit Committee, whose members are Mrs. Lise Nobre (replaced from 12 December 2012 by BCP, represented by Mrs. Nobre), Messrs. Patrick Partouche, Hubert Benhamou and Daniel Cohen, the last appointed on 31 January 2012, has met frequently since its establishment, and in particular following the Supervisory Board meeting of 13 December 2011, to assess, as at the close of the 2010–11 financial year, the process for the preparation of financial information and the effectiveness of the internal control and risk management procedures put in place within the Group (see 16.5.1 "Report of the Chairman of the Supervisory Board on the Company's internal control organisation and procedures"), on 16 February 2012 to review the Company's provisional budget for the current financial year, on 26 June 2012 to review the interim consolidated financial statements, and finally, on 23 January 2013 to review the parent company and consolidated financial statements for the year ended 31 October 2012. The Committee also reviewed the findings of the audit of the parent company and consolidated financial statements as carried out by the Statutory Auditors, who attended the Committee meetings of 16 February 2012, 26 June 2012 and 23 January 2013, and evaluated their independence.

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 2012, 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 the preamble of this code.

You are also informed that:

- Corporate governance practices are set out in 16.4 above;
- The methods used to determine remuneration for corporate officers are set out in 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 Chapters 18 and 21 of this report. In particular, this includes:
  - the capital structure of the company in 18.1,
  - voting rights in 18.2,
  - transfers of shares in 21.2.6,
  - rights attached to shares in 18.1,
  - change of control in 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 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 Chapter 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, and in particular those that contribute to protecting the Company's assets;
- the reliability of financial information and transactions.

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

By helping prevent and control risks that 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 responsibilities, internal control arrangements are based on a set of rules, policies, procedures and practices intended to ensure that the required measures are implemented to control risks liable to have a material impact on the Group's assets or the achievement of its objectives.

SCOPE OF INTERNAL CONTROL

In order to achieve these objectives, the Group's internal control procedures are implemented within each subsidiary under the responsibility of 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 Chapter 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.

In addition, the Group's 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, Groupe Partouche has set up an Information Systems Department, responsible for ensuring the security of the Group's networks and information systems.

This department also implements the necessary measures to ensure the continuity of the Group's operations.

Since 2011, the Information Systems Department has been working on a comprehensive overhaul of the Group's internal network so as to enhance its security. In 2012, nearly a hundred network security devices were installed in the Group's gaming establishments.

Following an initial risk analysis in 2012 using the EBIOS method, extensive penetration testing will be carried out in the first quarter of 2013 to confirm the high degree of security offered by the Group's network.

LEGAL AND REGULATORY COMPLIANCE

Some 76% of the Group's business centres on the casino business in France, which has "three distinct segments: gaming, restaurants and entertainment, all of which are combined under a single management structure, without any individual segment being run separately" (Article 1 of the Order of 23 December 1959 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 risk 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 revenue figures, the monitoring of investments, debt recovery, purchases and financial information, as communicated by all subsidiaries.

They are carried out each month by all 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 revenue 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;
- verification of the results of operating companies (performed monthly);
- 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.

Relevant control and monitoring procedures:

■ 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 RISK 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 (management control 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 2012.

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, 26 February 2013

MCR Baker Tilly	**France Audit Expertise**
Alexandra Mathieu	Emmanuel Quiniou



17 EMPLOYEES

17.1 HUMAN RESOURCES / WORKFORCE

17.1.1 WORKFORCE

CATEGORIES AT 31 OCTOBER	2012	2011	2010
Executives	956	960	984
Supervisors and technicians	314	320	316
Non-executives	3750	3881	4 046
Manual labourers	222	245	257
TOTAL	**5 242**	**5 406**	**5 604**

17.1.2 HUMAN RESOURCES

In application of Article L. 225-102-1 of the French Commercial Code, we provide below the required information pertaining to the Group's workforce.

WORKFORCE AND PAYROLL

At the end of the financial year, Groupe Partouche had 5,242 employees, down 3% 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. Ninety-five percent of the Group's workforce is employed under open-ended contracts. Women represent 34% of the workforce. There are a total of 956 executive-level staff.

The Group's total payroll including social security payments came to €202 million, and the combined total of employee profit sharing amounts paid by subsidiaries came to €3.9 million.

HARMONISATION AND DECENTRALISATION

In terms of human resources, Groupe Partouche's subsidiaries 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.

SUBCONTRACTORS

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 ended 31 October 2012, this accounting item represented a charge of €12.4 million, attributable to the Group's peripheral businesses.

LABOUR–MANAGEMENT RELATIONS

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.

OCCUPATIONAL HEALTH, SAFETY, HYGIENE AND RISK PREVENTION

Groupe Partouche strives to give patrons frequenting its establishments additional guarantees with respect to food and drink hygiene by anticipating potential risks. To this end, an independent laboratory systematically audits all restaurant facilities across the Group.

This exemplary level of commitment is part of Groupe Partouche's long-standing policy of providing a high quality of care and the best possible experience for its customers.

PREVENTION OF OCCUPATIONAL RISKS

In addition, internal risk assessment documents, which are updated every year, enable, in particular in the framework of the Health & Safety, Security and Working Conditions Committees, to minimise any risks to the health and safety of our employees. Identification of risks and ways of mitigating them lie at the heart of this process. Groupe Partouche's subsidiaries carried out arduousness audits in order to implement appropriate risk prevention plans.

BUSINESS AND CUSTOMER ORIENTATED COURSES

The Partouche Académie, Groupe Partouche's training centre, has organised a comprehensive programme including notably a training course for new employees. Subsidiaries can therefore benefit from a tailor-made range of business and customer orientated courses for which some employees have been trained to become trainers. Thus transfer of skills and updating of knowledge in the framework of on-going technological advances both represent key issues that need to be dealt with.

The Partouche Académie also organises sessions aimed at developing managerial culture and employee commitment to enable an optimal mobilisation of staff at subsidiaries, in an economic and regulatory context where motivation needs to be maintained on ongoing basis.

In order to meet at best our employees' expectations, new learning methods (e-learning and mentoring) are promoted in addition to on-site courses.

EMPLOYMENT AND INTEGRATION OF DISABLED STAFF

An information campaign on disability was carried out over the financial year. It has helped raise awareness of the subject and has also given employees concerned who wish so the opportunity of having their status of disabled workers recognised. This initiative helped change attitudes and perceptions of employees about disability and also those of management.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The contracts signed by the subsidiaries with the company Adictel were all renewed. Adictel is in charge of excessive gaming prevention and provided help to dependant players.

The staff regularly receive training and so do all new prospective gaming industry employees.

All Groupe Partouche subsidiaries thus fully recognise their responsibilities as corporate citizens, constantly monitoring the immediate impact of their business activities on individuals and communities, remaining attentive to ensure responsible gaming and enjoyment within reasonable limits.

Subsidiaries often pursue this 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.

Moreover, Groupe Partouche's business activities do not involve any direct, significant risks to the environment.

17.2 DIRECT OR INDIRECT PARTICIPATING INTERESTS OF GROUPE PARTOUCHE SENIOR EXECUTIVES AND COMPANY OFFICERS IN THE SHARE CAPITAL

EXECUTIVE BOARD MEMBERS	DIRECT PARTICIPATING INTEREST			INDIRECT PARTICIPATING INTEREST	SHARE SUBSCRIPTION OR PURCHASE OPTIONS
	SHARES	PERCENTAGE OF		SHAREHOLDING VIA FINNANCIÈRE PARTOUCHE (1)	
		CAPITAL	VOTING RIGHTS		
Fabrice Paire	Financière Partouche (1)	0,00 %	0,00 %	-	Nil
Ari Sebag		share capital	voting rights		Nil
Katy Zenou	99 693	0,10 %	0,10 %	7,79 %	Nil
Alexandre Schulmann	-	0,00 %	0,00 %	-	Nil
Total	**159 190**	**0,16 %**	**0,16 %**	**18,85%**	**Nil**

(1) Financière Partouche owns 66.45% of the share capital of Groupe Partouche.

SUPERVISORY BOARD MEMBERS	DIRECT PARTICIPATING INTEREST			INDIRECT PARTICIPATING INTEREST	SHARE SUBSCRIPTION OR PURCHASE OPTIONS
	SHARES	PERCENTAGE OF		SHAREHOLDING VIA FINNANCIÈRE PARTOUCHE (1)	
		CAPITAL	VOTING RIGHTS		
Patrick Partouche	71 311	0,07 %	0,07 %	15,86 %	Nil
Isidore Partouche	3 173 646	3,28 %	3,28 %	0,24 %	Nil
Maurice Sebag	25 545	0,03 %	0,03 %	NS	Nil
Gaston Ghrenassia	70	0,00 %	0,00 %	NS	Nil
Hubert Benhamou	29 533	0,03 %	0,03 %	14,27 %	Nil
Walter Butler	1	0,00 %	0,00 %	-	Nil
Lise Nobre	1	0,00 %	0,00 %	-	Nil
Daniel Cohen	12 600	0,01 %	0,01 %	-	Nil
Total	**3 312 707**	**3,42 %**	**3,42 %**	**30,38 %**	Nil

(1) Financière Partouche owns 66.45% of the share capital of Groupe Partouche.

17.3 PARTICIPATING INTERESTS 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 2012.

17.3.3 EMPLOYEE SHAREHOLDERS

None.

18 MAIN SHAREHOLDERS

Nil



18.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

The table below summarises the distribution of the Company's share capital and voting rights over the last three years:

MAIN SHAREHOLDERS	24/01/13			05/12/2011			22/11/2010		
	NUMBER OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS
Financière Partouche SA (1)	64 335 843	66,45 %	66,52 %	64 335 843	66,45 %	66,47 %	66 135 843	80,83 %	80,85 %
BCP (2)	12 770 200	13,19 %	13,20 %	12 580 200	12,99 %	13,00 %			
Supervisory Board members (3)	3 312 707	3,42 %	3,43 %	3 300 107	3,41 %	3,41 %	1 245 735	1,52 %	1,52 %
Executive Board members (3)	159 190	0,16 %	0,16 %	149 904	0,15 %	0,15 %	186 948	0,23 %	0,23 %
Treasury shares	96 434	0,10 %	-	19 166	0,02 %	_	19 166	0,02 %	-
Free float (4)	16 141 217	16,67 %	16,69 %	16 430 371	16,97 %	16,97 %	14 232 515	17,39 %	17,40 %
TOTAL	**96 815 591**	**100,00 %**	**100,00 %**	**96 815 591**	**100,00 %**	**100,00 %**	**81 820 207**	**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 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.

At the request of Groupe Partouche, Euroclear France carried out a survey on 24 January 2013 of intermediaries holding 11,000 or more shares. This survey identified a total of 5,380 shareholders in this category, representing 15.1% 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 5,400 shareholders.

The Euroclear France survey identified 11.3% of shareholders as institutional investors, corresponding to 1.7% 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, Mr. Patrick Partouche, Mrs Katy Zenou and Mr. 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.

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 14.1), namely:

On the Executive Board: Mr. Ari Sebag and Mrs. Katy Zenou.

On the Supervisory Board: Mr. Isidore Partouche, Mr. Patrick Partouche and Mr. Gaston Ghrenassia aka Enrico Macias.

Mr. Maurice Sebag, Vice-Chairman of the Supervisory Board, resigned from the Supervisory Board of Groupe Partouche on 13 December 2011, and Mr. Marcel Partouche, member of the Supervisory Board of both companies, died on 17 January 2011.

At the date of this Reference Document, Financière Partouche and BCP do not have:

- information on the Group's business, outlook or forecasts, other than information that has been brought to the attention of the public;
- privileged information (within the meaning of Article 621-1 of the Shareholders' Regulation of the AMF) about the Company, its business activities, income statement, balance sheet, cash position or outlook.

At the date of this Reference Document, the Company therefore assures an equivalence of information between the public, its majority shareholder Financière Partouche and BCP.

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 mainly owned by members of the Partouche family.

No single shareholder owns sufficient shares in Financière Partouche SA to control this company. Mr. Patrick Partouche, Mr. Ari Sebag and Mrs Katy Zenou (all three signatories of the shareholder agreement described in 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 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

Refer to 7.2 “The Group” for a graphic representation of the entire group of consolidated companies 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 2012

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.

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.

SHAREHOLDER AGREEMENTS

We have not been informed of any new agreements in this category.

AGREEMENTS WITH COMPANIES SHARING SENIOR MANAGEMENT PERSONNEL

With the real estate company Cannosta: acquisition of the building of the hotel 3.14 in Cannes and commercial lease agreement with this subsidiary

On 1 August 2012, your company acquired the building of the hotel 3.14 operated in Cannes by the real estate company Cannosta, of which 99.99% is indirectly held by your company, at a price of €17m excl. expenses and taxes.

Your company also signed with the real estate company Cannosta SA a commercial lease agreement which provides an annual rent of €400k excl. taxes for a nine year period as of 1 August 2012.

Member of the Supervisory Board / Executive Board concerned:

- Mr. Patrick Partouche

The related agreement was authorised by your Supervisory Board at its meeting on 21 February 2012.

Current account subordination agreement with the company SAS Casinos de Vichy "Les 4 Chemins"

On 31 October 2012, a current account subordination agreement was entered by your company and the company Casinos de Vichy "Les 4 Chemins", 91.83% of which is indirectly held.

Under such agreement, your company forbids itself from claiming from its subsidiary the repayment of its claim as at 24 October 2012 (€15,106,491 excl. 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 the company Casinos de Vichy "Les 4 Chemins" to consider the said amount on its current account as a stable resource ("quasi-equity").

The related agreement was authorised by your Supervisory Board at its meeting on 29 October 2012.

Members of the Supervisory Board / Executive Board concerned:

- Mr. Fabrice Paire
- Mr. Ari Sebag

Collateral security for Casino de la Pointe Croisette

Your Supervisory Board authorised your company to provide BNP Paribas its collateral security as a guarantee for the line of credit granted by BNP Paribas to the SA Casino de la Pointe Croisette, in the amount of €1m.

99.99% of this subsidiary is held indirectly by your company.

The related agreement was authorised by your Supervisory Board at its meeting on 11 September 2012.

Members of the Supervisory Board / Executive Board concerned:

- Mr. Patrick Partouche
- Mr. Ari Sebag

OTHER AGREEMENTS WITH SENIOR EXECUTIVES

We have not been informed of any new agreements in this category.

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.

AGREEMENTS WITH SHAREHOLDERS

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. This lease renewal was authorised by the Supervisory Board on 28 February 2011.

For the year ended 31 October 2012, the lease expense recognised by your Company was €214,530, plus tenant service charges and taxes in the amount of €83,550, making a total expense of €298,080 in respect of this agreement.

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 2012 was 0.90%.

For the year ended 31 October 2012, an interest expense of €49,102 was recognised by your Company in respect of this agreement.

The amount owed by Groupe Partouche SA to Financière Partouche SA recorded in the current account came to €5,918,894 at 31 October 2012.

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 above-mentioned 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 2012, Financière Partouche SA invoiced your Company an interest expense of €665,519, together with interest-rate hedging costs and agents' fees of €107,667, making a total expense of €773,185 in respect of this agreement.

AGREEMENTS WITH COMPANIES SHARING SENIOR MANAGEMENT PERSONNEL

Tax consolidation agreement

The Group's tax consolidation agreement is applied in accordance with Article 223 A of the French Shareholders' Tax Code.

For the financial year ended 31 October 2012, your Company recognised a tax saving of €14,363,656 under this agreement.

Authorisation for the use of the Group's trademark granted to Partouche Interactive SA

Your Company has granted exclusive licence for the use of the French trademark "Groupe Partouche" to Partouche Interactive SA. This licence gives Partouche Interactive 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 revenue 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 2012, your Company did not record any income from the use of the licence authorised under this agreement.

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 2012, your Company recognised a charge of €500,333 under operating expenses in respect of this agreement.

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 2012, 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 €105,997, which was recognised under financial income.

Given this reimbursement, the balance of Société Hôtel International de Lyon's debt forgiven by your Company, which remains subject to the return to profitability clause, amounted to €1,761,674 at 31 October 2012.

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 Grand Casino de Cabourg: return to profitability clause for a debt forgiveness in the amount of €3,874,547;
- with Grand Casino de Beaulieu (company in liquidation): return to profitability clause for a debt forgiveness in the amount of €609,258;
- with Lydia Invest (Casino de Port-Barcarès – company in liquidation): return to profitability clause for a debt forgiveness in the amount of €5,509,184;
- 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 d'Hauteville-Lompnes SA: return to profitability clause for a debt forgiveness in the amount of €10,050,000;
- 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, 26 February 2013

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 2010, prepared in accordance with IFRS/IAS as adopted by the European Union and the report of the Statutory Auditors on the consolidated financial statements for the financial year ended 31 October 2010 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 25 February 2011 under number D.11-0081, pages 111 et seq.;
- 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 individual company financial statements for the financial year ended 31 October 2010 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2010 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 25 February 2011 under number D.11-0081, pages 166 et seq.;
- the individual financial statement 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.

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

20.2 FINANCIAL STATEMENTS

20.2.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2012

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT PER SHARE DATA)	NOTES	2012	2011	2010 RESTATED (*)
Turnover	22	450 951	464 304	478 126
Other purchases and expenses	23	(147 395)	(144 725)	(146 410)
Taxes and related expenses		(19 073)	(19 442)	(20 840)
Personnel expenses	24	(205 960)	(203 619)	(206 384)
Depreciation, amortisation and impairment of fixed assets		(43 547)	(44 825)	(47 140)
Other current operating income and expenses	25	(8 258)	(11 617)	(6 620)
Current operating profit		**26 717**	**40 076**	**50 731**
Other non-current operating income and expenses	25	(1 458)	(4 540)	(283)
Gain (loss) on the sale of consolidated investments		(436)	1 250	(2 285)
Impairment of non-current assets		(15 686)	(7 843)	(71 199)
Non-current operating income		**(17 580)**	**(11 134)**	**(73 766)**
Operating profit		**9 137**	**28 942**	**(23 036)**
Financial income (expense)	**26**	**(7 997)**	**(13 361)**	**(18 324)**
Profit before tax		**1 140**	**15 581**	**(41 359)**
Corporate income tax	28	(5 876)	(10 254)	(4 565)
CVAE Tax (*)	2	(3 873)	(3 273)	(6 426)
Profit after tax		**(8 609)**	**2 054**	**(52 350)**
Share in earnings of equity-accounted associates	7	-	(18)	(35)
Total net profit		**(8 609)**	**2 036**	**(52 385)**
O/w Group share		(17 114)	(6 953)	(60 398)
O/w minority interests		8 504	8 989	8 013
Net earnings per share – Group share (**)		**(0,18)**	**(0,078)**	**(1,173)**
Dividend distributed per share		-	-	-
Number of shares on which the earnings per share calculation is based (**)		96 747 249	88 981 902	51 459 349

CONSOLIDATED GLOBAL INCOME

CONSOLIDATED GLOBAL INCOME €000 AT 31 OCTOBER	NOTES	2012	2011	2010 RESTATED (*)
Total net profit		**(8 609)**	**2 036**	**(52 385)**
Change in the fair value of financial instruments net of tax		(1 636)	-	-
Other items of global income		(630)	1 819	1 551
Total global income		**(10 876)**	**3 855**	**(50 834)**
Group share of global income		(19 294)	(6 321)	(60 189)
Minority interest share of global income		8 418	10 176	9 355

(*) The restatements correspond to error corrections related to the recognition of the CVAE. This item is presented in Note 2 below, paragraph "Accounting estimates and assumptions", point 3 "Error corrections".
(**) 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.
(**)Number of shares for the financial year ended 31 October 2010 based on the weighted average number of shares following the capital increase introduced on 19 July 2010 and finalised on 13 August 2010.
The Notes to the consolidated financial statements are an integral part thereof.

CONSOLIDATED BALANCE SHEET (NET VALUE)

BALANCE SHEET ASSETS NET €000 AT 31 OCTOBER	NOTES	2012	2011	2010 RESTATED (*)
Intangible assets	4	10831	10790	11 359
Goodwill on acquisition	5	318 453	328 859	336 954
Tangible fixed assets	6	326 625	343 859	360 176
Investments in equity-accounted associates	7	-	-	-
Other financial non current assets	8	6 811	4 498	4 584
Deferred tax – Assets		2 368	2 379	4 639
Other non-current assets	9	5 360	5 645	9 747
TOTAL NON-CURRENT ASSETS		**670 449**	**696 030**	**727 459**
Inventories and semi-finished goods	10	3 670	3 531	3 840
Trade and other receivables	11	23 158	23 335	27 383
Corporate income tax receivables		1 498	3 269	948
Derivative financial instruments		-	102	-
Other current assets	12	15 618	14 313	12 759
Cash and cash equivalents	13	126 141	132 029	107 611
TOTAL CURRENT ASSETS		**170 086**	**176 579**	**152 542**
Assets held for sale	31	4 500	2 768	1 245
TOTAL ASSETS		**845 035**	**875 376**	**881 246**

EQUITY AND LIABILITIES €000 AT 31 OCTOBER	NOTES	2012	2011	2010 RESTATED (*)
Share capital	14	193 631	193 631	163 640
Treasury shares	14	(169)	(169)	(37)
Share premium		9 411	9 411	9 411
Consolidated reserves	14	128 174	136 784	197 812
Translation reserve		2 217	2 761	2 129
Net profit (loss) for the year		(17 114)	(6 953)	(60 398)
GROUP EQUITY		**316 150**	**335 466**	**312 558**
MINORITY INTERESTS	**14**	**30 531**	**32 128**	**29 961**
TOTAL EQUITY		**346 681**	**367 594**	**342 519**
Non-current financial debt	17	244 895	281 844	192 568
Employee commitments	15	11 006	9 463	9 889
Other non-current provisions	16	5 165	6 360	4 377
Deferred tax – Liabilities		32 653	34 356	33 911
Other non-current liabilities	18	7 136	6 795	10 071
TOTAL NON-CURRENT LIABILITIES		**300 854**	**338 819**	**250 816**
Derivative financial instruments		-	-	-
Current financial debt	17	48 391	26 887	144 035
Current provisions	16	2 452	2 450	1 985
Trade and other payables	19	114 134	100 560	105 030
Current tax liabilities	20	30 726	34 543	34 132
Other current liabilities	18	1 798	1 865	1 821
TOTAL CURRENT LIABILITIES		**197 500**	**166 304**	**287 003**
Held for sale liabilities	31	-	2 660	907
TOTAL EQUITY AND LIABILITIES		**845 035**	**875 376**	**881 246**

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
Number of shares in circulation at 31 October 2010 (excluding treasury shares): 81,801,041

CONSOLIDATED CASH FLOW STATEMENT

€000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Total net income	**(8 609)**	**2 036**	**(52 385)**
Adjustments:			
Elimination of income from equity-accounted associates	-	18	35
Elimination of tax expense (income)	9 749	13 527	10 991
Elimination of depreciation, amortisation and provisions	58 637	54 828	114 662
Elimination of gains and losses on revaluation to fair value	(2 195)	(3 019)	(1 243)
Elimination of results on the sale of assets	355	(1 792)	2 511
Elimination of net interest expense (income)	11 681	15 372	17 079
Elimination of dividend income	(112)	(107)	(50)
Impact of the change in WCR	10 295	6 326	(698)
Interest paid	(12 067)	(15 987)	(17 366)
Tax paid	(9 626)	(13 818)	(7 013)
Net cash flow from operating activities	**58 107**	**57 384**	**66 522**
Acquisition of investment securities net of cash acquired	(1)	(200)	(2 631)
Disposal of consolidated companies, less cash sold	(174)	1 196	(32)
Impact of other changes in consolidation scope	-	(151)	33
Acquisition of intangible assets	(2 096)	(1 674)	(1 816)
Acquisition of property and equipment	(33 621)	(28 505)	(21 426)
Acquisition of financial assets	(1 971)	(67)	-
Loans and advances granted	(865)	(571)	(476)
Disposal of property and equipment	766	2 094	438
Disposal of financial assets	-	50	-
Reimbursements received from loans	490	607	760
Interest received	379	609	274
Dividends received	112	107	50
Net cash flow from investing activities	**(36 981)**	**(26 505)**	**(24 825)**
Capital increase subscribed by minority interests (**)	-	30 597	2 906
Loans issued	-	-	500
Bank loans reimbursed	(23 594)	(28 458)	(8 571)
Other financial debts reimbursed	(852)	(1 160)	(1 042)
Non-available deposit on asset sale	8 000	-	-

€000 AT 31 OCTOBER	2012	2011	2010 RESTATED (*)
Dividends paid to minority shareholders	(9 910)	(8 573)	(7 649)
Net cash flow from financing activities	**(26 356)**	**(7 594)**	**(13 857)**
Impact of foreign exchange rates	(683)	1 089	899
Change in cash and cash equivalents	**(5 913)**	**24 374**	**28 740**
Opening cash position	**131 970**	**107 596**	**78 856**
Closing cash position	**126 057**	**131 970**	**107 596**

(**) 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 €126,057k plus accrued interest not received, i.e. €85k corresponds to the item "Cash and cash equivalents under assets", i.e. €126,141k.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€000 AT	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 2009	**86 195**	**(59)**	**9 411**	**199 911**	**1 920**	**297 377**	**28 917**	**326 294**
Net income for 2010 financial year	-	-	-	(58 054)	-	(58 054)	8 013	**(50 041)**
Other comprehensive income items	-	-	-	-	209	209	1 342	1 551
Global income	**-**	**-**	**-**	**(58 054)**	**209**	**(57 845)**	**9 355**	**(48 490)**
Distribution of dividends	-	-	-	-	-	-	(7 650)	**(7 650)**
Capital increase	77 446	-	-	-	-	77 446	-	77 446
Other movements	-	22	-	(2 098)	-	(2 076)	(660)	**(2 736)**
Equity at 31 October 2010 (published)	**163 640**	**(37)**	**9 411**	**139 759**	**2 129**	**314 902**	**29 961**	**344 863**
Impact of CVAE error correction (*)	-	-	-	(2 344)	-	(2 344)	-	(2 344)
Equity at 31 October 2010 (restated) (*)	**163 640**	**(37)**	**9 411**	**137 415**	**2 129**	**312 558**	**29 961**	**342 519**
Net income for 2011 financial year	-	-	-	(6 953)	-	(6 953)	8 989	**2 036**
Other items	-	-	-	-	633	633	1 186	1 819
Global income	**-**	**-**	**-**	**(6 953)**	**633**	**(6 320)**	**10 175**	**3855**
Distribution of dividends	-	-	-	-	-	-	(8 573)	(8 573)

€000 AT	CAPITAL	TREASURY SHARES	SHARE PREMIUM	CONSOLIDATED RESERVES AND NET PROFIT FOR THE YEAR	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
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 income 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 items	-	-	-	-	(545)	(545)	(86)	**(630)**
Global 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**

(*) see Note 2.
(**) Net values, net of the expenses of the share capital increase (€606k).

Comments on the changes in consolidated shareholders' equity 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, hotels and online gaming businesses. The consolidated financial statements were approved for publication by the Executive Board of Groupe Partouche SA on 21 January 2013.

Pursuant to French legislation, the consolidated financial statements for the financial year ended 31 October 2012 will be subject to the approval of the shareholders of the Group at the Shareholders' Meeting convened for 10 April 2013.

NOTE 1. KEY EVENTS DURING THE FINANCIAL YEAR

The 2012 financial year was marked by an appreciable 3.9% (22.5 million euro) drop in gross gaming revenue in France, mainly over the second and third quarters of the year, which, given the significant impact of fixed costs on the structure of the income statement, led to a noticeable reduction in the Group's operating profitability.

The impact of the few changes in the Group's scope of consolidation over the course of 2012 (deconsolidation of Cinéma de Vichy and Casino de Port Barcarès; sale of Grasse companies) was minor.

The reduction of the Group's debt continued, with the repayment of 21.9 million euros towards the syndicated loan over the financial year.

Capital expenditures over the financial year included 14.2 million euros in cash outlays for the construction of the Pasino de la Grande-Motte, with the operations of the Casino de la Grande-Motte being transferred to this new establishment, which opened its doors on 10 July 2012.

Lastly, faced with a dip in the business of the Interactive division, due mainly to the unsuitable economic model of French online poker, which is run by the subsidiary Partouche Gaming France, Groupe Partouche announced in September 2012 that it would be strategically reorienting the Group's

poker business and restructuring the activity of the online poker site www.partouche.fr.

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 on 31 October 2012, are available in the section 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)

The accounting policies and valuation methods applied for preparing the consolidated financial statements are the same as those used for the previous year, except for new EU-adopted standards and interpretations that came into force at the beginning of the financial year under review, on 31 October 2011.

Standards and interpretations applied by the Group, as of 1 November 2011

▸ **Amendment to IAS 24 (Revised) - Related party disclosures**

This amended version of IAS 24 favours a group based approach and specifies the obligation to provide disclosures addressing related party transactions, including those not recognised in accounting.

▸ **Amendments to IFRIC 14 - Prepayment of minimum funding requirements**

This amendment specifies that when an employee benefit scheme requires minimum funding, prepayments for it must be recognised as assets, as with all other prepayments. This interpretation applies from the beginning of the first period presented for comparison with the first financial statements to which an entity applies IFRIC 14.

▸ **IFRS annual improvements (2008-2010)**

On 6 May 2010, the International Accounting Standards Board (IASB) published annual improvements to twelve of its standards and interpretations, in the form of amendments. This project continues to contribute a series of non urgent but necessary improvements to the IFRS. These amendments have not had any significant impact on the Group's annual financial statements.

▸ **Amendments to IFRS 7 Financial Instruments: Disclosures**

This amendment is intended to enable users of financial statements to enhance their understanding of financial asset transfers (e.g. securitisation), including the potential effects of any risk that might remain in an entity after it transfers assets. It also requires additional disclosures in the event that a disproportionate amount of assets is transferred around the close of a reporting period.

The application of these standards and amendments is without bearing on the consolidated financial statements at 31 October 2012.

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 2011:

- Amendment to IAS 1 – Presentation of financial statements – Presentation of other items of comprehensive income (effective 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);
- Revised IAS 28 – Investments in associates (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).

ACCOUNTING JUDGMENTS AND ESTIMATES

1. Preparation principles

The consolidated financial statements are prepared on the basis of historic 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 rendered in determining accounting values. The Group's management reviews these estimates and assumptions continually in order to ensure their pertinence with regard to the current economic environment. Based on the evolution of these assumptions, the items included in its financial statements may differ from current estimates. The impact of changes in accounting estimates is recognised during the period of the change and all affected future periods.

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

- the valuation in the balance sheet of tangible fixed assets, intangible assets and goodwill. The Group regularly reviews certain indicators which would lead where applicable to an impairment test;
- determination of deferred tax and the level of recognition of deferred tax assets based on the principles described below. Management has established a tax recoverability plan enabling the amount of deferred tax assets that may be recognised in the Group's consolidated balance sheet to be estimated;
- 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 revenue 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 full consolidation method is applied for all of the subsidiaries over which the Group has exclusive control, either directly or indirectly.

Companies in which the Group has joint control with one or several partners are consolidated under the proportional consolidation method. This method was applied to SA du Casino de Grasse and SCI du Casino de Grasse until 31

October 2010. In financial year 2011, these companies were equity-accounted. As of 31 October 2012, both of these companies were deconsolidated (see Note 3 Changes in the scope of consolidation).

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

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

Business combinations are recognised under the acquisition method as provided by IFRS 3.

1. CHANGE IN THE PERCENTAGE OF INTERESTS HELD IN COMPANIES WITHOUT THE LOSS OF CONTROL

The acquisition of minority interests was not covered by IFRS until the adoption of IAS 27 (Revised), which was applicable by the Group as of 1 November 2009. Until 31/10/2009, in the absence of any specific rules, Groupe Partouche had applied the method used by the parent company in accordance with French legislation and authorised under IFRS; in the event that additional shares in a subsidiary were 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, was recorded as goodwill.

As of 1 November 2009, pursuant to IAS 27 (Revised), this difference has been recorded as a deduction of consolidated equity.

2. 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 31/10/2012	AVERAGE RATE 31/10/2012	CLOSING RATE 31/10/2011	AVERAGE RATE 31/10/2011	CLOSING RATE 31/10/2010	AVERAGE RATE 31/10/2010
USD US dollar	**1,2993**	**1,2922**	1,4001	1,39294	1,3857	1,34716
CHF Swiss franc	**1,2076**	**1,208958**	1,2191	1,24783	1,3708	1,41292
TND Tunisian dinar	**2,03476**	**1,9923**	1,95153	1,977353	1,935551	1,895630
EGP Egyptian pound	**7,942112**	**7,81364**	8,349356	8,23048	8,003119	7,47608
GBP Pound sterling	**0,80645**	**0,818210**	0,8731	0,86788	0,8686	0,86524

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, revenue 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).

As mentioned in the section on the change in accounting estimates introduced in 2010, the method for calculating the fair value had to be revised for the impairment tests conducted at 31 October 2010. Fair value had previously been determined on the basis of recent market transactions in similar assets, which, in this case, meant casinos (representing around 93% of the Group's recorded goodwill), through the use of a multiple of Gross Gaming Revenue, the main performance indicator for the casino gaming sector. Due to the lack of comparable transactions that are sufficiently recent to justify the use of this multiple, the multiple became increasingly difficult to corroborate. To conduct impairment tests, the Group therefore decided no longer to base its estimates on the fair value method (which uses comparable multiples), but instead, as of 31 October 2010, only to use the value in use method, except where otherwise justified.

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.

In addition, as of 31 October 2012, the Group also carries out an analysis of the sensitivity of impairment testing to the budget forecast assumptions it uses:

- «Turnover» indicator;
- «EBITDA» indicator.

The complete methodology and results of these tests are presented in Note 5 for those CGUs identified as «sensitive» in impairment testing.

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.

INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

Companies, over which the Group exerts significant influence, whether in relation to management or financial policy, are accounted for using the equity method.

Investments in associates accounted for under the equity method are presented under this caption. In accordance with this method, the investment is initially recognised at cost. The carrying amount is thus increased or decreased to recognize the portion attributable to the investor in the earnings of the entity owned after the acquisition date.

Goodwill relating to these entities is included in the carrying amount of the investment.

FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available for sale financial assets. The classification depends on the reasons underlying the acquisition of the financial assets. Management determines the classification of its financial assets on their initial recognition and reviews it at each accounting close.

1. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial asset is classified in this category if it is acquired primarily for the purpose of being sold in the near term or has been designated as such by Management. Derivatives are designated as held for trading, except where they are qualified hedge accounting transactions. All of the derivatives held by the Group are designated as hedges. Assets attached to this category are classified under current assets when they are held for trading, or where they are expected to be realised within twelve months following the accounting close.

2. ASSETS HELD TO MATURITY

Assets held to maturity are non derivative financial assets other than loans and receivables having a fixed settlement term, whose payments are determined or determinable and which the Group plans and has the capacity to hold until maturity. These assets are initially recognised at fair value and then at amortised cost in accordance with the effective interest rate method. They are subject to impairment tests where there is an indication of losses of value. An impairment loss is recognised if the carrying amount is higher than the estimated realisable value.

3. LOANS, RECEIVABLES AND DEBT ISSUED BY THE COMPANY

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included under current assets, except those falling due within more than twelve months after the balance sheet date, which are classified under "Other non-current financial assets".

4. 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.

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.

DISCONTINUED OR DISCONTINUING OPERATIONS

An operation is considered to be discontinued or discontinuing when it represents a significant, distinct operation for the Group and when its sale is considered to be highly probable. Discontinued or discontinuing operations are presented on a single line of the income statement, comprising the net profit after tax until the date of sale. Similarly, cash flows generated by discontinued or discontinuing operations are presented on a distinct line for each cash flow category in the consolidated cash flow statement.

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 these borrowings are classified as non-current liabilities.

PROVISIONS

A provision is established when, at the closing date, the Group has an obligation resulting from a past event that is likely to result in an outflow of resources representing future economic benefits, the amount of which may be estimated reliably.

The obligation may arise from an agreement or from legal or regulatory provisions or from any established legal precedent, or it may be implicit since, through its past practices, its stated policy or a recent, sufficiently explicit statement, the Group created a reasonable expectation among third parties that it will assume this liability.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the closing date. If the amount of the obligation cannot be evaluated with sufficient reliability, no provision is recognised.

If the effect of discounting is significant, the amount of the provision recognised relates to the discounted value of the expenditures that the Group expects to have to incur to settle the corresponding obligation.

In determining the possible outcomes of tax risks and litigation, Management uses as its basis the assessment performed by external consultants who have knowledge of each of the related issues and jurisprudence.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised at their fair value. They are then re-evaluated at their fair value. The method of accounting for the related profit or loss depends on whether the derivative is designated as a hedging instrument and, as applicable, the nature of the hedged item.

The Group 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.

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

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 authourities. 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.

COVENANTS: CONSOLIDATED EBITDA

Under the terms of the memorandum of understanding relating to the restructuring of the loan in the second half of 2009, the covenants were redefined and are now prepared based on IFRS financial statements using a new ac-counting caption: consolidated EBITDA, presented in the note to the financial statements relating to financial debt.

This caption comprises the income and expense items constituting current operating profit (as defined in the interim and annual financial statements of Groupe Partouche), excluding depreciation and amortisation (allocations and reversals) and provisions (allocations and reversals) relating to the operating cycle and one-off items relating to the Group's activities that are included under current operating profit but are excluded from EBITDA given their exceptional nature.

Note 21 shows the transition from current operating profit to EBITDA.

SEGMENT INFORMATION

With regard to its internal reporting, the Group believes that its operating companies have a unique activity contributing to a global service offering for its customers. In fact, several restrictions are attached to the operation of casinos, which, according to gaming regulations, are establishments comprising three distinct activities: gaming, entertainment and food services, together under a single management structure. The specifications to be followed therefore include ancillary services necessarily incidental to the main activity, gaming. However, calls for tenders from local governments more and more

often include the obligation to provide hotel services.

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

- Casinos;
- Hotels;
- Interactive;
- Other activities.

This representation is used with respect to the application of IFRS 8 Operating Segments, as of 1 November 2009.

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 new progressive levy scale (26 August 2009), 50% of which must be earmarked for capital investment designed to improve tourist facilities, as provided by Decree. The capital subsidies appearing in equity of the subsidiaries' individual company financial statements are, 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. Since 31 October 1997, and 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 2012, 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.

	2012			2011			2010		
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	92	13	8	94	13	8	96	14	8
Proportionally consolidated companies	-	-	-	-	-	-	2	-	-
Equity-method companies	-	-	1	2	-	1	-	-	1
TOTAL	**92**	**13**	**9**	96	13	9	98	14	9

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

CHANGE IN PERCENTAGE INTEREST AND CONTROL

COMPANIES	CONTROL 2012	INTEREST 2012	CONTROL 2011	INTEREST 2011	CONTROL 2010	INTEREST 2010
CASINO DE LA SEYNE	-	-	-	-	97,66	97,65
CINEMA ÉLYSÉE VICHY	-	-	99,98	91,81	96,00	88,15
PORT-BARCARÈS	-	-	97,30	97,30	97,60	97,60
AIX	99,50	99,42	99,50	99,41	99,49	99,41
CIOTAT	99,98	99,40	99,98	99,39	99,98	99,39
GRASSE	-	-	49,96	49,74	49,96	49,74
ANNEMASSE	99,92	99,92	99,91	99,91	99,89	99,89
ÉLYSÉE PALACE EXPANSION	99,72	91,62	99,76	91,66	99,76	91,66
ÉLYSÉE PALACE	99,97	91,59	99,97	91,63	99,97	91,63
SCI DE GRASSE	-	-	50,00	49,77	50,00	49,77
SCI DE L'ARVE	100,00	99,92	100,00	99,91	100,00	99,89

REMOVALS FROM THE CONSOLIDATION SCOPE

Groupe Partouche sold Cinéma de Vichy in the first half of 2012. This company, which was deconsolidated on 1 November 2011, was treated as at 31 October 2011 as a held-for-sale asset as defined in IFRS 5.

At the beginning of the second half of 2012, liquidation proceedings were opened in respect of Casino de Barcarès (Le Lydia), which ceased trading in September 2009. The company was deconsolidated in accordance with IAS 27.

Following the sale of shares in the Grasse companies, both of those companies, which had been proportionally consolidated until 31 October 2010 before being recognised using the equity method as at 31 October 2011, were deconsolidated on 1 November 2011.

NOTE 4. INTANGIBLE ASSETS

€000	CONCESSIONS, PATENTS, BRANDS	INTERNALLY-GENERATED GOODWILL	OTHER INTANGIBLE ASSETS	TOTAL
Gross value at 31 October 2010	**6 125**	**12 837**	**7 479**	**26 441**
Accumulated amortisation and impairment losses at 31 October 2010	(3 475)	(6 376)	(5 230)	(15 081)
Net value at 31 October 2010	**2 650**	**6 460**	**2 249**	**11 359**
Acquisitions	1 172	-	818	1 989
Disposals	-	-	(127)	(127)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	(1)	-	(1)
Transition from the proportional method to the equity method (*)	-	-	(5)	(5)
Translation difference	-	-	43	43
Assets transferred and scrapped	105	-	(407)	(301)
Amortisation charges and reversals	(1 369)	(148)	(651)	(2 168)
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)	0
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**

(*) Casino de Grasse and SCI de Grasse

NOTE 5. GOODWILL

€000 AT 31 OCTOBER	2012	2011	2010
Net goodwill, excluding impairment for the financial year	328 859	336 702	408 103
Impairment for the financial year	(10 406)	(7 843)	(71 149)
TOTAL	**318 453**	**328 859**	**336 954**

The impairment of goodwill for the 2012 financial year amounted to €10.4m. The impairment of goodwill recognised in financial year 2012 for the casino CGUs amounted to €8m on the basis of value in use.

BREAKDOWN OF CHANGES IN GOODWILL BY ACTIVITY

€000 AT 31 OCTOBER	2012	2011	2010
Casinos	295 816	303 872	308 186
Hotels	6 553	6 553	6 553
Interactive	4 387	6 737	8 436
Other	11 696	11 696	13 778
TOTAL	**318 453**	**328 859**	**336 954**

BREAKDOWN OF CHANGES

NET VALUE AT 31 OCTOBER 2011	**328 859**
Decreases	-
Impairment (*)	(10 406)
NET VALUE AT 31 OCTOBER 2012	**318 453**

Of which:

IMPAIRMENT (*)	(10 406)
Casino de Bandol	(7 420)
Casino d'Andernos	(140)
Casino d'Arcachon	(496)
Partouche Technologies	(2 350)

(*) A goodwill impairment charge of €10,406k was recognised under line item Impairment of non-current assets within Non-current operating profit in the consolidated income statement. The other components of this item, which amounted to €15,686k at 31 October 2012, are impairment charges of real estate assets amounting to €5,280k.

GOODWILL BY COMPANY

The tests performed on the Group's goodwill on 31 October 2012 led to the recognition of additional impairment in the amount of €10,406k, as shown in the previous table.

The breakdown of accumulated net goodwill above €10m, as at 31 October 2012 is as follows:

€000 AT 31 OCTOBER	2012	2011
Casino La Grande-Motte	33,2	33,2
Casino Divonne	30,7	30,7
Casino Bandol	23,2	30,6
Casino Pornichet	30,1	30,1
Casino Annemasse	27,2	27,2
Casino Hyères	26,4	26,4
Casino Pornic	19,3	19,3
Casino Roche-Posay	16,9	16,9
Casino Ostende	15,3	15,3
Casino Plouescat	12,9	12,9
SUB-TOTAL	**236**	**243**
Other entities (aggregate)	83	86
TOTAL	**318**	**329**

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 2013 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 2012 are shown below:

OPERATING SEGMENTS	DISCOUNT RATE	GROWTH RATE	DEBT-FREE SEGMENT BETA	MARKET PREMIUM
Casinos	7 %	2 %	0,72	5,5 %
Hotels	10,5 %	1,9 %	0,98	5,5 %
Interactive Division	10,5 %	2 %	0,84	5,5 %
Other	7,3 %	2 %	0,84	5,5 %

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	(1,02)	1,24	1,09	(0,89)
Casino Arcachon	(0,40)	0,50	0,49	(0,39)
Casino de Hyères	(3,43)	4,33	3,90	(3,07)
Casino de Bandol	(2,08)	2,54	2,35	(1,92)
Casino de Coutainville	(0,70)	1,10	0,98	(0,61)

The reported figures reflect the results of the sensitivity tests, with the understanding:

- that a negative impact represents an additional impairment, given the change of the realisable value of the CGU as regards its carrying amount;
- that a positive impact results in the favourable change of the CGU's realisable value.

Sensitivity to changes in turnover and EBITDA

As of 31 October 2012, the Group has also 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. 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	0,19	(0,19)	0,24	(0,24)
Casino Arcachon	0,10	(0,09)	0,10	(0,09)
Casino de Hyères	0,68	(0,57)	0,81	(0,69)
Casino de Bandol	0,40	(0,40)	0,47	(0,46)
Casino de Coutainville	0,18	(0,05)	0,21	(0,08)

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. PROPERTY AND EQUIPMENT

€000	LAND	BUILDINGS	TECHNICAL EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TOTAL
Gross value at 31 October 2010	**38 440**	**491 672**	**198 176**	**106 823**	**835 111**
Accumulated depreciation at 31 October 2010	(5 839)	(229 895)	(158 236)	(80 965)	(474 935)
Accumulated impairment losses at 31 October 2010	-	-	-	-	-
Net value at 31 October 2010	**32 601**	**261 777**	**39 940**	**25 858**	**360 176**
Acquisitions	19	6 605	13 198	9 870	29 691
Disposals	(4)	(2 827)	(6 728)	(3 426)	(12 986)
Removals from the consolidation scope	-	-	(924)	(3)	(927)
Transition from the proportional method to the equity method (❖)	-	(209)	(331)	(713)	(1 253)
Translation difference	(15)	691	1 848	309	2 834
Assets transferred and scrapped	(158)	(3 866)	570	(780)	(4 234)
Depreciation charges / reversals	(605)	(18 524)	(8 655)	(1 658)	(29 441)
Charge for the year (Impairment)	-	-	-	-	-
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)
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 / 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**

❖ *Casino de Grasse and SCI de Grasse.*

❖ *Impairment of property and equipment of Casino Reno: €1,311k. Under IFRS5, impairment of the former operating site of La Grande-Motte (€3,962k) was reclassified under Assets held-for-sale in the balance sheet, thus reducing the gross amount of the building.*

(*) 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).

Buildings:

The main changes in this item were related to renovation and other work on the Group's establishments, namely, for the most part, Partouche Immobilier in the amount of €13,342k primarily for the construction of the Pasino de la Grande-Motte (in addition to €557k covered directly by the casino), the Casino de Pornichet in the amount of €1,203k, and the Casino de Royat in the amount of €872k.

Equipment:

The main acquisitions over the financial year were related to the renewal of the slot machine stock, with an expenditure of €5,427k spread across all the Group's casinos, as well as €1,730k in equipment-related expenditures at the Pasino de la Grande-Motte.

Other tangible fixed assets:

The main acquisitions during the financial year were made in the amounts of €856k at the Pasino de la Grande-Motte, €511k at the Casino de Divonne, and €462k at the Casino d'Aix-en-Provence.

ASSETS UNDER CONSTRUCTION

The line item «Other tangible fixed assets» includes tangible assets under construction representing a net value of €3,067k at the balance sheet date and involving work mainly at Partouche Immobilier (€1,706k for the Pasino de La Ciotat) and the Casino d'Aix-en-Provence (€373k).

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	2010	2011	SHARE IN PROFIT	TRANSLATION DIFFERENCE	CHANGE IN SCOPE (*)	2012
Investments in equity-accounted associates	-	-	-	-	-	-
Provision for share of negative equity (*)	(510)	(1 013)	-	-	488	**(525)**
TOTAL	**(510)**	**(1 013)**	**-**	**-**	**488**	**(525)**
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.

Balance sheet of equity-accounted associates

€000 AT 31 OCTOBER	2012	2011	2010
Total assets	1 087	1 729	869
Total debt	2 839	4 422	2 570
TOTAL NET ASSETS	**(1 751)**	**(2 693)**	**(1 701)**

Income statement of equity-accounted associates

€000 AT 31 OCTOBER	2012	2011	2010
Total revenue	-	952	327
Total net profit or loss	-	(53)	(118)

Information related to equity-accounted associates

€000 AT 31 OCTOBER	% OWNED 2012	NET ASSETS 2012	NET PROFIT 2012	NET ASSETS 2011	NET PROFIT 2011	NET ASSETS 2010	NET PROFIT 2010
Casino International of Madrid	**17,85 %**	**(1 751)**	**-**	(1 666)	(35)	(1 701)	(118)
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		**(1 751)**	**-**	(2 693)	(53)	(1 701)	(118)

NOTE 8. OTHER NON-CURRENT FINANCIAL ASSETS

€000 AT 31 OCTOBER	2012	2011	2010
Non-consolidated investments (*)	4 733	2 772	2 711
Other financial assets	2 079	1 726	1 873
Other financial non-current assets	**6 811**	**4 498**	**4 584**

(*) In financial year ended 31 October 2012, Partouche Interactive subscribed to the capital increase in International Stadium Poker Tour for €1,900k, thus increasing its stake to 25% of the share capital of that company.

Non-consolidated investment securities

€000 AT 31 OCTOBER	GROSS VALUE 2012	IMPAIRMENT	NET VALUE 2012	NET VALUE 2011	NET VALUE 2010
Non-consolidated companies owned > 50%	850	(850)	-	-	-
Non-consolidated companiesowned 20 to 50%	2 204	(142)	2 062	91	24
Non-consolidated companies owned less than 20%	3 731	(1 060)	2 671	2 680	2 687
TOTAL	**6 785**	**(2 052)**	**4 733**	**2 772**	**2 711**

Due dates of other non-current financial assets

€000 AT 31 OCTOBER 2012	AMOUNT	1 TO 5 YRS	+ 5 YRS
Non-current investment securities	37	-	37
Employee loans	176	59	117
Loans, guarantees and other receivables	2 182	1 541	640
Receivables attached to investments	351	351	-
GROSS AMOUNT	**2 745**	**1 951**	**794**
Provision	(666)	(351)	(316)
NET AMOUNT	**2 079**	**1 600**	**478**

NOTE 9. OTHER NON-CURRENT ASSETS

€000 AT 31 OCTOBER	2012	2011	2010
Receivables from the French State (1)	4 269	4 171	7 767
Other non-current receivables (2)	1 091	1 474	1 980
OTHER NON-CURRENT ASSETS	**5 360**	**5 645**	**9 747**

(1) The accounts receivable from the French State include €4.3m relating to a carry back recognised by Groupe Partouche SA. These receivables are payable and the total amount attributed breaks down according to the schedule below:

€000 AT 31 OCTOBER 2012	1 TO 5 YRS	+ 5 YRS
Breakdown of Groupe Partouche carry back	4 269	-

(2) Other non current receivables includes:

- €667k related to the divestment of the Casino de Saint-Honoré by Européenne de casinos in 2010;
- 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 (€3,203k). 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	2012	2011	2010
Inventories – Solids	788	755	723
Inventories – Liquids	1 668	1 803	2 004
Inventories – Other consumed purchases	177	193	214
Inventories – Production in progress	87	87	87
Inventories – Finished and semi-finished products	71	66	50
Inventories – Merchandise inventories	907	759	859
GROSS AMOUNT	**3 698**	**3 662**	**3 937**
Provision	(28)	(132)	(97)
NET AMOUNT	**3 670**	**3 531**	**3 840**

NOTE 11. TRADE AND OTHER RECEIVABLES

€000 AT 31 OCTOBER	2012	2011	2010
Trade receivables	20 104	19 453	22 065
Provisions for trade accounts receivables	(9 041)	(8 914)	(8 538)
Other debtors	47 428	36 562	36 314
Provision for other debtors	(35 332)	(23 766)	(22 458)
TOTAL TRADE ACCOUNTS RECEIVABLE AND OTHER DEBTORS	**23 158**	**23 335**	**27 383**

BREAKDOWN OF OTHER DEBTORS

€000 AT 31 OCTOBER	2012	2011	2010
Trade accounts payable, advances and downpayments	615	1 219	1 220
Receivables from personnel – advances and downpayments	118	102	91
Receivables from social security organisations	305	390	512
Tax receivables – excluding corporate income tax	5 997	4 638	4 846
Current accounts – assets	25 155	15 264	15 032
Receivables in respect of sales of property and equipment	20	-	-
Receivables in respect of sales of securities	178	170	1 134
Other receivables	12 054	11 779	11 599
Other income receivables	2 985	2 999	1 881
TOTAL OTHER DEBTORS	**47 427**	**36 561**	**36 314**

At 31 October 2012, 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.

Provisions in respect of other debtors also include the provision recognised by Compagnie Européenne de Casinos in the amount of €2.3m for a foreign company, and the provision made in respect of Groupe Partouche SA's current account in respect of Casino de Beaulieu, in the amount of €8.3m (a company that was deconsolidated as of 31 October 2010) and in the amount of €11.5m, Groupe Partouche SA's current account in respect of Casino de Port-Barcarès, now «ex-Group» (deconsolidated as of 1 November 2011).

NOTE 12. OTHER CURRENT ASSETS

€000 AT 31 OCTOBER	2010	2011	INCREASE	DECREASE	2012
Accrued interest/receivables and loans	44	50	3	-	53
Employee loans	175	144	256	(236)	164
Loans, guarantees	591	599	71	(68)	602
Receivables from the French State	4 735	5 894	374	(234)	6 034
Prepaid expenses	7 258	7 676	1 143	-	8 819
TOTAL GROSS VALUE	**12 803**	**14 363**	**1 847**	**(539)**	**15 671**
Provision/Impairment	(44)	(50)	(3)	-	(53)
NET VALUE	**12 759**	**14 313**	**1 844**	**(539)**	**15 618**

NOTE 13. CASH AND CASH EQUIVALENTS

€000 AT 31 OCTOBER	2012	2011	2010
Financial management assets and highly liquid cash assets	22 913	42 649	2 797
Cash	103 229	89 380	104 814
Cash and cash equivalents	**126 141**	**132 029**	**107 611**

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 €22.4m at 31 October 2012 (compared with €20.7m at 31 October 2011).

Finally, at financial year-end 2012, cash inclusdes €8m in Unavailable cash (see note 17).

€000 AT 31 OCTOBER	2012	2011	2010
Cash and cash equivalents (assets)	126 141	132 029	107 611
Cash (liabilities)	(85)	(59)	(26)
Neutralisation of impairment provision	-	-	11
Cash position per consolidated financial statements	**126 056**	**131 970**	**107 596**

BREAKDOWN OF FINANCIAL MANAGEMENT AND CASH ASSETS

€000 AT 31 OCTOBER	2012	2011	2010
SICAV-type mutual fund units	22 913	42 649	2 739
FCP-type mutual fund units	-	-	69
Accrued interest / SICAV & FCP	-	-	-
Provision for impairment	-	-	(11)
Financial management cash assets	**22 913**	**42 649**	**2 797**

BREAKDOWN OF POSITIVE CASH BALANCES

€000 AT 31 OCTOBER	2012	2011	2010
Bank	93 231	78 517	93 023
Cash	9 856	10 732	11 771
Interest receivable	141	131	20
Cash and cash equivalents	**103 229**	**89 380**	**104 814**

CASH LESS GAMING LEVIES

€000 AT 31 OCTOBER	2012	2011	2010
Cash and cash equivalents (assets)	126 141	132 029	107 611
- Levies	(30 629)	(34 157)	(32 929)
= Cash after levies	95 513	97 872	74 682

NOTE 14. EQUITY

CAPITAL – SHARES IN CIRCULATION

SHARE CAPITAL AT 31 OCTOBER	2012	2011	2010
Amount of share capital	193 631 182 €	193 631 182 €	163 640 414 €
Shares issued, fully paid up	96 815 591	96 815 591	81 820 207
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 reference 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 2012. 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	2012	2011	2010
Treasury shares at historic cost	320 834	168 767	168 767
Provision	-	-	(131 776)
Total treasury shares	**320 834**	**168 767**	**36 991**
Number of treasury shares held	180 266	19 166	19 166

The Ordinary Shareholders' Meeting of 4 April 2000 authorised the Executive Board, pursuant to the provisions of Article 217-2 of the Law of 24 July 1966, to acquire more than 10% of the number of shares comprising the share capital. This authorisation led to the purchase of 19,166 shares, representing 0.04% of the total share capital of Groupe Partouche SA, for a total amount of €168,767.

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.

Treasury shares are deducted from consolidated reserves.

CONSOLIDATED RESERVES

€000 AT 31 OCTOBER	2012	2011	2010
Revaluation reserve	(42 663)	(42 663)	(42 663)
Other reserves and retained earnings	159 178	156 168	235 201
Legal reserve	8 778	8 619	8 619
Group consolidation reserves	(9 141)	1 003	(17 002)
Other Group reserves	12 021	13 657	13 657
Consolidated reserves	**128 174**	**136 784**	**197 812**

The change in Consolidated reserves is mainly due to the appropriation of the Group share of the loss for financial year 2011 (of €6,953k), and the change in the fair value of the effective portion of financial instruments (of €1,636k net of associated deferred tax).

MINORITY INTERESTS

€000 AT 31 OCTOBER	2012	2011	2010
Non-group reserves	19 784	20 810	20 806
Non-group translation reserves	2 243	2 329	1 143
Non-group earnings	8 504	8 989	8 013
Minority interests	**30 531**	**32 128**	**29 961**

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:

€000 AT 31 OCTOBER	2012	2011	2010
Discount rate	2,74 %	3,28 %	2,70 %
Salary inflation rate	1,5 %	1,5 %	1,5 %
Social charge provision rate	42 %	42 %	42 %

€000 AT 31 OCTOBER	2012	2011	2010
Provision at the beginning of the financial year	9 505	9 913	8 371
Net charge for the financial year	1 945	205	1 889
Use	(307)	(612)	(260)
Change in the scope of consolidation	(2)	(2) (**)	(86)
Total employee commitments	**11 140**	**9 505**	**9 913**
Including non-current provision	11 006	9 463	9 889
Including current provision (*)	134	41	24

(*) The current portion of the provision is included in the line item "Other current provisions" in the consolidated balance sheet.

(**) The removal from the scope of consolidation of Cinéma Elysée Vichy stated at the closing, as provided by IFRS 5 at the previous balance sheet date at 31 October 2011.

NOTE 16. OTHER CURRENT AND NON-CURRENT PROVISIONS

NON-CURRENT PROVISIONS

€000 AT 31 OCTOBER	2010	2011	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RECLASS.	REMOVALS FROM CONSOLIDATION SCOPE	2012
Provisions for lawsuits	2 911	3 579	203	(112)	(931)	3	(88)	-	**2 653**
Provisions for tax risk	(7)	44	358	-	(44)	-	-	-	**359**
Provisions for net equity of companies accounted for under the equity method (*)	510	1 013	-	-	-	-	26	(514)	**525**
Other non-current provisions	965	1 726	894	(53)	(1 021)	-	84	-	**1 630**
TOTAL	**4 377**	**6 360**	**1 455**	**(165)**	**(1 995)**	**3**	**21**	**(514)**	**5 165**

(*) At 31 October 2011 the provision includeed the share in net equity of the Grasse companies, following the transition of these companies from proportional consolidation to the equity method during the financial year. Moreover, detailed information on companies accounted for using the equity method is provided in Note 7..

CURRENT PROVISIONS

€000 AT 31 OCTOBER	2010	2011	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RECLASS.	CHANGE IN SCOPE	2012
Jackpot provisions	611	670	1 451	-	(559)	-	(16)	-	**1 546**
Other current provisions (*)	1 375	1 780	484	(63)	(1 071)	(2)	33	(255)	**906**
TOTAL	**1 985**	**2 450**	**1 935**	**(63)**	**(1 630)**	**(2)**	**17**	**(255)**	**2 452**

(*) The item «Other current provision» inludes the portion falling due within one year of the provision for commitments to employees of €134k.

NOTE 17. CURRENT AND NON-CURRENT BORROWINGS

Please refer to § 4.1 Financial risks.
Please refer to § 4.1.1 Liquidity risks.

BREAKDOWN OF BORROWINGS

€000 AT 31 OCTOBER	CURRENT PORTION 2012	NON-CURRENT PORTION 2012	TOTAL 2012	CURRENT PORTION 2011	NON-CURRENT PORTION 2011	TOTAL 2011	CURRENT PORTION 2010	NON-CURRENT PORTION 2010	TOTAL 2010
Bank borrowings	37 921	208 908	246 829	23 594	246 829	270 423	140 066	158 847	298 913
Accrued interest / loans	2	-	2	7	-	7	8	-	8
Restated capital lease	-	-	-	-	-	-	-	-	-
Bank overdrafts	85	-	85	59	-	59	26	-	26
Sub-total bank borrowings	**38 008**	**208 908**	**246 916**	**23 660**	**246 829**	**270 489**	**140 100**	**158 847**	**298 947**
Other borrowings	330	30 997	31 327	-	30 504	30 504	-	25 408	25 408
Employee profit-sharing	789	3 669	4 458	927	4 392	5 319	855	4 965	5 820
Deposits and guarantees	8 011	116	8 127	6	112	118	5	246	251
Liabilities in respect of investments in associates	-	4	4	-	4	4	-	963	963
Valuation of rate hedging instruments	1 253	1 201	2 454	2 294	3	2 297	3 075	2 139	5 214
TOTAL	**48 391**	**244 895**	**293 286**	**26 887**	**281 844**	**308 731**	**144 035**	**192 568**	**336 603**

A syndicated loan of €245,228k (the principal remaining due as of 31/10/12) constitutes the major proportion of the Group's bank loans.

The current portion of loans presented here includes the portion of the surplus cash flow allocated to the early reimbursement of the loan (see the following paragraph "Change in bank loans" and Chapter 4.1.1 § 5.2 "Financial risks - Liquidity Risks"). The portion of the surplus cash flow to be repaid to the banking pool for financial year 2012 is €1.320m.

The line item "Other borrowings" includes a €31.327m advance from Financière Partouche to Groupe Partouche SA and the interest it generates, 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. The current portion, i.e. €330k corresponds to the portion of the surplus cash flow to be repaid to Financière Partouche for financial year 2012.

«Deposits and guarantees» increased by €8.000m in relation to the deposit paid for that amount in respect of the provisional sale agreement for Golf de Divonne-les-Bains (see Notes 13 and 30).

MATURITY DATES OF FINANCIAL DEBT

€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	0	0	-	-
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	0	4	-
Valuation of rate hedging instruments	2 454	1 253	1 201	-
TOTAL	**293 286**	**48 391**	**244 574**	**321**

€000 AT 31 OCTOBER 2011	TOTAL	- 1 YEAR	1 TO 5 YEARS	+5 YEARS
Bank borrowings	270 423	23 594	246 829	-
Accrued interest / loans	7	7	-	-
Restated capital leases	-	-	-	-
Bank overdrafts	59	59	-	-
Other borrowings	30 504	-	30 504	-
Employee profit-sharing	5 319	927	2 856	1 536
Deposits and guarantees	118	6	35	77
Liabilities in respect of investments in associates	4	-	4	-
Valuation of rate hedging instruments	2 297	2 294	3	-
TOTAL	**308 731**	**26 887**	**280 231**	**1 613**

There is no foreign-currency denominated debt.

CHANGE IN BANK LOANS

€000 AT 31 OCTOBER	2010	2011	CHANGE IN THE SCOPE OF CONSOLIDATION	INCREASE	DECREASE	2012
Bank borrowings	298 913	270 423			**(23 594)**	**246 829**

A syndicated loan of €245m constitutes most of the Group's bank loans. Modifications were made on 25 January 2011 and 19 December 2011 via riders to the contract, as described in Section 4.1.1 Financial Risks - Liquidity Risks. The main characteristics of the loan at the balance sheet, before the abovementioned modifications, are as follows:

- Original loan amount: 431,000,000 euros;
- Principal amount outstanding at period-end: 245,228,000 euros;
- Repayment terms:

The outstanding principal is divided in three tranches; the net income of the assets divestments is used as early repayment of Tranche A, for its nearest maturity date.

The annual repayment schedule at balance sheet date is as follows:

MATURITY DATES (FINANCIAL YEAR ENDED)	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2013	15 000 000	20 000 000	1 320 000	36 320 000
31/10/2014	25 000 000	20 000 000	-	45 000 000
31/10/2015	55 083 000	20 000 000	88 825 000	163 908 000
TOTAL	**95 083 000**	**60 000 000**	**90 145 000**	**245 228 000**

- **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.

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**

1. Covenants

Groupe Partouche is required to respect coverage ratios for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale. Please note that since financial year 2011the reclassification of the CVAE expense from EBITDA to corporate income tax has been applied, as described in Chapter 20.2.1, Note 2, paragraph «Accounting judgments and estimates».

R1 FINANCIAL EXPENSE COVERAGE:

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

- 3.9x at 31 October 2012
- 4x at 30 April 2013
- 4x at 31 October 2013

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

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

R2 FIXED COST COVERAGE:

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

- 1x at 31 October 2012
- 1x at 30 April 2013
- 1x at 31 October 2013

Restated cash flow is the change in cash position (as disclosed in the consolidated cash flow statement in the Group's half-yearly and annual financial statements), adjusted for consolidated debt servicing costs plus net cash of Swiss casinos at the beginning of the half-year period.

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

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

R3 GEARING:

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

- 3.1x at 31 October 2012
- 3.1x at 30 April 2013
- 3x at 31 October 2013

Consolidated net debt represents the Group's debt after offsetting its restated net cash flow.

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

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

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

2. INVESTMENT LIMITS

The upper limit for self-financed annual investments, without the exceptional allowance mentioned hereunder is €30m.

3. DEBT LIMITS

The Group's debt must remain below the following limits:

- €267m at 31 October 2012
- €257m at 30 April 2013
- €231m at 31 October 2013

Non-compliance with these financial indicator commitments, the investment limits or gearing triggers mandatory early repayment of the loan.

Repayment of surplus cash flow

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

Consolidated surplus cash flow will be broken down as follows:

A specific proportion of 20% is retained by Groupe Partouche.

The balance is allocated as follows:

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

Consolidated surplus cash flow is defined as any sum over a €15,000,000 threshold of restated net cash flow, less bank debt (as recorded in the Group's half-yearly and annual financial statements), plus:

- the unused amount of the investment contribution (income from the two capital increases in May 2011);
- the unused amount of the exceptional allowance totalling €26,000,000, under the terms described hereunder:

To enable the completion of the Grande Motte and La Ciotat Pasinos programme, an amount of €26,000,000, known as an exceptional allowance, was subtracted from the mechanism of consolidated surplus cash flow repayment for the financial year ending 31 October 2010.

For financial years 2011, 2012 and 2013, only the unused amount of the exceptional allowance shall be subtracted from the consolidated surplus cash flow. The exceptional allowance shall be reduced to zero at 31 October 2014.

At financial year-end 2012, the unused amount of the exceptional allowance was €10.7m.

ANALYSIS OF BANK LOANS BY INTEREST RATE AT THE PERIOD-END

Please refer to Chapter 4.1.2 Interest Rate Risk.

€000 AT 31 OCTOBER	BEFORE INTEREST RATE HEDGING 2012	AFTER INTEREST RATE HEDGING 2012	BEFORE INTEREST RATE HEDGING 2011	AFTER INTEREST RATE HEDGING 2011	BEFORE INTEREST RATE HEDGING 2010	AFTER INTEREST RATE HEDGING 2010
Fixed-rate loans	-	150 000	31	160 031	343	100 343
Variable-rate loans	246 829	96 829	270 392	110 392	298 570	198 570
Bank loans at the period-end	**246 829**	**246 829**	**270 423**	**270 423**	**298 913**	**298 913**
Average interest rate – fixed	-	4,32 %	3,35 %	6,11 %	3,41 %	7,49 %
Average interest rate – variable	3,57 %	3,78 %	4,78 %	5,07 %	4,91 %	5,22 %
Weighted average interest rate at the period-end	**3,57 %**	**4,11 %**	**4,78 %**	**5,69 %**	**4,91 %**	**5,98 %**

At the financial period-end, the amount outstanding on variable-rate loans represents the entirety of loans.

In October 2011 a collar was entered into with an amount of €50 million, a deferred starting date of 31 July 2012, and an ending date of 31 October 2014, to hedge against future interest rate fluctuations. The range of the collar is 0.99% - 1.99%.

Then, in financial year 2012, four interest rate swaps were entered into:

- one with an amount of €40 million, starting on 31 December 2011 and ending 31 October 2013, at 1%;
- a second with an amount of €30 million, starting on 31 July 2012 and ending 31 October 2015, at 1.35%;
- a third with an amount of €30 million, starting on 30 April 2012 and ending on 31 October 2013, at 0.60%;
- a fourth with an amount of €30 million, starting on 31 October 2013 and ending 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	2012	2011	2010
Bank loans and restated capital leases	246 829	270 423	298 913
Accrued interest	2	7	8
Sundry loans and debts	31 327	30 504	25 408
Financial instruments – assets	-	(102)	-
Financial instruments – liabilities	2 454	2 297	5 214
Bank overdrafts	85	59	26
Gross financial debt	**280 697**	**303 188**	**329 569**
Cash net of levies (see Note 13)	**95 513**	**97 872**	**74 682**
Other unavailable cash (cash subject to conditions precedent)	**8 000**	**-**	**-**
Net financial debt	**193 184**	**205 316**	**254 887**

Unavailable cash: as indicated in Note 30, a security deposit of €8 million was paid as part of a contract of sale for the Divonne golf course. As of the balance sheet date, there is a strong likelihood that the conditions precedent to the purchase option will not be met before the required date of 30 January 2013. If these conditions are not met, the €8 million will be refunded, effective as of that date.

NOTE 18. OTHER CURRENT AND NON-CURRENT LIABILITIES

€000 AT 31 OCTOBER	2012	2011	2010
Liabilities to suppliers of fixed assets	-	-	2
Tax liabilities	444	645	1 021
Other liabilities	466	447	650
Deferred income – non-current portion	6 226	5 703	8 398
Total other non-current liabilities	**7 136**	**6 795**	**10 071**
Deferred income – current portion	1 798	1 865	1 821
Total other current liabilities	**1 798**	**1 865**	**1 821**

Deferred income is mainly attributable to investments subsidies.

NOTE 19. TRADE AND OTHER PAYABLES

€000 AT 31 OCTOBER	2012	2011	2010
Customers, advances and down payments received	4 450	6 104	6 893
Trade accounts payable	28 242	19 671	21 059
Liabilities in respect of fixed asset acquisitions	6 873	5 904	5 152
Personnel	9 317	5 298	5 874
Employee profit-sharing	4 717	5 229	6 096
Social security organisations	8 940	8 754	8 381
Paid vacation	18 761	18 401	18 199
Applicable levy	4 428	4 533	4 093
Current account and partner liabilities	742	646	6 202
State – VAT	3 656	3 239	3 216
State – expenses payable	8 778	8 946	8 891
Other	15 231	13 834	10 974
TOTAL	**114 134**	**100 560**	**105 030**

NOTE 20. CURRENT TAX LIABILITIES

€000 AT 31 OCTOBER	2012	2011	2010
State – Gaming levies	30 629	34 157	32 929
State – Corporate income tax	97	385	1 203
TOTAL	**30 726**	**34 543**	**34 132**

NOTE 21. TRANSFER CURRENT OPERATING PROFIT TO EBITDA

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
Other purchases and expenses	(147 395)	2 388	(145 008)
Taxes and related expenses	(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**

TRANSFER FROM CURRENT OPERATING PROFIT TO EBITDA AT 31 OCTOBER 2011

€000 AT 31 OCTOBER	COP 2011	RESTATEMENT RECLASSIFICATION	EBITDA 2011
Turnover	464 304	-	464 304
Other purchases and expenses	(144 725)	(55)	(144 780)
Taxes and related expenses	(19 442)	(1)	(19 443)
Personnel expenses	(203 619)	635	(202 984)
Depreciation, amortisation and impairment of fixed assets	(44 825)	44 825	-
Other current operating income and expenses	(11 617)	3 086	(8 531)
Transfer from COP to EBITDA	**40 076**	**48 490**	**88 566**

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 contributing to organising and operating gaming in which participants use remote communication (TV, internet, etc.),
- the Group's other activities, mainly comprise the business of Groupe Partouche SA, the Group's parent company, and all the other secondary businesses.

The benchmark division performance indicator is current operating profit. Each of the columns of the table below shows the revenue of each division, which are treated as separate entities.

CURRENT OPERATING PROFIT BY DIVISION

€000 AT 31 OCTOBER	CASINOS	HOTELS	INTERACTIVE DIVISION	OTHER	TOTAL
	2012	2012	2012	2012	2012
Turnover	407 981	33 325	6 204	3 440	450 951
Other purchases and expenses	(107 898)	(12 497)	(12 852)	(14 148)	(147 395)
Taxes and related expenses	(15 951)	(1 724)	(288)	(1 111)	(19 073)
Personnel expenses	(175 602)	(15 254)	(7 238)	(7 866)	(205 960)
Depreciation, amortisation and impairment of fixed assets	(33 940)	(3 401)	(2 149)	(4 057)	(43 547)
Other current operating revenues and expenses	(10 884)	146	2 680	(201)	(8 258)
Current operating profit (loss)	**63 707**	**595**	**(13 643)**	**(23 943)**	**26 717**

€000 AT 31 OCTOBER	CASINOS		HÔTELS		INTERACTIVE DIVISION		OTHER		TOTAL	
	2011	2010 RESTATED	2011	2010 RESTATED	2011	2010 RESTATED	2011	2010 RESTATED	2011	2010 RESTATED
Turnover	417 710	431 557	34 593	31 917	6 932	7 529	5 070	7 123	464 304	478 126
Other purchases and expenses	(106 130)	(109 305)	(12 425)	(11 533)	(12 354)	(11 194)	(13 816)	(14 379)	(144 725)	(146 410)
Taxes and related expenses	(16 165)	(17 538)	(1 698)	(1 679)	(431)	(501)	(1 148)	(1 122)	(19 442)	(20 840)
Personnel expenses	(173 039)	(177 093)	(15 849)	(15 347)	(7 176)	(6 387)	(7 554)	(7 557)	(203 619)	(206 384)
Depreciation, amortisation and impairment of fixed assets	(35 098)	(37 655)	(3 379)	(3 601)	(2 345)	(1 718)	(4 003)	(4 166)	(44 825)	(47 140)
Other current operating revenues and expenses	(12 897)	(7 552)	995	551	2 108	2 704	(1 823)	(2 322)	(11 617)	(6 620)
Current operating profit (loss)	**74 380**	**82 414**	**2 237**	**307**	**(13 266)**	**(9 567)**	**(23 274)**	**(22 422)**	**40 076**	**50 731**

BALANCE SHEET ITEMS BROKEN DOWN BY DIVISION

€000 AT 31 OCTOBER	SEGMENT ASSETS		OF WHICH EQUITY-ACCOUNTED	
	2012	2011	2012	2011
CASINOS	654 966	673 345	-	-
HOTELS	46 226	50 152	-	-
INTERACTIVE DIVISION	20 130	18 500	-	-
OTHER	123 713	133 379	-	-
TOTAL	**845 035**	**875 376**	**-**	**-**

€000 AT 31 OCTOBER	SEGMENT LIABILITIES	
	2012	2011
CASINOS	168 546	160 107
HOTELS	12 734	12 456
INTERACTIVE DIVISION	8 321	7 168
OTHER	308 752	328 051
TOTAL	**498 354**	**507 782**

FINANCIAL STATEMENT RECONCILIATION OF DIVISION LIABILITIES

€000 AT 31 OCTOBER	2012	2011
Segment liabilities	498 354	507 782
Equity	346 681	367 594
TOTAL LIABILITIES AND EQUITY	**845 035**	**875 376**

CASH FLOW ITEMS BY BUSINESS DIVISION

€000 AT 31 OCTOBER	INTANGIBLE ASSETS INVESTMENTS		TANGIBLE FIXED ASSETS INVESTMENTS		DEPRECIATION, AMORTISATION AND PROVISIONS	
	2012	2011	2012	2011	2012	2011
CASINOS	(258)	(209)	(18 225)	(21 474)	45 764	39 238
HOTELS	(21)	(2)	(997)	(2 031)	3 399	3 241
INTERACTIVE DIVISION	(1 626)	(1 375)	(341)	(1 070)	4 572	4 116
OTHER	(190)	(88)	(14 058)	(3 929)	4 902	8 234
TOTAL	**(2 096)**	**(1 674)**	**(33 621)**	**(28 505)**	**58 637**	**54 828**

REVENUE BY GEOGRAPHICAL AREA

€000 AT 31 OCTOBER	2012	%	2011	%	2010	%
France	380 491	84,4 %	393 682	84,8 %	406 204	85,0 %
Europe (excl. France)	68 636	15,2 %	69 114	14,9 %	69 505	14,5 %
Other countries	1 823	0,4 %	1 508	0,3 %	2 417	0,5 %
TOTAL	**450 951**	**100,0 %**	**464 304**	**100,0 %**	**478 126**	**100,0 %**

NOTE 23. EXTERNAL PURCHASES AND EXPENSES

€000 AT 31 OCTOBER	2012	2011	2010
Raw materials	43 804	44 745	44 258
Lease payments on current assets	341	229	91
Fixed assets leases	10 812	11 080	12 651
Current assets leases	7 842	7 641	7 921
Maintenance	10 956	11 005	10 494
Insurance premiums	1 839	1 322	1 549
External staff	2 628	2 709	2 528
Professional fees	14 802	15 435	18 798
Advertising	31 554	28 390	24 614
Entertainment	2 797	2 676	2 837
Post and telecoms	2 748	3 058	3 643
Banking fees	3 125	3 424	3 623
Subcontracting expenses	12 397	11 589	11 707
Other	1 749	1 420	1 694
TOTAL	**147 395**	**144 725**	**146 410**

NOTE 24. PERSONNEL COSTS AND WORKFORCE

PERSONNEL COSTS

€000 AT 31 OCTOBER	2012	2011	2010
Wages and salaries	144 288	143 690	143 825
Social security expenses	57 756	55 280	57 013
Employee profit-sharing	3 916	4 648	5 546
TOTAL	**205 960**	**203 619**	**206 384**

AVERAGE WORKFORCE

AT 31 OCTOBER	2012	2011	2010
France	4 707	4 808	4 981
Other countries	535	598	623
TOTAL	**5 242**	**5 406**	**5 604**

2,343 people work in the gaming sector.

BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY

AT 31 OCTOBER	2012	2011	2010
Executives	956	960	984
Junior executive staff	314	320	316
Non-executives	3 750	3 881	4 046
Manual workers	222	245	257
TOTAL	**5 242**	**5 406**	**5 604**

NOTE 25. OTHER OPERATING INCOME AND EXPENSES

OTHER CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2012	2011	2010
Net gain (loss) on asset disposals	(62)	494	(226)
Changes in provisions for current assets	(1 389)	(4 588)	(3 008)
Changes in provisions for liabilities	463	(1 941)	3 018
Sundry current operating income and expenses	(7 271)	(5 582)	(6 404)
TOTAL	**(8 258)**	**(11 617)**	**(6 620)**

In respect of 2012, the line item "Sundry current operating income and expenses" includes in particular:

€000 AT 31 OCTOBER	2012
Charges related to specifications	(11 873)
Tax relief for manifestations artistiques de qualité (high-quality artistic productions)	1 108
Investments subsidies taken to income for the period	1 718
Other income and expenses	1 776
Total sundry current operating income and expenses	**(7 271)**

OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2012	2011	2010
Net gain (loss) on asset disposals	344	994	-
Sundry operating income and expenses	(1 801)	(5 534)	(283)
TOTAL	**(1 458)**	**(4 540)**	**(283)**

NOTE 26. FINANCIAL INCOME (EXPENSE)

€000 AT 31 OCTOBER	2012	2011	2010
Cost of debt	(12 062)	(15 987)	(17 361)
Cost of interest rate hedging	(2 933)	(3 018)	(3 564)
Investment income	1 224	1 105	550
Net financial income (expenses)	**(13 771)**	**(17 899)**	**(20 374)**
Change in the far value of hedging instruments (ineffective portion)	2 195	3 019	1 243
Cost of financial debt (a)	**(11 576)**	**(14 880)**	**(19 131)**
Foreign exchange gains	3 252	1 695	3 055
Foreign exchange losses	(43)	(388)	(384)
Other transactions	496	699	(513)
Financial provision charges and reversals	(126)	(488)	(1 351)
Other financial income and expenses (b)	**3 579**	**1 519**	**807**
NET FINANCIAL INCOME (a + b)	**(7 997)**	**(13 361)**	**(18 324)**

Net financial costs fell €4.1 million owing to the significant decline in market interest rates, which continued over the 2012 financial year, and the repayment of bank debt.

Amidst this adverse interest rate environment, the Company has nonetheless managed to increase the amount of its income from investments.

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), yielding a loss of €1,636k (net of deferred tax) at 31 October 2012 (see note 14), and the change in the ineffective portion of hedging instruments is recorded in earnings as financial income, with related deferred tax falling under income tax (respectively a gain of €2,195k and a loss of €732k at 31 October 2012).

NOTE 27. COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES

Cash from operating activities in financial year 2012 yielded a net inflow of €58.1 million. This is up slightly from 2011 but includes some important changes:

- net cash from operating activities before change in WCR, interest and taxes was impacted by the drop in profitability that occurred in 2012, totalling €69.5 million versus €80.9 million the previous year;
- change in working capital requirement, already an inflow of €6.3 million in 2011, represented an inflow of €10.3 million in 2012, due mainly to changes on the liabilities side of the balance sheet in trade payables (up €8.6 million) and other payables (up €2.9 million);
- the amount of interest paid fell by €3.9 million;
- as did the amount of tax paid, which was down €4.2 million, including a drop of €4.6 million in corporate income tax.

CASH FLOW FROM INVESTING ACTIVITIES

Cash from investing activities yielded a net outflow of €37.0 million, representing an appreciable rise over 2011 (outflow of €26.5 million), due in large part to disbursements related to the construction of the Pasino de la Grande-Motte (outflow of €14.2 million in respect of financial year 2012 versus €1.0 million in 2011), which opened its doors on 10 July 2012.

These 2012 cash flows were comprised mainly of €33.6 million in capital expenditures including, in addition to the construction of the Pasino de la Grande-Motte, investments in maintenance, renovation and equipment for all the Group's companies.

CASH FLOW FROM FINANCING ACTIVITIES

Cash from financing activities yielded a net outflow of €26.4 million in 2012, versus an outflow of €7.6 million in 2011 following the twofold capital increase carried out in May of that year (cash contribution of €30.6 million).

In 2012 these cash flows mainly reflected:

- bank debt repayments totalling €23.6 million, including €21.9 million towards the syndicated loan;
- dividends paid to minority shareholders in the amount of €9.9 million;
- the collection of a €8.0 million security deposit in connection with the contract of sale for the Divonne golf course.

The net total of these cash flows, plus the impact of exchange rate fluctuations yielding a net loss of €0.7 million, resulted in a €5.9 million decrease in the Company's net cash position over the year.

NOTE 28. CORPORATE INCOME TAX

ANALYSIS OF THE TAX EXPENSE

€000 AT 31 OCTOBER	2012	2011	2010 RESTATED
Profit before tax	1 140	15 581	(41 359)
Current tax expense	(6 706)	(6 787)	(9 226)
Change in deferred tax	830	(3 467)	4 661
CVAE tax expense	(3 873)	(3 273)	(6 426)
Total tax expense	**(9 749)**	**(13 527)**	**(10 991)**
Total tax expense - CVAE tax excluded (*)	(5 876)	(10 254)	(4 565)
Effective tax rate (*)	**515,53 %**	**65,81 %**	**-11,04 %**

(*) CVAE tax excluded

RATIONALISATION OF THE EFFECTIVE TAX RATE - TAX PROOF

€000 AT 31 OCTOBER	2012	2011	2010
Profit taxable at the current corporate income tax rate	**1 140**	**15 581**	**(41 359)**
French corporate income tax rate	33,33 %	33,33 %	33,33 %
Tax charge based on current corporate income tax rate (theoretical)	**(380)**	**(5 194)**	**13 785**
Temporary timing differences	234	(293)	1 892
Permanent differences	12 686	14 774	10 444
Net effect of consolidation operations	(4 114)	(9 421)	(9 237)
Tax losses generated by Group companies during the year	(29 328)	(23 619)	(32 881)
Impact of tax consolidation	14 387	14 980	16 565
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	(3 810)	(2 323)	(11 783)
Use of unrecognised tax loss carried forward	4 102	971	6 706
Tax credit and other	346	(128)	(57)
Group tax charge (*)	**(5 876)**	**(10 254)**	**(4 565)**
Consolidated net income before tax	**1 140**	**15 581**	**(41 359)**
Reconstituted Group tax rate	**515,53 %**	**65,81 %**	**(11,04) %**

(*) the tax expense of the Group for fiscal years ending 31 October 2012 and 2011 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, CDTH, 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 Saint-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, Société 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 Tournois, Partouche Interactive, Casino du Palais de la Méditerranée, Société d'exploitation du Casino de Divonne, Partouche Gaming France, Casino de la Tremblade (*), SA Cannosta (*).

(*) Companies having entered the Groupe Partouche SA tax consolidation group as of 1 November 2011.

DEFERRED TAX ASSETS AND LIABILITIES

€000 AT 31 OCTOBER	2012	2011	2010
Deferred tax – Assets	2 368	2 379	4 639
Deferred tax – Liabilities	(32 653)	(34 356)	(33 911)
Net deferred tax	**(30 285)**	**(31 977)**	**(29 272)**

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 financial 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. The 2010 accounts presented for reference have been restated for comparison purposes.

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 2012, the total amount of tax in relation to uncapitalised loss carryfowards was €32.2 million (French companies).

As of 31 October 2012, 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 (recognised in 2011 for tax loss on consolidation in 2011).

Tax loss on consolidation in 2012 did not lead to the recognition of any new deferred tax assets.

In order to determine how much of this deferred tax asset should remain in the consolidated financial statements at 31 October 2012, the Group projected the future taxable income of tax consolidated companies based on budget forecasts for 2013.

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 management.

€000 AT 31 OCTOBER 2012	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	20,4	14,2	3,6	10,6
Interest on tax consolidation	1,2	-	1,2	-

NOTE 29. COMMERCIAL AND FINANCIAL COMMITMENTS

COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET AND RELATED TO THE SCOPE

Commitments given at 31 October 2012:

€000	2012	PAYMENTS DUE PER PERIOD			2011	2010
		LESS THAN 1 YEAR	ONE TO FIVE YEARS	MORE THAN 5 YEARS		
Commitments related to the Pasino de La Grande Motte	0	-	-	-	9 511	0
TOTAL	**0**	**-**	**-**	**-**	**9 511**	**0**

Commitments received at 31 October 2012:

€000	2012	2011	2010
Other market commitments received	655	188	0
TOTAL	**655**	**188**	**0**

These commitments are related to the Pasino de La Grande Motte.

COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET AND RELATED TO FINANCING

Commitments given at 31 October 2012:

€000	2012	PAYMENTS DUE PER PERIOD			2011	2010
		LESS THAN 1 YEAR	ONE TO FIVE YEARS	MORE THAN 5 YEARS		
Long term liabilities (bank debts with guarantees)	246 749	36 521	210 228	-	270 159	298 399
Finance lease obligations (other than hire purchase)	716	370	346	-	270	476
TOTAL	**247 465**	**36 891**	**210 574**	**-**	**270 429**	**298 875**

Commitments received at 31 October 2012:

€000	2012	2011	2010
Other commitments	4 850	4 400	4 400
TOTAL	**4 850**	**4 400**	**4 400**

The commitments received in the amount of €4,400k relate to the debt owned by Société française de casinos in the amount of €3,400k and the debt owed by Casino de Saint-Honoré-les-Bains in the amount of €1,000k. Casino de La Grande-Motte received €450k in a guaranty in respect of the promise to sell its former operating site (see Note 31 Operations being discontinued).

OFF BALANCE SHEEET COMMITMENTS RELATED TO OPERATING ACTIVITIES

Commitments given at 31 October 2012:

€000	2012	PAYMENTS DUE PER PERIOD			2011	2010
		LESS THAN 1 YEAR	ONE TO FIVE YEARS	MORE THAN 5 YEARS		
Operating lease contracts (leases, non-real estate lease contracts)	60 566	7 705	21 174	31 687	62 051	62 565
Other commitments (collateral or mortgages)	1 406	-	1 406	-	1 406	1 406
Other obligations (sureties and deposits)	8 090	-	8 090	-	8 129	8 114
Notes issued	179	179	-	-	352	707
Liability guarantee	-	-	-	-	-	-
Other financial commitments	-	-	-	-	-	-
Other commercial commitments	42 788	7 635	19 030	16 123	42 449	34 559
TOTAL	**113 029**	**15 519**	**49 700**	**47 810**	**114 387**	**107 351**

Commitments received at 31 October 2012 :

€000	2012	2011	2010
Sureties and deposits	275	275	275
Liability guarantee	-	-	-
TOTAL	**275**	**275**	**275**

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 2012, the amount of gross compensation allocated to the management and supervisory bodies of Groupe Partouche SA amounts to €1,974,045, 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 €298,080 for financial year 2011-2012.

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 is remunerated at the rate of Euribor plus 2%, which represents for financial year 2011-2012, a financial charge of €768,185.

Groupe Partouche has a shareholder current account with Financière Partouche SA of €5,918,894 and interest of €49,102 at 31 October 2012.

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 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 2011-2012 was €500,333.

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 2011-2012, the expenses recognised in respect of the remuneration of Ispar Holding SA by the Crans-Montana Meyrin casinos amounted to €74k and €165k, respectively.

A purchase option security deposit was paid by Ispar Holding SA to STTH Casino de Divonne. This amount was recorded in current financial debt on the liabilities side of the balance sheet at 31 October 2012 under «Deposits and guarantees». As explained in Note 17, the offsetting cash inflow is considered unavailable.

Other transactions

The other transactions in financial year 2011-2012 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 September 2012, Groupe Partouche signed a promise to sell, subject to conditions precedent, its real estate assets in connection with the former Casino de la Grande-Motte. This resulted in the recognition, at 31 October 2012, of the assets involved as held for sale on the consolidated balance sheet.

In respect of the preceding financial year but subsequent to the 2011 balance sheet date, Groupe Partouche sold the Cinéma Elysée Palace in Vichy.

In respect of financial year 2010, but subsequent to the balance sheet date, Groupe Partouche sold two companies: Casino de Saint Nectaire and Casino Sluis (Netherlands).

BALANCE SHEET ASSETS €000 AT 31 OCTOBER	2012	2011	2010
Non-current assets	4 500	2 728	966
Casino de la Grande Motte	4 500	-	-
Cinéma de Vichy	-	2 728	-
Saint Nectaire	-	-	673
Sluis	-	-	292
Current assets	-	40	278
Cinéma de Vichy	-	40	-
Saint Nectaire	-	-	53
Sluis	-	-	226
Total held for sale assets	**4 500**	**2 768**	**1 245**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2012	2011	2010
Non-current liabilities	-	2 008	416
Cinéma de Vichy	-	2 008	
Saint Nectaire	-	-	136
Sluis	-	-	280
Current liabilities	-	652	490
Cinéma de Vichy	-	652	
Saint Nectaire	-	-	265
Sluis	-	-	225
Total liabilities held for sale	**-**	**2 660**	**907**

BREAKDOWN OF NON-CURRENT ASSETS HELD FOR SALE

€000 AT 31 OCTOBER	2012	2011	2010
Intangible assets	-	-	360
Tangible fixed assets	4 500	135	606
Other financial non current assets	-	48	-
Deferred tax	-	1	-
Other non-current assets	-	2 544	-
Non-current assets	4 500	2 728	966

NOTE 32. POST BALANCE SHEET EVENTS AND TRANSACTIONS IN PROGRESS

As announced at the end of the 2012 financial year, in accordance with the strategic reorientation of the Group's poker business, the activity of the online poker site www.partouche.fr is being restructured. In Belgium, the Interactive division, which has operated the online gaming site www.partouche.be since 2012, recently signed partnership agreements with global leaders WMS and Bwin.Party and initiated agreements for the televised broadcast of interactive gaming, the effects of which should be felt in 2013.

In these difficult economic times, the Group is stepping up its expense adjustments in all sectors. New savings are expected, mainly in the casinos and the Interactive division considering, for example, the strategic reorganisation of the poker business.

The reduction of debt will continue, aided by the divestment of non operating assets (Vichy buildings and former site of operations at La Grande Motte) already under a sale agreement for €7.8 million in anticipation of the €15 million repayment due on 31 October 2013 towards tranche A of the syndicated loan. The upcoming €14.5 million sale and leaseback of the Pasino de la Grande-Motte building will result in the prepayment of a corresponding amount towards the syndicated loan and a concomitant reduction in the cost of financing. This debt trade off will also be reviewed for the Ciotat project.

Capital expenditures remain under control and in 2013 will reflect the start of construction on the new Pasino de la Ciotat.

NOTE 33. MARKET RISKS AND DERIVATIVE INSTRUMENTS

Groupe Partouche could be exposed to the liquidity risks and foreign exchange risks in the line of its activity. This exposure is detailed in § 4.1.1 "Liquidity Risks", § 4.1.2 "Interest Rates Risks" and 4.1.3. "Exchange Rates Risks".

NOTE 34. CONSOLIDATION SCOPE

The following companies were consolidated by SA Groupe Partouche:

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	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	59,48	59,48	59,49	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	90,05	FC
SA CASINOS DU TOUQUET	France	99,53	99,53	99,53	FC
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	97,25	97,25	97	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	99,86	99,86	FC
SA CASINO MUNICIPAL DE ROYAT	France	99,86	99,86	99,86	FC
SA CASINO LE LION BLANC	France	99,87	99,87	99,87	FC
SA EDEN BEACH CASINO	France	99,65	99,65	99,65	FC
SA CASINO MUNICIPAL D'AIX THERMAL	France	99,42	99,41	99,41	FC
SA CASINO DES FLOTS BLEUS	France	99,40	99,39	99,39	FC
SA CASINO DE PALAVAS	France	99,88	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

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	CONSOLIDATION METHOD
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 DE SAINT-NECTAIRE	France	-	-	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	89,41	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
CASINO DE BANDOL	France	100	100	100	FC
CASINO LAC MEYRIN	Switzerland	40	40	40	FC
SA LYDIA	France	-	97,30	97,6	FC
CASINO DU HAVRE	France	100	100	99,99	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	99,92	99,91	99,89	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	69,76	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	91,7	91,7	91,7	FC
SA HÔTEL INTERNATIONAL DE LYON	France	97,25	97,25	97	FC
SNC GARDEN BEACH HOTEL	France	99,66	99,66	99,66	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	CONSOLIDATION METHOD
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	UK	96	96	96	FC
APPOLONIA FRANCE	France	67,2	67,2	67,2	FC
PARTOUCHE INTERACTIVE HOLDING	Gibraltar	96	96	96	FC
PARTOUCHE INTERACTIVE GIBRALTAR	Gibraltar	96	96	96	FC
PARTOUCHE BETTING	Malta	96	96	96	FC
PARTOUCHE INTERACTIVE MALTA	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
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
ELYSÉE PALACE EXPANSION	France	91,62	91,66	91,66	FC
ELYSÉE PALACE SA	France	91,59	91,63	91,63	FC
SCI LYDIA INVESTISSEMENT	France	97	97	97	FC
SCI LES THERMES	France	99,99	99,99	99,99	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	CONSOLIDATION METHOD
SARL THERM'PARK	France	99,99	99,99	99,99	FC
SA GROUPE PARTOUCHE INTERNATIONAL	Belgium	99,9	99,9	99,9	FC
SA SIKB (*)	Belgium	-	-	100	FC
SARL SEK	France	99,87	99,87	99,87	FC
SCI EDEN BEACH CASINO	France	99,87	99,87	99,87	FC
SCI PALAVAS INVESTISSEMENT	France	99,88	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
EUROPEENNE 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	USA	100	100	100	FC
SCI LES MOUETTES	France	100	100	100	FC
SCI LES JARRES	France	100	100	100	FC
HOLDING LUDICA	France	100	100	100	FC
GIE EUROP GESTION COMPANY	France	100	100	100	FC
SCI JMB	France	100	100	100	FC
CASINO DE LA SEYNE-SUR-MER	France	-	-	97,65	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	88,15	FC
CASINO SLUIS NV	Nether-lands	-	-	59,94	FC
SCI DE L'ARVE	France	99,92	99,91	99,89	FC
SCI LA TREMBLADE	France	99,04	99,04	70,06	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
GIE IMCJC	France	100	100	100	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2012	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	CONSOLIDATION METHOD
INTERNATIONAL GAMBLING SYSTEMS	Belgium	19	19	19	FC
SIKB IMMO (*)	Belgium	100	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	49,74	EM in 2011 PC before
OTHER					
SCI DU CASINO DE GRASSE ❖	France	-	49,77	49,77	EM in 2011 PC before

(*) During the financial year ended 31 October 2011, Groupe Partouche partially disposed of the assets of the company SIKB (Belgium). This operation resulted in the disposal of the company SIKB holding the related operating licence, Groupe Partouche having transferred the assets to the company SIKB Immo, created following the operation.

❖ *At the end of financial year, as stated in Note 3, both companies of the Casino de Grasse were deconsolidated. They were consolidated using the equity method at 31 October 2011. At 31 October 2011, both companies were consolidated by using the proportional method.*

20.2.2 FINANCIAL STATEMENTS OF THE COMPANY AT 31 OCTOBER 2012

BALANCE SHEET ASSETS (NET VALUES) €000 AT 31 OCTOBER	NOTES	2012	2011	2010
FIXED ASSETS				
Intangible assets	**2.1 / 2.2**			
Concession and similar rights		281	393	439
Internally-generated goodwill		72 852	72 928	73 004
Advances and down payments on intangible assets		-	-	191
Tangible fixed assets	**2.1 / 2.2**			
Land		7 289	67	67
Buildings		13 277	2 863	3 151
Technical equipment		8	11	-
Other tangible fixed assets		760	845	983
Assets under construction		36	35	15
Advances and down payments		-	-	-
Financial investments				
Other investments	2.3 / 2.4	535 408	544 430	538 161
Receivables attached to investments		595	-	-
Other long-term investment securities	2.3	-	-	-
Loans	2.5	44	37	50
Other financial investments	2.4 / 2.5	184	176	161
Total fixed assets		**630 734**	**621 785**	**616 221**
CURRENT ASSETS				
Merchandise		170	96	204
Advances and down payments to suppliers		7	19	319
Trade receivables	2.5	193	71	80
Other receivables	2.4 / 2.5	205 359	206 382	211 267
Marketable securities		21 163	41 031	1 025
Cash and cash equivalents		3 845	1 221	19 676
Prepaid expenses	2.5 / 2.10	2 968	2 139	1 595
Total current assets		**233 706**	**250 958**	**234 166**
REGULARISATION ACCOUNTS				
Capitalised expenses		-	687	1 436
Translation adjustment – asset		139	235	222
TOTAL ASSETS		**864 579**	**873 665**	**852 046**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	NOTES	2012	2011	2010
Share capital (o/w fully paid: 193,631) (1)	2.13	193 631	193 631	163 640
Share premium, merger and contribution reserves		54 285	54 285	54 285
Revaluation reserve (2)		-	-	-
Legal reserve		8 778	8 619	8 619
Statutory reserve (3)		-	-	-
Other reserves		14 423	14 423	14 423
Retained earnings		155 289	152 285	231 318
NET INCOME FOR THE YEAR (PROFIT OR LOSS)		(10 375)	3 162	(79 033)
Equity	**2.12**	**416 030**	**426 405**	**393 252**
Provisions for contingencies	2.4	218	313	301
Provisions for losses	2.4	-	-	-
Provisions for contingencies and losses		**218**	**313**	**301**
Bank loans (5)	2.6	245 228	267 168	296 280
Sundry loans and debts	2.6	25 532	25 431	26 390
Advances and deposits on outstanding orders		-	-	-
Trade creditors	2.6	7 241	1 956	980
Tax and social security liabilities	2.6	3 171	2 858	2 892
Liabilities to fixed asset suppliers	2.6	80	80	80
Other liabilities	2.6	167 059	149 432	131 850
Deferred income	2.6 / 2.11	19	21	21
TOTAL (4)		**448 331**	**446 946**	**458 493**
Translation adjustment - liability		-	-	-
GRAND TOTAL		**864 579**	**873 665**	**852 046**
(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		208 426	177 083	277 499
(5) Includes current account bank balances and bank over-drafts		-	-	3 197

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2012	2011	2010
Merchandise sales		104	330	111
Sales of services		13 880	13 981	14 293
Net turnover	2.14	**13 983**	**14 311**	**14 405**
Operational subsidies		3	-	1
Reversals of depreciation, amortisation, provisions and expense transfers (7)		763	592	457
Other revenue		-	-	-
Total operating revenue (2)		**14 749**	**14 903**	**14 863**
OPERATING EXPENSES				
Purchases of goods (and custom duties)		242	232	272
Change in inventory (goods)		(74)	108	(161)
Other purchases and external expenses (6bis)		12 507	13 191	10 659
Tax		459	424	402
Personnel costs		4 074	3 670	3 469
Social security expenses		1 580	1 448	1 461
Depreciation and amortisation charges and provision on fixed assets		1 639	1 624	1 641
Impairment of current assets		63	19	46
Other expenses		1	1	3
Total operating expenses		**20 491**	**20 717**	**17 793**
OPERATING INCOME		**(5 742)**	**(5 814)**	**(2 930)**
Income allocated or loss transferred		34	29	31
Loss borne or income transferred		-	-	-
Income from associates (5)	2.16	31 215	32 290	26 991
Income from other marketable securities and receivables (5)		-	-	1
Other interest income (5)		3 833	7 432	10 365
Provision reversals and expense transfers		4 819	1 473	3 286
Positive foreign exchange differences		-	35	1
Net gains on the disposal of marketable securities		5	78	4
Total financial income		**39 872**	**41 307**	**40 648**
FINANCE COSTS				
Depreciation, amortisation and provision charges		41 572	24 084	70 311
Interest expense (6)		16 455	21 861	61 341
Negative foreign exchange differences		19	3	21
Total finance costs		**58 046**	**45 948**	**131 673**
FINANCIAL ITEMS		**(18 174)**	**(4 641)**	**(91 025)**
CURRENT INCOME BEFORE TAX		**(23 883)**	**(10 425)**	**(93 924)**

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2012	2011	2010
Exceptional income on management transactions		3	162	35
Exceptional income on capital transactions		233	692	235
Provision reversals and expense transfers		-	-	-
Total exceptional income		**236**	**854**	**270**
Exceptional expense on management transactions		2	67	20
Exceptional expense on capital transactions		1 113	275	225
Exceptional depreciation, amortisation and provision charges		-	1 904	1 700
Total exceptional expense		**1 115**	**2 246**	**1 945**
EXCEPTIONAL ITEMS	2.17	**(879)**	**(1 392)**	**(1 675)**
Employee profit-sharing				
Corporate income tax	2.18	(14 387)	(14 980)	(16 565)
Total income		**54 890**	**57 093**	**55 812**
Total expense		**65 265**	**53 931**	**134 845**
NET PROFIT OR LOSS		**(10 375)**	**3 162**	**(79 033)**
(2) Includes property rental income		685	582	582
(2) Includes operating revenue relating to prior financial years		2	162	35
(4) Includes operating expenses relating to prior financial years		-	12	20
(5) Includes income from associated entities		33 924	38 824	37 046
(6) Includes interest from associated entities		2 607	4 350	42 961
(6bis) Includes contributions made to organisations deemed to be in the public interest		40	28	16
(7) Includes expense transfers		763	585	457

Notes to the parent company financial statements

Notes to the balance sheet before appropriation for the financial year ending 31 October 2012 which totals €864,579k and the income statement for the financial year, presented in list format, showing total income of €54,890k and a net loss of €10,375k.

The financial year is 12 months long, covering the period from 1 November 2011 to 31 October 2012.

The key highlights of this financial year were as follows:

- In May, 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. The aim of this agreement is to ensure the liquidity and regular trading of Groupe Partouche's shares (ISIN code FR0000053548 – ticker PARP) on the NYSE Euronext regulated market in Paris;
- On 1 August 2012, the Group purchased the premises of Hôtel 3.14 from its real estate subsidiary Cannosta for a value of €18.03 million including legal fees.

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.

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

BUILDINGS:	STRAIGHT-LINE	20 TO 50 YEARS
EQUIPMENT:	STRAIGHT-LINE	3 TO 8 YEARS
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 INVESTMENTS

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

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

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

This value can notably be determined through:

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

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

The securities contributed under the terms of the Transmission Universelle du Patrimoine in Groupe de Divonne SA, were acquired at their carrying amount.

1.4 RECEIVABLES

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

1.5 RECEIVABLES AND DEBTS DENOMINATED IN FOREIGN CURRENCIES

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

1.6 CASH AND CASH EQUIVALENTS

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

Where the acquisition cost is greater than their net realisable value at the end of the financial year, a provision for impairment is established for the amount of the difference.

1.7 DEFERRED CHARGES

Deferred charges consist of renegotiation expenses for the debt contracted in September 2005.

These charges are spread over a period of 7 years, the maturity of the loan.

The accounting item initially applied at the issue date of the loan remained unchanged when the rescheduling of the debt was carried out at the end of financial year 2009, the latter being in respect of reimbursements and not the issuance of a new debt.

Deferred charges has a zero balance at the end of the financial year.

1.8 DIVIDENDS

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

1.9 CONTINGENCY AND LOSS PROVISIONS

Claims by the public authorities in respect of tax and social security re-assessments are provided for, in the amount of the estimated risk on the basis of data available at the end of the financial year.

1.10 DISTINCTION BETWEEN CURRENT PROFIT AND EXCEPTIONAL ITEMS

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

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

2.1 INTANGIBLE AND TANGIBLE FIXED ASSETS

€000 AT 31 OCTOBER 2012	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	**76 099**		**173**
Land	67		7 222
Buildings on own land	2 145		8 105
Buildings on other land	2 239		-
Fixtures and fittings – buildings	2 031		2 702
Machinery and equipment	13		-
Other equipment, fixtures and fittings	1 237		29
Vehicles	205		-
Office and computer equipment, furniture	412		80
Fixed assets under construction	35		1
Advances and down payments	-		-
Total fixed assets	**8 382**		**18 139**

€000 AT 31 OCTOBER 2012	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	**-**	**-**	**76 272**	**-**
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	-
Other equipment, fixtures and fittings	-	-	1 266	-
Vehicles	-	-	205	-
Office and computer equipment, furniture	-	-	492	-
Fixed assets under construction	-	-	36	-
Advances and down payments	-	-	-	-
Total fixed assets	**-**	**-**	**26 521**	**-**

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.

The increase in tangible fixed assets is explained essentially by the acquisition from our subsidiary Cannosta of the premises of Hôtel 3.14 for a total amount of €18.03 million including legal fees.

2.2 DEPRECIATION AND AMORTISATION

€000 AT 31 OCTOBER 2012	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	**2 778**	**361**		**3 140**
Land	-	-	-	-
Buildings on own land	804	132	-	936
Buildings on other land	1 380	112	-	1 492
Fixtures and fittings – buildings	1 367	149	-	1 516
Machinery and equipment	1	3	-	4
Other equipment, fixtures and fittings	506	119	-	625
Vehicles	204	1	-	205
Office and computer equipment, furniture	298	75	-	373
Recoverable packaging and other	-	-	-	-
TOTAL	**4 561**	**590**	**-**	**5 151**
GRAND TOTAL	**7 339**	**952**	**-**	**8 290**

Depreciation and amortization charges for intangible and tangible fixed assets amount to €952k.
Allocations to deferred expenses amount to €687k.

The aggregate of these two charges totals €1,639k.
(cf "Depreciation, amortisation and provisions on fixed assets" in the income statement).

2.3 INVESTMENTS IN ASSOCIATES

€000 AT 31 OCTOBER 2012	GROSS VALUE AT BEGINNING OF THE FINANCIAL YEAR	ACQUISITION, INTER-ACCOUNT TRANSFER
Other investments in associates	-	-
Other investments	606 524	6 867
Other long-term investment securities	-	-
Loans and other long-term investments	212	23
TOTAL	**606 736**	**6 890**

€000 AT 31 OCTOBER 2012	DECREASE BY INTER-ACCOUNT TRANSFER	DECREASE BY SALE OR WITHDRAWAL	GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	REVALUATION OF ORIGINAL VALUE AT FINANCIAL YEAR-END
Other investments in associates	-	-	-	-
Other investments	2	-	613 389	-
Other long-term investment securities	-	-	-	-
Loans and other long-term investments	2	5	228	-
TOTAL	**4**	**5**	**613 617**	**-**

The main movements of the period are as follows:
The increase in the line item "Other investments" is explained by:

- the recapitalisation of our subsidiaries Grand Casino du Havre and Casino de la Trinité by capitalisation of receivables for an aggregate amount of €6,200 thousand and acquiring an equity interest in SARL Sud Concerts for €70.5 thousand;
- a receivable related to investments of €595 thousand stemming from the balance of dividends remaining to be paid no later than on 30 December 2012 by our subsidiary SA Forges Thermal.

2.4 PROVISIONS

€000 AT 31 OCTOBER 2012	BEGINNING OF THE FINANCIAL YEAR	INCREASE ALLOCATION	DECREASE RECOVERY	END OF THE FINANCIAL YEAR
Provisions				
For litigation	79	-	-	79
For foreign exchange losses	235	139	235	139
For tax	-	-	-	-
Other contingency and loss provisions	-	-	-	-
TOTAL	**313**	**139**	**235**	**218**
For property and equipment	-	-	-	-
Provisions for investments in associates	62 094	15 291	-	77 386
Provisions for financial investments	-	-	-	-
Provisions for trade accounts receivables	107	8	-	115
Other provisions for impairment	122 893	26 197	4 584	144 506
TOTAL	**185 095**	**41 496**	**4 584**	**222 007**
GRAND TOTAL	**185 408**	**41 635**	**4 819**	**222 225**
Including:				
Operating allocations and recoveries		63	-	
Financial provision charges and reversals		41 572	4 819	
Exceptional allocations and reversals		-	-	
Movements by balance sheet accounts following the TUP		-	-	
Impairment of shares in equity accounted associates		-	-	

The provision for disputes in the amount of €79k was recognised in respect of the TUP of SARL Thermes de Vittel carried out in the 2007/2008 financial year. This relates to a dispute between the latter and the CPAM (French national health service office) for the Vosges region.

Provisions for investments in associates were recognised in respect of subsidiaries whose net financial position deteriorated over the period. They increased by €15,291k over the year ended 31 October 2012.

"Other provisions for impairment" relates to:

- Certain current account receivables, which were provisioned in respect of the Group's subsidiaries in light of their net financial positions (see chapter 1.3). At 31 October 2012, these provisions amounted to €132,856k;
- The balance of other provisions, at the period-end, represented by receivables from third parties, notably for €6,860k from a third party that has not delivered assets acquired under contract, against whom a legal procedure is in progress, in addition to a Jatek receivable which is fully provisioned for €770k. These provisions were recognised in prior periods;
- In light of the receivership proceedings of a debtor, its debt was previously provisioned in the amount of €3,832k including interest;
- Treasury shares held through subsidiaries, which were provisioned in the amount of €25k for the period;
- Provision reversals were made in response on the one hand to recapitalisations, by incorporation of receivables, realised over the financial year in the amount of €3,571k, and on the other hand, to the assignment of the Café Carmen receivable for €808k.

2.5 MATURITIES OF RECEIVABLES

€000 AT 31 OCTOBER 2012	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR
Receivables attached to investments	595	595	-
Loans	44	44	-
Other financial investments	184	184	-
Other trade receivables	308	308	-
Employee accounts payable	1	1	-
Social security and other social benefits	3	3	-
Corporate income tax	4 323	54	4 269
VAT	1 598	1 598	-
Other taxes	-	-	-
Other receivables	-	-	-
Subsidiaries and associates	317 149	317 149	-
Sundry receivables	26 630	23 427	3 203
Prepaid expenses	2 968	2 968	-
GRAND TOTAL	**353 804**	**346 331**	**7 473**
Loans granted during the financial year	14	-	-
Repayment of loans during the financial year	7	-	-

2.6 MATURITIES OF DEBTS

€000 AT 31 OCTOBER 2012	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR	MORE THAN 5 YEARS
Bank loans and overdrafts	245 228	36 320	208 908	-
Sundry loans and debts	25 532	124	25 408	-
Trade accounts payable	7 241	7 241	-	-
Liabilities to personnel	515	515	-	-
Social security and other social benefits	318	318	-	-
State and other public authorities				
Corporate income tax	-	-	-	-
VAT	2 217	2 217	-	-
Other taxes	121	121	-	-
Miscellaneous	-	-	-	-
Liabilities to fixed asset suppliers	80	80	-	-
Subsidiaries and associates	166 796	161 207	5 589	-
Other liabilities	264	264	-	-
Deferred income	19	19	-	-
GRAND TOTAL	**448 331**	**208 426**	**239 905**	**-**
Bank loans contracted during the financial year	-	-	-	-
Bank loan repayments during the financial year	21 940	-	-	-

2.7 ELEMENTS RELATED TO MORE THAN ONE BALANCE SHEET ITEM

GROSS AMOUNT IN RESPECT OF AFFILIATED UNDERTAKINGS (PARTICIPATING INTERESTS) €000 AT 31 OCTOBER 2012	AMOUNT
Fixed assets	
Investments in associates	532 991
Receivables attached to investments	595
Current assets	
Trade receivables	45
Other receivables	199 281
Prepaid expenses	4
Debts	
Loans, sundry financial debts	25 532
Trade accounts payable	116
Other liabilities	166 378
Deferred income	19

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 2012	AMOUNT
Accrued interest	-
Other financial investments	**-**
Trade receivables	**-**
State, income receivable	**-**
Trade accounts payable – credit notes receivable	-
Accrued income – social security bodies	-
Accrued income – management fees	15 038
Accrued income – other	465
Other receivables	**15 503**
Banks – accrued interests	**137**
TOTAL	**15 639**

2.9 ACCRUED EXPENSES INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS

€000 AT 31 OCTOBER 2012	AMOUNT
Bank loans and overdrafts	-
Trade notes and accounts payable	3
Personnel – paid vacation and social charges	368
Tax and social security liabilities	143
Other liabilities	258
Accrued interest on overdrafts	-
TOTAL	**772**

2.10 PREPAID EXPENSES

€000 AT 31 OCTOBER 2012	AMOUNT
Prepaid operating expenses	2 968
Prepaid expenses	-
Total prepaid expenses	**2 968**

2.11 DEFERRED INCOME

€000 AT 31 OCTOBER 2012	AMOUNT
Deferred income	19
Total deferred income	**19**

2.12 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€000 at 31 October 2012

EQUITY ACCOUNTS	BALANCE 31/10/2011	APPROPRIATION OF 2011 PROFIT	POSITION AFTER APPROPRIATION	FINANCIAL YEAR MOVEMENTS	BALANCE 31/10/2012
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	8 619	158	8 778		8 778
Statutory reserve	-		-		-
Other reserves	14 423		14 423		14 423
Retained earnings	152 285	3 004	155 289		155 289
Net profit (loss) for the year	3 162	-3 162	-	-10 375	-10 375
Net shareholders' equity carried forward	**426 405**	**-**	**426 405**	**-10 375**	**416 030**

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, 161,100 treasury shares were held at 31 October 2012. These treasury shares are also presented under marketable securities.
The market price of Groupe Partouche shares at 31 October 2012 was €0.89.

2.14 BREAKDOWN OF NET TURNOVER

€000 AT 31 OCTOBER 2012	FRANCE	REST OF WORLD	TOTAL AMOUNT
Merchandise sales	104		104
Group management fees	11 123	1 734	12 857
Rent	685		685
Other	338		338
TOTAL	**12 250**	**1 734**	**13 983**

2.15 EXPENSE TRANSFERS

€000 AT 31 OCTOBER 2012	AMOUNT
Miscellaneous operating expense transfers	763
Total operating expense transfers	**763**

2.16 FINANCIAL INCOME FROM ASSOCIATES

€000 AT 31 OCTOBER 2012	AMOUNT
Dividends distributed by subsidiaries	31 214
TOTAL	**31 214**

2.17 BREAKDOWN OF EXCEPTIONAL ITEMS

€000 AT 31 OCTOBER 2012	EXCEPTIONAL EXPENSE	EXCEPTIONAL INCOME
Late payment penalties, fines	-	-
Disposal of equity investments	-	-
Assignment of receivables	1 028	221
Boni mali on treasury shares	19	7
Litigation indemnities	67	-
Various exceptional income and expenses for the period	-	5
Various exceptional income and expenses in respect of prior periods	-	2
Exceptional contingencies and losses charge and reversal	-	-
TOTAL	**1 115**	**236**

An exceptional charge associated with the disposal of a receivable of €808 thousand was offset by the reversal of a financial provision of the same amount (see 2.4 “Statement of provisions”). It therefore had no impact on the financial year.

2.18 BREAKDOWN OF CORPORATE INCOME TAX

€000 AT 31 OCTOBER 2012	PROFIT BEFORE TAX	TAX DUE	NET PROFIT AFTER TAX
Current profit	-23 883	14 085	-9 798
Exceptional profit	-879	303	-577
Accounting profit	**-24 762**	**14 387**	**-10 375**

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 2012	
COMMITMENTS GIVEN	AMOUNT
Bank debt guarantees	6 570
TOTAL	**6 570**
COMMITMENTS RECEIVED	AMOUNT
Claw back commitments	60 320
TOTAL	**60 320**

Off balance sheet commitments related to financing

€000 AT 31 OCTOBER 2012	
COMMITMENTS GIVEN	AMOUNT
Guaranteed bank debt	245 228
TOTAL	**245 228**
COMMITMENTS RECEIVED	AMOUNT
Other commitments received	3 400
TOTAL	**3 400**

Off balance sheet commitments related to business activity

€000 AT 31 OCTOBER 2012	
COMMITMENTS GIVEN	AMOUNT
Sureties and deposits	4 695
Retirement indemnities	80
Operating lease contract	2 523
Other commitments given	**43**
TOTAL	**7 341**
COMMITMENTS RECEIVED	AMOUNT
Operating lease contract	5 825
TOTAL	**5 825**

2.20 OTHER INFORMATION

A €245m syndicated loan constitutes the major portion of the company's accounting line "bank loans". Modifications were made on 25 January 2011 and 19 December 2011 via endorsements to the contract, as described in Section 4.1.1 Liquidity risks. The main characteristics of the loan at the balance sheet, before the abovementioned modifications, are as follows:

- Original loan amount: €431,000,000;
- Principal amount outstanding at period-end: €245,228,000;
- Repayment terms and conditions:

The outstanding principal is divided in three tranches; the net income of the asset divestments is used as early repayment of Tranche A, for its nearest maturity date.

The annual repayment schedule at balance sheet date is as follows:

MATURITY DATES	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2013	15 000 000	20 000 000	1 320 000	36 320 000
31/10/2014	25 000 000	20 000 000	-	45 000 000
31/10/2015	55 083 000	20 000 000	88 825 000	163 908 000
TOTAL	**95 083 000**	**60 000 000**	**90 145 000**	**245 228 000**

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.

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

1. Covenants

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

R1 Financial expense coverage:

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

- 3.9x at 31 October 2012
- 4x at 30 April 2013
- 4x at 31 October 2013

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

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

R2 Fixed cost coverage:

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

- 1x at 31 October 2012
- 1x at 30 April 2013
- 1x at 31 October 2013

Restated cash flow is the change in cash position (as disclosed in the consolidated cash flow statement in the Group's half-yearly and annual financial statements), adjusted for consolidated debt servicing costs plus net cash of Swiss casinos at the beginning of the half-year period.

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

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

R3 Gearing:

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

- 3.1x at 31 October 2012
- 3.1x at 30 April 2013
- 3x at 31 October 2013

Consolidated net debt represents the Group's debt after offsetting its restated net cash flow.

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

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

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

2. Investment limits

The upper limit for self-financed annual investments, without the exceptional allowance mentioned hereunder is €30m.

3. Debt limits

The Group's debt must remain below the following limits:

- €267m at 31 October 2012
- €257m at 30 April 2013
- €231m at 31 October 2013

Non-compliance with these financial indicator commitments, the investment limits or gearing triggers mandatory early repayment of the loan.

Repayment of surplus cash flow

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

Consolidated surplus cash flow will be broken down as follows:

20% is retained by Groupe Partouche.

The balance is allocated as follows:

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

Consolidated surplus cash flow is defined as any sum over a €15,000,000 threshold of restated net cash flow, less bank debt (as recorded in the Group's half-yearly and annual financial statements), plus:

- the unused amount of the investment contribution (income from the two capital increases in May 2011);
- the unused amount of the exceptional allowance totalling €26,000,000 under the terms described hereunder:

To enable the completion of the Grande Motte and La Ciotat Pasinos programme, an amount of €26,000,000, known as an exceptional allowance, was subtracted from the mecha-

nism of consolidated surplus cash flow repayment for the financial year ended 31 October 2010.

For financial years 2011, 2012 and 2013, only the unused amount of the exceptional allowance shall be subtracted from the consolidated surplus cash flow. The exceptional allowance shall be reduced to zero at 31 October 2014.

At year-end 2012, the unused amount of the exceptional allowance was €10.7m.

"Other borrowings" includes a €31.3m advance from Financière Partouche SA to Groupe Partouche SA and interest generated by it, pursuant to a shareholders' agreement signed on 29 August 2003, amended on 30 September 2005 and 31 December 2009.

2.21 AVERAGE WORKFORCE

AT 31 OCTOBER 2012	STAFF
Executives	22
Non-executives	16
TOTAL	**38**

2.22 MANAGEMENT REMUNERATION

These compensations amounted to €1,418,977 and consisted of:

- remuneration allocated to the members of the Supervisory Board: €624,200;
- 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:

In October 2011, the Group purchased a €50 million collar with a delayed start at 31 July 2012 and expiry on 31 October 2014 to hedge against future interest rate fluctuations: the limits are from 0.99% - 1.99%.

Then, during financial year 2012, the Group entered into four interest rate swaps:

- a first for €40 million starting on 31 December 2011 and expiring on 31 October 2013 at 1%;
- a second for €30 million starting on 31 July 2012 and expiring on 31 October 2015 at 1.35%;
- a third for €30 million starting on 30 April 2012 and expiring on 31 October 2013 at 0.60%;
- a fourth and last for €30 million starting on 31 October 2013 and expiring on 31 October 2014 at 0.90%.

2.25 DEFERRED TAX

€000 AT 31 OCTOBER 2012	AMOUNT
Tax to be paid on:	
Pre-deducted expenses	-46
Prepaid tax on:	
- Temporarily non-deductible expenses (to be deducted on the following financial year)	454
Taxed profit to be deducted at a later date	0
Net deferred tax	**408**


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3 – SUBSIDIARIES AND ASSOCIATED ENTITIES AT 31/10/2012

Information in €000

NAME	HEAD OFFICE	SHARECAPI-TAL	EQUITY (*)	
SUBSIDIARIES (MORE THAN 50% OF SHARE CAPITAL)				
Cie EUROPÉENNE DE CASINOS	PARIS	24 813	270 135	
HOLDING GARDEN PINÈDE	JUAN-LES-PINS	15 418	14 793	
HÔTEL COSMOS	CONTREXÉVILLE	50	(3 663)	
SOC EXPLOIT° CASINO ET HÔTELS CONTREXÉVILLE	CONTREXÉVILLE	75	(1 062)	
SOCIETE DU CASINO DE ST-AMAND-LES-EAUX	ST-AMAND-LES-EAUX	17 786	23 900	
SOCIÉTÉ DU GRAND CASINO DE CABOURG	CABOURG	300	640	
GRAND CASINO DE LA TRINITÉ-SUR-MER	LA TRINITÉ-SUR-MER	38	39	
GRAND CASINO DE BEAULIEU (société en liquidation judiciaire)	BEAULIEU	0	0	
JEAN METZ	BERCK-SUR-MER	80	431	
NUMA	BOULOGNE-SUR-MER	80	849	
SA DU CASINO ET DES BAINS DE MER	DIEPPE	396	958	
SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	CONTREXÉVILLE	50	133	
GRAND CASINO DU HAVRE	LE HAVRE	150	438	
SCI LES THERMES	AIX-EN-PROVENCE	150	(342)	
SCI DE LA RUE ROYALE	PARIS	134	158	
SOCIETE CANNES BALNÉAIRE	CANNES	2 551	(57 597)	
GROUPE PARTOUCHE INTERNATIONAL	BRUXELLES	144	(30 943)	
SATHEL	LA TOUR SALVAGNY	323	15 479	
CASINO DES 4 SAISONS	LE TOUQUET	392	1 446	
SA LYDIA INVEST (SOCIÉTÉ EN LIQUIDATION JUDICIAIRE)	LE BARCARÈS	0	0	
SCI LYDIA INVESTISSEMENT	LE BARCARÈS	2	192	
HÔTEL INTERNATIONAL DE LYON	LYON	300	5 626	
LE TOUQUET'S	CALAIS	92	1 104	
CASINOS DE VICHY	VICHY	240	(14 107)	
ÉLYSÉE PALACE EXPANSION	VICHY	40	(859)	
ÉLYSÉE PALACE HOTEL	VICHY	40	(928)	
Soc CHEMINS FER ET HÔTELS MONTAGNE PYRÉNÉES	VICHY	701	1 172	
CASINO DE LA TREMBLADE	LA TREMBLADE	39	(230)	
FORGES THERMAL	FORGES-LES-EAUX	15 600	37 895	
TTH DIVONNE	DIVONNE-LES-BAINS	2 442	8 377	

	EQUITY	DIVIDENDS	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET PROFIT
	100,00 %	0	316 504	316 504	0	-	0	6 296
	100,00 %	0	336	336	3 837	-	0	111
	100,00 %	0	50	0	3 934	-	1 761	(456)
	100,00 %	0	6 833	2 106	1 304	-	2 314	(457)
	100,00 %	3 023	18 371	18 371	9 535	-	22 615	2 658
	100,00 %	0	2 769	2 769	1 258	-	5 007	116
	100,00 %	0	4 476	0	3 096	-	1 775	(779)
	100,00 %	0	152	0	8 276	-	-	-
	100,00 %	445	3 025	3 025	0	-	3 977	342
	100,00 %	350	3 458	3 458	44	-	4 532	347
	100,00 %	0	4 611	4 611	0	-	5 862	176
	100,00 %	110	50	50	903	-	324	79
	100,00 %	0	6 450	6 450	13 300	-	10 803	(671)
	99,99 %	0	0	0	3 759	-	1 398	582
	99,99 %	0	534	534	0	-	73	28
	99,99 %	0	48 424	0	61 182	-	969	(11 677)
	99,90 %	0	153	0	39 323	-	0	(741)
	99,87 %	15 100	93 520	93 520	14 154	-	27 347	7 936
	99,53 %	463	5 593	5 593	488	-	3 499	302
	97,30 %	0	444	0	11 556	-	0	0
	97,00 %	0	2 023	0	0	-	0	1
	97,25 %	3 112	4 207	4 207	10 589	-	13 885	3 759
	90,10 %	360	4 668	4 668	0	-	4 021	373
	79,93 %	0	371	0	15 242	-	3 195	(1 019)
	79,76 %	0	1 308	1 308	4 339	-	0	(45)
	79,80 %	0	1 240	0	616	-	0	(68)
	76,63 %	0	602	602	0	-	50	262
	99,03 %	0	1 178	0	0	-	1 616	(252)
	59,48 %	2 852	11 572	11 572	0	-	23 250	810
	98,70 %	542	25 075	25 075	0	-	25 732	2 307

NAME	HEAD OFFICE	SHARECAPI-TAL	EQUITY (*)	
CASINO D'ANNEMASSE – SGCA	ANNEMASSE	200	4 052	
CASINO DE CRANS-MONTANA	CRANS-MONTANA (SUISSE)	4 140	9 317	
CASINO D'HAUTEVILLE LOMPNES – SCHL	HAUTEVILLE-LOMPNES	60	(882)	
PARTOUCHE INTERACTIVE	PARIS	370	(13 166)	
PARTOUCHE IMMOBILIER	PARIS	12 000	12 203	
PARTOUCHE SPECTACLES & ÉVÉNEMENTS	PARIS	37	(1 423)	
CENTRE FORMATION PROFESSIONNEL CASINOS	FORGES-LES-EAUX	8	(221)	
PARTICIPATIONS (10 TO 50 %)				
SOCIETE DU CASINO MUNICIPAL D'AIX THERMAL	AIX-EN-PROVENCE	2 160	18 235	
SOCIETAT DE L'OCI DELS PYRENEUS	ESCALDES ENGORDANY	38	NC	
BASTIDE II RICH TAVERN	MONTPELLIER	46	NC	
PALAVAS INVESTISSEMENT	PALAVAS-LES-FLOTS	8	(157)	
CASINO DE ST-JULIEN-EN-GENEVOIS	ST-JULIEN-EN-GENEVOIS	210	8 047	
GREAT EASTERN QUAYS CASINO LTD	LONDRES (GB)	N.C	N.C	
SUD CONCERTS	MARSEILLE	61	31	
OTHER INTERESTS				
CASINO DE PALAVAS	PALAVAS-LES-FLOTS	330	1 163	
CASINO MUNICIPAL DE ROYAT	ROYAT	240	1 854	
EDEN BEACH CASINO	JUAN-LES-PINS	1 056	9 678	
SCI TREMBLADE	LA TREMBLADE	1	89	
SEMTEE	ESCALDES ENGORDANY	25 242	N.C	
CASINO D'AGON COUTAINVILLE	AGON COUTAINVILLE	51	8 133	
CASINO D'ARCACHON	ARCACHON	60	972	
SOCIETE THERMALE DE PLOMBIÈRES-LES-BAINS	PLOMBIÈRES-LES-BAINS	38	NC	
CASINO LE LION BLANC	ST-GALMIER	240	1 391	
CASINO LES FLOTS BLEUS	LA CIOTAT	200	1 030	
CASINO LE MIAMI	ANDERNOS	758	1 816	
CASINO DU PALAIS DE LA MEDITERRANÉE	NICE	281	(2 960)	
CASINO DE LA ROCHE-POSAY	LA ROCHE-POSAY	177	37 962	
SCI DE L'ARVE	ANNEMASSE	381	1 495	

(*) Equity includes share capital, reserves and retained earnings, income for the financial year as well as the investments subsidies and the statutory provisions.

	EQUITY	DIVIDENDS	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET PROFIT
	99,91 %	1 399	10 389	10 389	0	-	12 048	2 630
	57,00 %	2 845	1 857	1 857	8	-	12 054	4 100
	100,00 %	0	4 350	0	2 542	-	1 910	(657)
	96,00 %	0	9 706	0	42 968	-	0	(9 193)
	100,00 %	0	12 600	12 600	18 124	-	1 043	283
	100,00 %	0	37	0	1 522	-	62	(265)
	100,00 %	0	8	0	243	-	145	(52)
	38,63 %	522	2 780	2 780	0	-	28 014	476
	33,00 %	-	13	13	50	-	NC	NC
	25,00 %	-	46	0	-	-	NC	NC
	10,00 %	-	122	122	202	-	219	184
	18,00 %	-	2 224	2 224	0	-	7 203	424
	15,00 %	-	0	0	463	-	NC	NC
	39,83 %		71	71	306	-	8 415	575
	9,09 %	65	183	183	0	-	6 502	369
	1,91 %	25	73	73	0	-	6 599	853
	1,44 %	0	155	155	2 006	-	7 058	(2 090)
	1,00 %	0	0	0	2 383	-	306	98
	0,61 %	0	181	181	0	-	N.C	NC
	0,05 %	0	2	2	4	-	2 693	269
	0,03 %	0	1	1	0	-	3 067	(334)
	0,00 %	-	2	0	0	-	NC	NC
	0,16 %	2	0	0	0	-	6 157	1 020
	0,02 %	0	0	0	0	-	3 549	408
	0,00 %	0	0	0	0	-	2 822	338
	0,03 %	0	0	0	1 867	-	8 586	(1 632)
	0,00 %	0	0	0	0	-	8 320	2 311
	0,04 %	0	0	0	0	-	900	407

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
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
SA 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
SA JEAN METZ Avenue du Général de Gaulle 62600 Berck-sur-Mer	992	27	3 025	2 998
SA NUMA 37 rue Félix Adam 62200 Boulogne-sur-Mer	4 930	113	3 457	3 344
SA CASINO ET BAINS DE MER DIEPPE Boulevard de Verdun 76200 Dieppe	4 600	991	3 825	2 834
SA SATHEL 200 avenue du Casino 69890 Tour de Salvagny	10 008	10 965	29 104	18 139
SA LE TOUQUET'S 59 rue Royale 62100 Calais	1 801	210	4 668	4 458
SUB-TOTAL		**16 131**	**58 794**	**42 663**

RECEIVABLES

DESIGNATION	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
JATEK	778	778	-

CAPITAL GAINS ON DEPRECIABLE ASSETS (*)

BUILDING

DESIGNATION	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
GRANVILLE cellar	0	1	1
SAINT-PLACIDE apartment	19	76	57
Subtotal	**19**	**77**	**58**
TOTAL	**16 929**	**59 649**	**42 720**

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

4 BIS - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: SA Groupe de Divonne
141 bis rue de Saussure – 75017 PARIS

Beneficiary company: Groupe Partouche
141 bis rue de Saussure – 75017 PARIS

Nature of the operation: "Transmission universelle de patrimoine"

Date of the operation: 02/11/2007

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

NON-DEPRECIABLE ASSETS	TAX VALUE	BOOK VALUE	BALANCING AMOUNT RECEIVED	BALANCING AMOUNT TAXED	EXCHANGE OR CONTRIBUTION VALUE
Internally-generated goodwill		71 719			71 719
Other intangible assets					
Land					
Investments in associates	40 368	40 347			40 347
Other financial investments - Loan of securities	15	15			15

CAPITAL GAINS ON DEPRECIABLE ASSETS

DEPRECIABLE ASSETS	REINTEGRATION PERIOD	CAPITAL GAINS REALISED	AMOUNT PREVIOUSLY REINTEGRATED	AMOUNT AS A PROPORTION OF NET PROFIT FOR THE YEAR	AMOUNT REMAINING TO BE REINTEGRATED
Patents					
Other intangible rights					
Land used for business operations			NONE		
Buildings					
Machinery and equipment					
Other tangible fixed assets					

5 – RESULTS OF THE LAST FIVE YEARS (EXPRESSED IN EUROS)

INDICATION	YEAR ENDED 31/10/2008 (12 MONTHS)	YEAR ENDED 31/10/2009 (12 MONTHS)	YEAR ENDED 31/10/2010 (12 MONTHS)	YEAR ENDED 31/10/2011 (12 MONTHS)	YEAR ENDED 31/10/2012 (12 MONTHS) PRIOR APROVAL AGM
I- SHARE CAPITAL AT THE END OF THE FINANCIAL YEAR					
Share capital	86 194 836	86 194 836	163 640 414	193 631 182	193 631 182
Number of existing ordinary shares	43 097 418	43 097 418	81 820 207	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	14 811 850	13 670 179	14 404 586	14 310 681	13 983 338
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	29 122 471	6 409 212	-25 186 673	14 333 847	13 692 936
Corporate income tax	-14 858 226	-19 188 997	-16 565 318	-14 979 568	-14 387 356
Employee profit-sharing for the financial year	0	0	0	0	0
Depreciation, amortisation and provision charges	21 895 836	26 464 308	70 411 732	26 151 335	38 455 197
Net profit	22 084 860	-866 100	-79 033 087	3 162 080	-10 374 906
Distributed profit	0	0	0	0	0
III- EARNINGS PER SHARE					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	1.02	0.59	-0.11	0.30	0.29
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	0.51	-0.02	-0.97	0.03	-0.11
Dividend per share	0.00	0.00	0.00	0.00	0.00
IV- PERSONNEL COSTS					
Average workforce during the financial year	45	45	46	47	48
Payroll for the financial year	3 989 574	3 261 394	3 468 842	3 669 742	4 073 799
Social benefits paid for the financial year	1 551 827	1 331 574	1 461 183	1 447 761	1 580 300

20.3 VERIFICATION OF ANNUAL HISTORIC FINANCIAL INFORMATION

20.3.1 STATUTORY AUDITORS' REPORTS

Report of the Statutory Auditors on the consolidated financial statements Financial year ended 31 October 2012

Ladies and gentlemen,

In accordance with our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby report to you for the financial year ended 31 October 2012 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.

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:

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 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

In accordance with professional standards applicable in France, we also verified the specific disclosures required by law to be included in the group's management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Marseille and Paris, on 26 February 2013

MCR Baker Tilly	**France Audit Expertise**
Alexandra Mathieu	Emmanuel Quiniou

REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS AT 31 OCTOBER 2012

Ladies and gentlemen,

In accordance with our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby report to you for the financial year ended 31 October 2012 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 2012 and of the results of its operations for the year then ended, in accordance with French accounting regulations.

II - JUSTIFICATION OF ASSESSMENTS

In accordance with Article L. 823-9 of the French Commercial Code (Code de commerce) governing the justification of our assessments, we hereby report on:

Note 1.3 to the annual accounts, which sets out the accounting principles and methods applicable to noncurrent 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 financial statements.

We checked the disclosures made pursuant to Article L. 225-102-1 of the Code of Commerce concerning the remuneration and benefits paid to the corporate officers and the commitments entered-into in their favour, for consistency with the financial statements or with the data used to draw up those financial statements and, where applicable, with the information provided to your company by the companies controlled by it or that it controls. On the basis of our audit, we hereby certify the truthfulness and accuracy of, and fair view provided by this information.

Pursuant to the law, we have verified that the Executive Board's report contains the appropriate disclosures as to the identity of and percentage interests and votes held by shareholders.

Marseille and Paris, on 26 February 2013

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 (Chapter 20.3.1).

20.3.3 FINANCIAL INFORMATION NOT CONTAINED IN THE FINANCIAL STATEMENTS

Groupe Partouche published on 20 February 2013 its revenue for the first quarter of the financial year in progress, which has been reproduced in Chapter 12. This internally sourced financial information has not been verified by the Statutory Auditors.

20.4 DIVIDEND DISTRIBUTION POLICY

The net dividends distributed for the previous five financial years, tax paid (tax credit) and the total corresponding income are as follows:

FINANCIAL YEAR FOR WHICH THE DIVIDEND WAS PAID YEAR ENDED 31 OCTOBER	NET DIVIDEND PER SHARE (IN €)	TAX ALREADY PAID (TAX CREDIT)	COMPREHENSIVE INCOME
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-

During the financial year ending 31 October 2011, 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 2012.

Groupe Partouche has not distributed any dividends for a number of years, since its priority is to reimburse the bank debt contracted in connection with external growth transactions (Compagnie Européenne de Casinos in 2002 and Groupe de Divonne in 2005). The October 2009 agreement with the syndicated-loan banking pool entails a covenant in an amendment to the subordination agreement restraining the Group from voting dividend payments or other distributions of earnings until the loan is fully repaid, i.e. until 31 October 2015.

20.5 LEGAL AND ARBITRATION PROCEEDINGS

See Note 2 to the consolidated financial statements, "Description of the accounting policies and valuation methods applied by the Group".
See also Note 16 to the consolidated financial statements, "Other current and non-current provisions".

ACCOUNTING OPTIONS FOR CONTINGENCIES AND CLAIMS

A legal claim is only provisioned when the obligation towards a third party is deemed likely to lead to an outflow of resources without consideration.

CLAIMS

▸ A legal claim dating back to April 2000 resulting from the non-performance by Mr. Jean Rouch of an agreement of sale of the assets of SA Riviera in Cannes in August 1999. Jean Rouch was declared a debtor and Groupe Partouche sued for performance of this obligation. The receivable in the amount of €6,860 thousand has been provided for in full. On 31 January 2013, the Aix-en-Provence Court of Appeal ordered Mr. Rouch to pay to Groupe Partouche the sum of €6,860,705.78 with interest starting from 16 May 2007. Groupe Partouche is going to seek enforcement of this decision, which satisfies its legal claim in full.

▸ A longstanding legal claim relating to events that occurred in 1991 concerning the Casino de Hyères 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 Casino de Hyères as having indirectly benefitted at the time of these disputed wrongdoings appears unfounded and simply opportunistic.

▸ 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 based on the notion of co-employer. This action against the holding company is unfounded in view of the reality of the facts and current case law.

▸ 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.


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MEGAPOT



21 ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

21.1.1 SHARE CAPITAL AT 31 OCTOBER 2012

At 31 October 2012, 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 2011-2012

Since the Shareholders' Meeting of 24 April 1998, Groupe Partouche SA has an authorisation relating to the purchase each year of treasury shares in compliance with the provisions of Article L.225-209 of the Code of Commerce.

The Annual Shareholder's Meeting of 19 April 2012 thus, once again, authorised the Executive Board, for a period of 18 months, to purchase the company's shares 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 Code of Commerce;
- 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

Since 2000 Groupe Partouche has held treasury shares at 31 October 2012 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 Code of Commerce. 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 17,058 euros.

During the fiscal 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, a provider of investment services, and held 161,100 shares for this purpose at the end of the fiscal year on 31 October 2012, which were shown on Groupe Partouche's balance sheet at a nominal value of 322,200 euros and in its annual financial statements at a carrying amount of 143,379 euros.

At the balance sheet date of 31 October 2012, the company therefore held a total of 180,266 of its own shares, which were shown on Groupe Partouche's balance sheet at a nominal amount of 360,532 euros and in the annual financial statements at a carrying amount of 160,437 euros.

THE SHARE BUYBACK PROGRAMME

As of 31 December 2012 the following Groupe Partouche shares had been purchased and sold:

Account N°	P or S	Number	Amount	Average price
630 154	A	458 550	446 856,68	0,9745
630 154	V	377 310	360 124,38	0,9545

The liquidity account contained the following shares and cash at 31/12/12:

- 81,240 Groupe Partouche shares
- 163,267.71 euros in cash.

EXISTING AUTHORISATION

The Extraordinary Shareholders' Meeting of 19 April 2012 renewed its authorisation to the Executive Board to repurchase its own shares on the stock market under the provisions of Article L.225-209 of the Code of Commerce, 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 Code of Commerce, remit these shares under the terms of an external growth transaction, or finally enhance the liquidity and regularity of share quotations.

The maximum purchase price has been set at 8 euros per share and an overall ceiling of 75,000,000 euros. This authorisation, which is valid for a maximum period of 18 months, will expire on 18 October 2013.

21.1.4 OTHER SECURITIES GIVING ACCESS TO THE CAPITAL

None

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

The Executive Board benefits from the following authorizations granted by the Extraordinary Shareholders' Meeting of 29 April 2011, which may lead to the issue of securities conferring access to the share capital. These authorisations are summarised in the table below:

NATURE OF TRANSACTION AUTHORIZED	DURATION AND EXPIRATION OF AUTHORISATION	MAXIMUM AMOUNT	TERMS
Capital increase ▪ In cash (ESM of 29 April 2011)	26 months 28 June 2013	30 000 000 €	With and without preferential right of subscription
Capital increase ▪ By capitalisation of reserves, Premiums of net profit (ESM 29 April 2011)	26 months 28 June 2013	Amount of premiums, reserves and earnings available	
Capital increase ▪ By private investments (ESM of 29 April 2011)	26 months 28 June 2013	Maximum amount of 20% of the share capital per year	Without preferential right of subscription
Capital increase ▪ By in-kind contributions (ESM 29 April 2011)	26 months 28 June 2013	Maximum amount of 10% of the share capital	Without preferential right of subscription

The capital increase through the issue of new shares to be paid up in cash, which was authorised by the Extraordinary Shareholders' Meeting of 29 April 2011, was effected on 4 May 2011 (24,249,000 euros) and on 27 May 2011 (5,741,768 euros).

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 2007 TO 31 OCTOBER 2012)	TYPE OF OPERATION	AMOUNT OF CHANGE IN SHARE CAPITAL	SUCCESSIVE AMOUNTS OF SHARE CAPITAL	CUMULATIVE NUMBER OF SHARES
2008			86 194 836 €	43 097 418
2009			86 194 836 €	43 097 418
2010	Capital increase of 11/08/2010	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

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 F-75009 Paris.

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		
2011				
January	2,4	1,85	3 919 652	8,58
February	3,05	2,22	6 930 223	18,3
March	2,96	2,27	3 929 372	10,15
April	2,74	2,51	909 339	2,39
May	3,15	2,4	4 850 534	13,42
June	2,84	2,70	1 183 031	3,24
July	2,91	2,34	722 534	1,89
August	2,55	1,72	2 649 049	5,16
September	2,18	1,59	1 501 650	2,85
October	1,98	1,59	1 084 593	1,9
November	1,72	1,32	1 259 862	1,91
December	1,65	0,99	5 348 608	6,31

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

21.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

Constituent Deeds and Articles of Association (please see § 5.1.3)

Pursuant to Article 37 of the Articles of Association, the latter can only be amended by an Extraordinary Shareholders' Meeting, mainly in respect of the change of the type of the company. However, an Extraordinary Shareholders' Meeting cannot increase the commitments of the shareholders, subject to operations resulting from the groupings of shares as provided by the law.

21.2.1 PURPOSE

Pursuant to Article 3 of the Articles of Association, the purpose of the company in France and all other countries is:

- the administrative, financial and accounting management of all the present or future companies operating mainly in the entertainment, hotels and gaming sectors;
- the acquisition of equity stakes of all types in such companies;
- assisting these companies in improving their growth by providing all types of services;
- all transactions in shares in French and foreign markets;
- acquisition and sale of real estate fixed assets and current assets.

And in general all types of industrial and commercial operations related to:

- the creation, acquisition, rental, lease or operation of all types of business in any of the abovementioned sectors of activity;
- the acquisition, operation or sale of any process or patent related to these activities;
- the direct or indirect participation in any type of financial, real estate or personal property operations or commercial enterprise transaction related to the abovementioned purpose or any other connected purpose.

21.2.2 DISPOSITIONS IN THE ARTICLES OF ASSOCIATION OR ELSEWHERE RELATING TO EXECUTIVE AND MANAGEMENT BODIES

OPERATION OF THE SUPERVISORY BOARD

(cf. § 14.3 internal regulations)

Members of the Supervisory Board must own one share.

Moreover, the organisation methods and operation of Supervisory Board are detailed in paragraph 14.3 relating to the internal regulation that it adopted on 27 October 2005, as modified on 24 December 2008 then on 8 June 2011 and in Articles 21 and 22 of the Articles of Association of Groupe Partouche SA , reproduced below:

ARTICLE 21 - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

- The Supervisory Board elects from among its members a Chairman and a Vice-Chairman, natural persons, who are responsible for calling Board meetings and directing its debates. They are appointed for the period of their mandate on the Supervisory Board. The Board determines their remuneration, if any. The Board may appoint a secretary who may be selected from non-shareholders.
- The Board meets as often as the interests of the Company dictate. However, the Chairman must convene a meeting of the Board no more than 15 days after the request date, when at least one member of the Executive Board, or at least one third of the members of the Supervisory Board present him with a substantiated request to do so. Meetings take place at the registered office or at any other place indicated in the notice of meeting. Any member of the Board may, via letter or telegram, mandate another advisor to represent him at a Board meeting. The effective presence of at least half of the members of the Board is required for its operations to be valid. The Executive Board's deliberations shall be valid if at least one-half of its members are present or deemed present; each member present or represented has one vote and each member present only has one vote. 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 an adjoining department, subject to such a decision's ratification by the next Ordinary Shareholders' Meeting.

The Supervisory Board may grant one or more of its members any special mandates for one or more pre-determined purposes and set their remuneration for this end.

EXECUTIVE BOARD ORGANISATION AND PROCEDURES

The organisation and procedures of the Executive Board are stipulated in Articles 16 & 18 of the Articles of Association of Groupe Partouche SA, which is 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 or seven at the utmost, appointed by the Supervisory Board.

2 – The members of the Executive Board must be individual entities who can be selected apart from the shareholders, even among the paid personnel of the company.

Should a member of the Supervisory Board be appointed with the Executive Board, its first mandate comes to an end starting the commencement of its office in the Executive Board.

Subject to the legal exceptions, none can belong simultaneously to more than two Executive Board, nor exercise the functions of general manager or chairman of the board of directors in more than two limited companies having their head office in metropolitan France.

A member of the Executive Board will not accept to be appointed to the Executive Board or be sole general manager of another company, without the prior authorization of the Supervisory Board.

3 – Any member of the Executive Board can be revoked by the Ordinary Shareholders' Meeting, upon recommendation of the Supervisory Board.

Such revocation does not terminate a contract of employment, if same has been conducted with the revoked member.

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 one-half of its members, at the registered office or at any other place indicated in the notice of meeting.

The Chairman of the Executive Board presides over its meetings and appoints a secretary, who need not be a member of the Executive Board.

The Executive Board's deliberations are only valid if at least one-half of its members are in attendance.

The Executive Board's decisions are taken based on the majority of the votes of its members. Voting by proxy is prohibited.

In the event of a tie, the Chairman casts the deciding vote.

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 entrusted with large powers to act in all circumstances in the name of company, within the limits of the purpose of the company and subject to the powers given by the law to the Supervisory Board and the Shareholders' Meetings.

The company is committed by the Executive Board even through operations with third parties, that might by off its purpose, unless given the circumstances, it is proven that said parties were aware of such. The publication of the Articles of Association does not constitute such a proof.

The disposal of buildings, global or partial participations, guarantees, as well as deeds have to be authorized by the Supervisory Board, except as provided by the law. Failure to comply with this provision may not be invoked against third parties except as provided for by law.

Should the Supervisory Board refuse such authorisations, the Executive Board, if it deems necessary, may call for a Shareholders' Meeting to obtain such authorisations.

The Executive Board calls Shareholders' Meetings, sets the agenda for these meetings and carries out the decisions there made.

2 – The Executive Board submits to the Supervisory Board a quarterly management report. Within three months following the close of the financial year, it submits to the Supervisory Board, the annual and if necessary the consolidated financial statements, for 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 to one or more of the members of the Executive Board, who are then called Group Managing Directors.

All documents committing the company must be signed by the Chairman of the Executive Board, or 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 in addition entrusted with necessary powers to increase the share capital of the company.

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 Code of Commerce.[...]

21.2.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHING TO SHARES

These are stipulated in Article 15 of the Articles of Association, which is reproduced below:

ARTICLE 15 - RIGHTS AND OBLIGATIONS ATTACHING TO SHARES

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 CHANGE IN THE RIGHTS OF HOLDERS OF THE SHARES

By reference to Article 21.2.4 of Annex I of European Regulation 809-2004, no actions exist to modify shareholders' rights that are stricter than those provided by law.

21.2.5 SHAREHOLDERS' MEETINGS

GENERAL REGULATIONS

Notice of meeting procedures – announcements to shareholders (Article 27 of the Articles of Association) and Decree 2010-684 of 23 June 2010.

- 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 Code of Commerce, or by a proxy designated by the President of the Commercial Court rendering a decision under a summary procedure, upon the request of one or more shareholders together holding at least one-twentieth of the share capital, or by the official liquidator.

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

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

- The period between the last dispatch of these letters or publications and the date of the meeting must be at least fifteen days from the first notice and ten days for the second notice and any subsequent notices.

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

Pursuant to Article R.225-85 of the Decree of 23 June 2010, it also contains 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 is convened in the same form and manner, and notice thereof shall include the date of the first meeting.

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

The proxy form addressed by the company, or the person designated by it, to the shareholders shall clearly inform them that should the proxy form omit to designate the name of the nominated representative, their vote will be considered favourable to the resolutions submitted by the Executive Board; the documents listed by Article R225-81 of the Code of Commerce.

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

- By sending, at their request, the agenda of the meeting, all draft resolutions, notices in respect of the members of the Executive and Supervisory Boards and in respect of the candidates to these positions, the report of the Executive Board and the observations of the Supervisory Board and a summary in respect of the company's financial position and net profit for the last five years. Moreover, the following should be enclosed:

- in advance of an Annual Shareholders' Meetings, the income statement, the balance sheet and the special report of the Statutory Auditors,

- in advance of an Extraordinary Shareholders' Meeting, the report of the Statutory Auditors, if applicable.

- The abovementioned documents should be made available to the shareholders at the Company's head office, as should the list of companies, the company registers, and the indication of the total compensation paid to the Company's five or ten highest earning individuals, as well as the report of the Statutory Auditors and if applicable, merger or disposal proposals.

VOTING BY CORRESPONDENCE

Any shareholder may vote by correspondence by completing an official form established in accordance with the law that will be valid only if received at least 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 as nay votes.

ADMISSION TO SHAREHOLDERS' MEETINGS *(Article 28 of the Articles of Association)*

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

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

VOTING RIGHTS *(Article 31 of the Articles of Association)*

Each shareholder present or represented by proxy at a Shareholders' Meeting has as many votes as the shares held or represented, without limitation.

MULTIPLE VOTING RIGHTS

None.

QUORUM *(Articles 34 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 of the changes in the Articles of Association, and subjects to a majority quorum as provided by Article 36 here below:

I – 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 attained, the second Shareholders' Meeting can be postponed for at up to two months from the date it had initially be 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 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.

The Shareholders' Meetings held on second convening can 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 Code of Commerce, and Article 12 of the Articles of Association, shareholders must notify the company of the number of shares held directly or indirectly, alone or in concert, whenever their holding crosses the threshold of 2% of the share capital or a multiple of this percentage. In the event of non-compliance with this disclosure obligation, shares exceeding the non-disclosed fraction will be deprived of their voting rights at the request, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders, holding 5% at least of the capital of the Company, when the shares of the company are officially listed on a stock exchange.

21.2.8 CHANGES IN THE SHARE CAPITAL

Article 8 of the Articles of Association stipulates as follows:

ARTICLE 8 - CHANGES IN THE SHARE CAPITAL

I - Capital increases

The share capital may be increased either by issuing new shares or by increasing the par value of the existing shares.

The new shares shall be paid for either in cash or through compensation with debts in liquid funds due and payable by the Company, through capitalisation of reserves, income or share issue premiums, with assets in kind or through bond conversion.

The new shares are issued either at their par value or at this value increased by an issue premium: they may be ordinary shares or preferred shares enjoying certain advantages over other shares and entitling their holders to preferential rights to income or assets or any other indirect advantage.

Capital increases are decided upon or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the performance of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting having decided upon or authorised the increase, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided pursuant to the provisions of Article L. 225-229-III of the Code of Commerce.

When a capital increase takes place through the capitalisation of reserves, income or share issue premiums, the Shareholders' Meeting deciding upon the increase must meet the quorum and majority requirements for Ordinary Shareholders' Meetings.

In the event of an issue of new shares to be paid for in cash, the share capital of the Company prior to the proposed increase must first be fully paid-up and the shareholders shall be entitled to exercise their pre-emptive right to subscribe to shares as provided by law. The entitlement of usufructuaries and bare owners to the pre-emptive subscription right is governed by the aforementioned Article.

If the new shares are paid for through compensation with debts due and payable by the Company, the latter shall be disclosed in financial statements prepared by the Executive Board, certified as valid by the Statutory Auditors and attached to the statement of subscription and payment.

The minimum subscription period is ten trading days, with the option for early termination of this period once the capital increase is subscribed by shareholders in proportion to their existing holdings.

The Shareholders' Meeting that decides upon the capital increase may elect to exclude the pre-emptive subscription right upon examining the reports of the Executive Board and the Statutory Auditors.

Capital increases shall be carried out notwithstanding the existence of fractional rights. Those shareholders not possessing the number of subscription or share rights exactly required to obtain a whole number of new shares, shall have to personally arrange for the purchase or sale of fractional rights to bring their holdings to a whole number.

In conjunction with any decision to increase the Company's share capital, the Extraordinary Shareholders' Meeting shall also need to consider a draft resolution intended to authorise a capital increase reserved for employees. Moreover, a draft resolution of this kind must be presented, once every 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 Code of Commerce represent less than 3% of the total share capital.

II - Redemption of share capital

The share capital may, upon the decision of the Extraordinary Shareholders' Meeting, be redeemed by way of an equivalent reimbursement for each share, through transfer of income or reserves, with the exception of the legal reserve.

Dividend shares thus created may be reconverted into capital shares, either through an obligatory transfer of the portion of company profits attributable to these shares, or through an optional payment by each of the owners of dividend shares.

III - Capital decreases

The share capital may be reduced in one or more stages for any reason, either by reducing the par value of shares or the number of shares. If a capital decrease is not entailed by losses, bondholders and creditors may oppose the decrease.

A decision to reduce the share capital, regardless of its motivation, to a level below the minimum required by law may only be taken if a capital increase can be effected to increase the share capital to a level above said minimum, unless the company is to be transformed into a company of another form not requiring a capital amount greater than its share capital following the decrease.

Should this condition not be met, any interested party may apply for a court order requiring the dissolution of the Company. The dissolution of the Company shall not take effect if, on the date when the court's decision is rendered, the share capital has been brought back up to the legal minimum.

The Company is not authorised to buy back its own shares. However, the Shareholders' Meeting having decided upon a capital decrease not entailed by losses may authorise the Executive Board to buy back a specified number of shares as to cancel them. This buyback shall be proportional to the number of shares held by each shareholder and limited to shares available in the market.

Capital decreases are decided or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry them out.

In all cases, the proposal for a reduction in the share capital is communicated to the Statutory Auditors no less than 45 days

prior to the Shareholders' Meeting of shareholders convened to decide upon this proposal.

The meeting examines the report of the Statutory Auditors, who present their assessment of the justification and conditions for the capital decrease.

If the capital decrease is carried out by reducing the number of shares, shareholders are required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares can be exchanged for new shares.

IV - Stock splits and reverse stock splits

In the event of a stock split or reverse stock split, shareholders are also required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares can be exchanged for new shares.

21.2.9 HOLDING COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(Article 39 and 40 of the Articles of Association)

ARTICLE 39 – 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 cuases. 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	2012	2011	2012	2011	2012	2011	2012	2011
Audit Statutory audit, certification, audit of the individual company and consolidated financial statements								
Issuer	118	262	29 %	47 %	118	259	12 %	25 %
Fully consolidated subsidiaries	294	292	71 %	53 %	890	790	88 %	75 %
Other work and services performed directly related to the mission of Statutory Auditor								
Issuer								
Fully consolidated subsidiaries								
SUBTOTAL	**412**	**554**	**100 %**	**100 %**	**1008**	**1049**	**100 %**	**100 %**
Other services rendered by the networks to fully consolidated subsidiaries								
Legal, tax, employee-related								
Other (specify if > 10% of audit fees)								
SUBTOTAL	**0**	**0**	**0 %**	**0 %**	**0**	**0**	**0 %**	**0 %**
TOTAL	**412**	**554**	**100 %**	**100 %**	**1008**	**1049**	**100 %**	**100 %**


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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. The guarantees related to this credit are the collateralisation of the securities of the Group's main subsidiaries, and the monitoring of financial ratios related to the profitability, financial structure and investments of the Group. *(cf. Note 17 of the notes to the consolidated financial statements (item 20.2.1) and § 4.1.1 liquidity risk).*

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 26 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 2012, the shareholder advance and the interest it generates, totalling €31.3m, were recorded in financial debt.

RECEIVABLE FROM SOCIETE FRANÇAISE DE CASINOS

On 26 April 2006, Groupe Partouche sold to the company La Tête dans les Nuages the investment that it held in the capital of Société Française de Casinos, i.e. 55.55% of the share capital for a total amount of €17.5m, including current accounts. The €4.5m balance falling due in respect of current accounts was paid in a normal manner in financial year 2007 and the balance of €10m in respect of the SFC share price, which was fixed at 15 April 2007 was paid in the amount of €5m in July 2007, thus reducing the balance at the balance sheet date to €5m.

The accrued interest was recognised and 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 financial year 2010.

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 Chatel-Guyon, SFC's subsidiary. This action, aiming at selling by auction the building of the casino located in Chatel-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



A summary estimate of the Group's tangible fixed assets was performed by Mr. Gérard Naulet, Previous Government Commissioner at the Chambre des Expropriations du Tribunal de Grande Instance de Paris, domiciled at 17 allée des Eiders, Paris (19th arrondissement), France *(Chapter 8.2).*



24 DOCUMENTS ON DISPLAY

24.1 DOCUMENTS ON DISPLAY

During the period of validity of this Reference Document, the following documents (or copy of these documents) may, where applicable, be consulted:

a) the memorandum and Articles of Association of the issuer;

b) all reports, correspondence and other documents, historic financial information, valuations and declarations established by an expert at the request of the issuer, certain of which are included or referred to in the 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

Mr. Alain Cens, Chief Financial Officer
Telephone: +33 (0)1.47.64.33.45

24.3 FINANCIAL COMMUNICATION CALENDAR

1st Quarter revenue at 31 January 2013	>	Wednesday 20 February 2013 in the evening
2nd Quarter revenue at 30 April 2013	>	Wednesday 12 June 2013 in the evening
1st Half-yearl results at 30 April 2013	>	Wednesday 26 June 2013 in the evening
3rd Quarter revenue at 31 July 2013	>	Wednesday 11 September 2013 in the evening
4th Quarter revenue at 31 October 2013	>	Wednesday 11 December 2013 in the evening
Results for the financial year ending 31 October 2013	>	Wednesday 29 January 2014 in the evening

25 INFORMATION ON INVESTMENTS IN ASSOCIATES



Please refer to the table of subsidiaries and affiliates in the Company presented in point 3 of the individual company financial statements in Chapter 20.2.2 above, in addition to Note 34 of the consolidated financial statements of the Group for the financial year ended 31 October 2012, presented in Chapter 20.2.1 of this document.



26 TABLE OF RECONCILIATION

In order to facilitate the reader's access to information in the annual report, for which the original French version has been registered as a Document de référence, the following table of reconciliation presents the headings relating to the minimum disclosure requirements in this Reference Document.

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2 SUMMARY TABLE OF DELEGATION IN FORCE GRANTED TO THE BOARD OF DIRECTORS REGARDING CAPITAL INCREASES	**21.1.5**
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14.4 List of owners of all securities comprising special control rights and description of the latter	18.2
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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 27 février 2013, 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.

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GROUPE PARTOUCHE – 40 YEARS (PHIL.MAQUET)



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