2004 ANNUAL REPORT

GROUPE PARTOUCHE

CONTENTS

SUPERVISORY BOARD

Isidore Partouche
CHAIRMAN

Marcel Partouche
VICE-CHAIRMAN

Maurice Sebag
MEMBER

Gaston Ghrenassia
MEMBER

EXECUTIVE BOARD

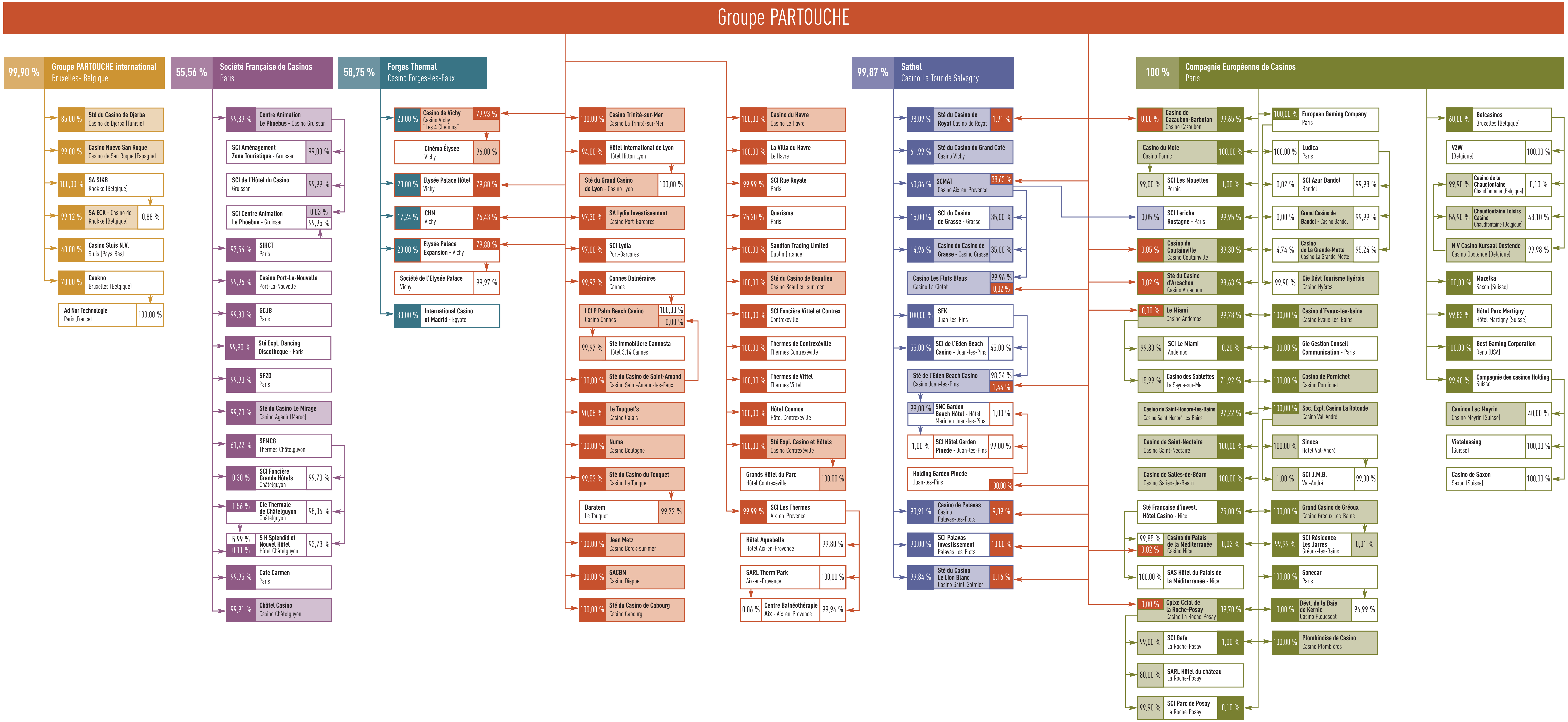
Patrick Partouche
CHAIRMAN

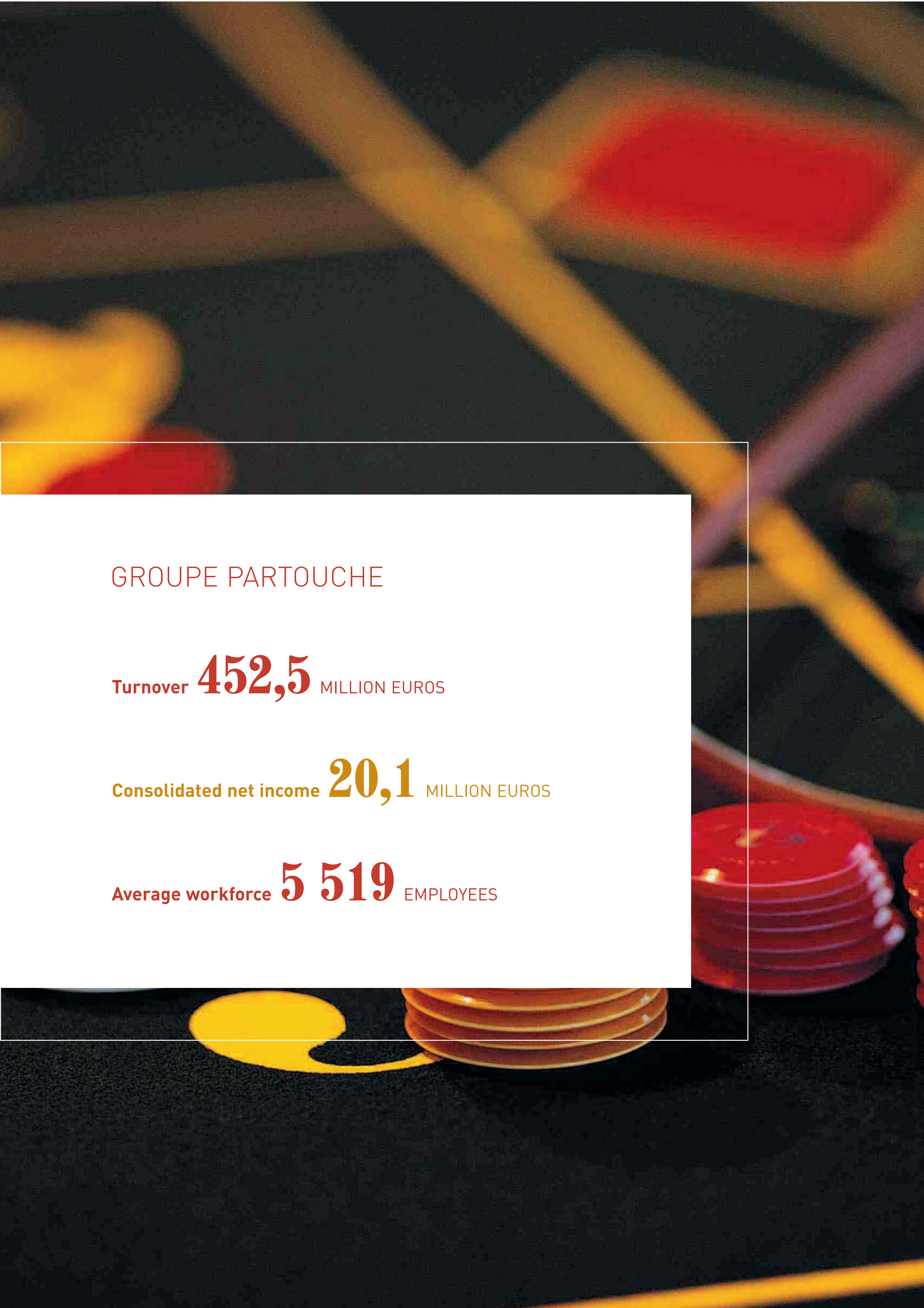
Hubert Benhamou
GENERAL MANAGER

Ari Sebag
GENERAL MANAGER

Richard Partouche
GENERAL MANAGER

Katy Zenou
GENERAL MANAGER


Groupe PARTOUCHE
99,90 % Groupe PARTOUCHE international Bruxelles- Belgique
85,00 % Sté du Casino de Djerba Casino de Djerba (Tunisie)
99,00 % Casino Nuevo San Roque Casino de San Roque (Espagne)
100,00 % SA SIKB Knokke (Belgique)
99,12 % SA ECK - Casino de Knokke (Belgique) 0,88 %
40,00 % Casino Sluis N.V. Sluis (Pays-Bas)
70,00 % Caskno Bruxelles (Belgique)
Ad Nor Technologie Paris (France) 100,00 %
55,56 % Société Française de Casinos Paris
99,89 % Centre Animation Le Phoebus - Casino Gruissan
SCI Aménagement Zone Touristique - Gruissan 99,00 %
SCI de l'Hôtel du Casino Gruissan 99,99 %
SCI Centre Animation Le Phoebus - Gruissan 0,03 % 99,95 %
97,54 % SIHCT Paris
99,96 % Casino Port-La-Nouvelle Port-La-Nouvelle
99,80 % GCJB Paris
99,90 % Sté Expl. Dancing Discothèque - Paris
99,90 % SF2D Paris
99,70 % Sté du Casino Le Mirage Casino Agadir (Maroc)
61,22 % SEMCG Thermes Châtelguyon
0,30 % SCI Foncière Grands Hôtels Châtelguyon 99,70 %
1,56 % Cie Thermale de Châtelguyon Châtelguyon 95,06 %
5,99 % 0,11 % S H Splendid et Nouvel Hôtel Hôtel Châtelguyon 93,73 %
99,95 % Café Carmen Paris
99,91 % Châtel Casino Casino Châtelguyon
58,75 % Forges Thermal Casino Forges-les-Eaux
20,00 % Casino de Vichy Casino Vichy "Les 4 Chemins" 79,93 %
Cinéma Élysée Vichy 96,00 %
20,00 % Elysée Palace Hôtel Vichy 79,80 %
17,24 % CHM Vichy 76,43 %
20,00 % Elysée Palace Expansion - Vichy 79,80 %
Société de l'Elysée Palace Vichy 99,97 %
30,00 % International Casino of Madrid - Egypte
100,00 % Casino Trinité-sur-Mer Casino La Trinité-sur-Mer
94,00 % Hôtel International de Lyon Hôtel Hilton Lyon
Sté du Grand Casino de Lyon - Casino Lyon 100,00 %
97,30 % SA Lydia Investissement Casino Port-Barcarès
97,00 % SCI Lydia Port-Barcarès
99,97 % Cannes Balnéraires Cannes
LCLP Palm Beach Casino Casino Cannes 100,00 % 0,00 %
99,97 % Sté Immobilière Cannosta Hôtel 3.14 Cannes
100,00 % Sté du Casino de Saint-Amand Casino Saint-Amand-les-Eaux
90,05 % Le Touquet's Casino Calais
100,00 % Numa Casino Boulogne
99,53 % Sté du Casino du Touquet Casino Le Touquet
Baratem Le Touquet 99,72 %
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
100,00 % La Villa du Havre Le Havre
99,99 % SCI Rue Royale Paris
75,20 % Quarisma Paris
100,00 % Sandton Trading Limited Dublin (Irlande)
100,00 % Sté du Casino de Beaulieu Casino Beaulieu-sur-mer
100,00 % SCI Foncière Vittel et Contrex Contrexéville
100,00 % Thermes de Contrexéville Thermes Contrexéville
100,00 % Thermes de Vittel Thermes Vittel
100,00 % Hôtel Cosmos Hôtel Contrexéville
100,00 % Sté Expl. Casino et Hôtels Casino Contrexéville
Grands Hôtel du Parc Hôtel Contrexéville 100,00 %
99,99 % SCI Les Thermes Aix-en-Provence
Hôtel Aquabella Hôtel Aix-en-Provence 99,80 %
SARL Therm'Park Aix-en-Provence 100,00 %
0,06 % Centre Balnéothérapie Aix - Aix-en-Provence 99,94 %
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
60,86 % SCMAT Casino Aix-en-Provence 38,63 %
15,00 % Sté du Casino de Grasse - Grasse 35,00 %
14,96 % Casino du Casino de Grasse - Casino Grasse 35,00 %
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 %
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 %
100 % Compagnie Européenne de Casinos Paris
0,00 % Casino de Cazaubon-Barbotan Casino Cazaubon 99,65 %
Casino du Mole Casino Pornic 100,00 %
99,00 % SCI Les Mouettes Pornic 1,00 %
0,05 % SCI Leriche Rostagne - Paris 99,95 %
0,05 % Casino de Coutainville Casino Coutainville 89,30 %
0,02 % Sté du Casino d'Arcachon Casino Arcachon 98,63 %
0,00 % Le Miami Casino Andernos 99,78 %
99,80 % SCI Le Miami Andernos 0,20 %
15,99 % Casino des Sablettes La Seyne-sur-Mer 71,92 %
Casino de Saint-Honoré-les-Bains Casino Saint-Honoré-les-Bains 97,22 %
Casino de Saint-Nectaire Casino Saint-Nectaire 100,00 %
Casino de Salies-de-Béarn Casino Salies-de-Béarn 100,00 %
Sté Française d'invest. Hôtel Casino - Nice 25,00 %
99,85 % 0,02 % Casino du Palais de la Méditerranée Casino Nice 0,02 %
100,00 % SAS Hôtel du Palais de la Méditerranée - Nice
0,00 % Cplxe Ccial de la Roche-Posay Casino La Roche-Posay 89,70 %
99,00 % SCI Gafa La Roche-Posay 1,00 %
80,00 % SARL Hôtel du château La Roche-Posay
99,90 % SCI Parc de Posay La Roche-Posay 0,10 %
100,00 % European Gaming Company Paris
100,00 % Ludica Paris
0,02 % SCI Azur Bandol Bandol 99,98 %
0,00 % Grand Casino de Bandol - Casino Bandol 99,99 %
4,74 % Casino de La Grande-Motte Casino La Grande-Motte 95,24 %
99,90 % Cie Dévt Tourisme Hyérois Casino Hyères
100,00 % Casino d'Evaux-les-bains Casino Evaux-les-Bains
100,00 % Gie Gestion Conseil Communication - Paris
100,00 % Casino de Pornichet Casino Pornichet
100,00 % Soc. Expl. Casino La Rotonde Casino Val-André
100,00 % Sinoca Hôtel Val-André
1,00 % SCI J.M.B. Val-André 99,00 %
100,00 % Grand Casino de Gréoux Casino Gréoux-les-Bains
99,99 % SCI Résidence Les Jarres Gréoux-les-Bains 0,01 %
100,00 % Sonecar Paris
0,00 % Dévt. de la Baie de Kernic Casino Plouescat 96,99 %
100,00 % Plombinoise de Casino Casino Plombières
60,00 % Belcasinos Bruxelles (Belgique)
VZW (Belgique) 100,00 %
99,90 % Casino de la Chaudfontaine Chaudfontaine (Belgique) 0,10 %
56,90 % Chaudfontaine Loisirs Casino Chaudfontaine (Belgique) 43,10 %
N V Casino Kursaal Oostende Casino Oostende (Belgique) 99,98 %
100,00 % Mazelka Saxon (Suisse)
99,83 % Hôtel Parc Martigny Hôtel Martigny (Suisse)
100,00 % Best Gaming Corporation Reno (USA)
99,40 % Compagnie des casinos Holding Suisse
Casinos Lac Meyrin Casino Meyrin (Suisse) 40,00 %
Vistaleasing (Suisse) 100,00 %
Casino de Saxon Saxon (Suisse) 100,00 %

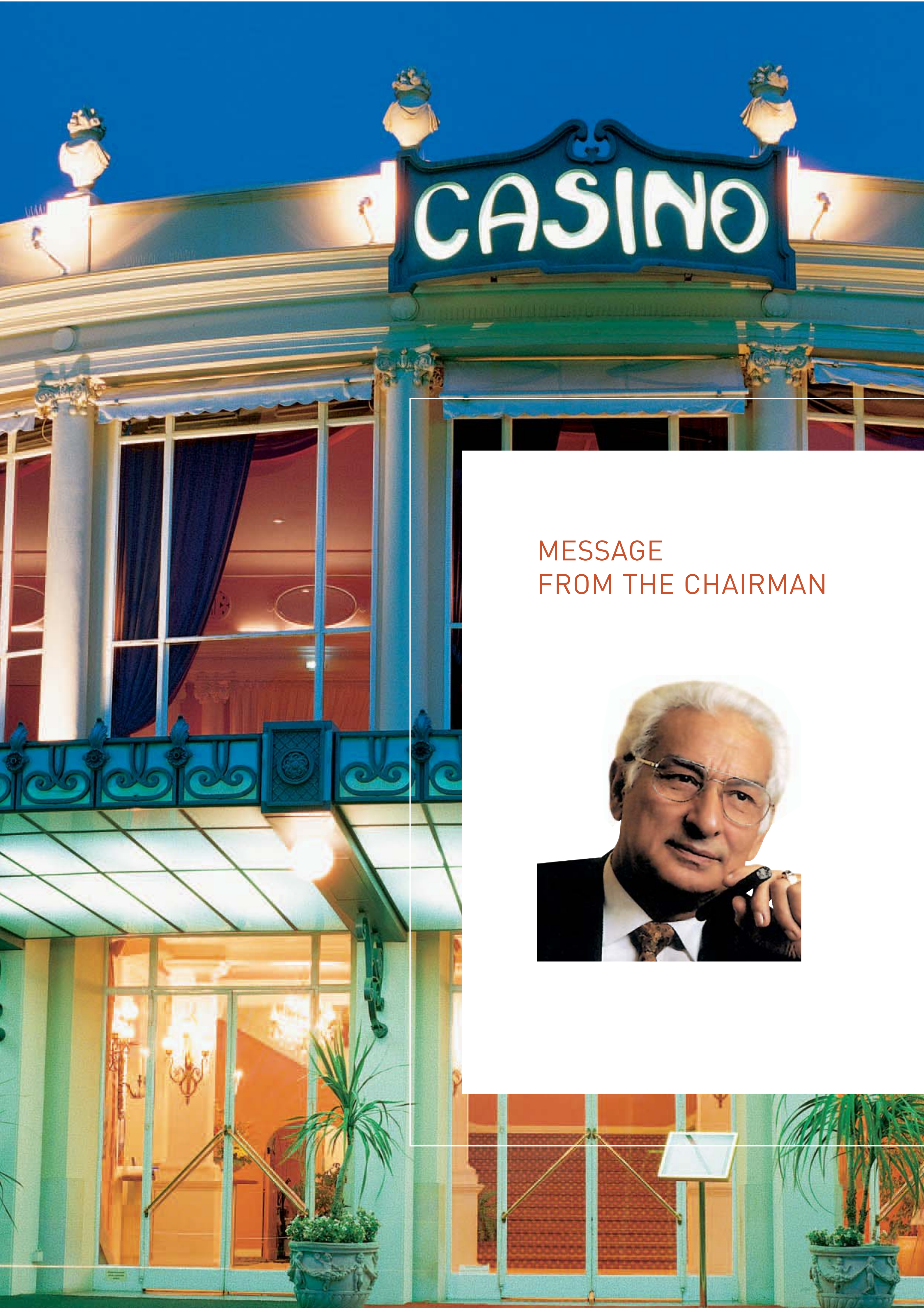


GROUPE PARTOUCHE

Turnover 452,5 MILLION EUROS

Consolidated net income 20,1 MILLION EUROS

Average workforce 5 519 EMPLOYEES



MESSAGE FROM THE CHAIRMAN

OF THE SUPERVISORY BOARD

I write this message with a certain degree of emotion... I have decided to retire from my role of Chairman of the Supervisory Board of Groupe Partouche...

My successor is Hubert Benhamou, my nephew, who is in turn replaced by my son, Patrick Partouche, as Chairman of the Executive Board. Should I make so bold as to say that it's time to step aside and make way for the younger generation?

Yes and no...

Yes, gaming is becoming increasingly industrialised in France and it is now up to them to continue along the trajectory that I've traced for Groupe Partouche since 1973 so that we can be and stay at the leading edge of progress and adapt our business to an ever smaller world, where communication, competition, technologies and mentalities are changing every day...

No, because the two cousins who are now at the helm of Groupe Partouche have been my closest colleagues since their earliest years, and in this respect, no one else is better placed to perpetuate the spirit, the values and my vision for the future of Groupe Partouche.

I am convinced that they have the wherewithal to rise to the challenges that lie in store, now and in the future.

I would like to thank you for the confidence with which you – elected representatives, staff, shareholders, clients and friends – have entrusted me.

Your confidence is our most highly cherished asset and you have my word: you have placed it in safe hands....

Isidore Partouche

MESSAGE FROM THE CHAIRMAN

OF THE EXECUTIVE BOARD

Ladies and Gentlemen,

The fiscal year ending 31 October 2004 was a challenging and exciting one. Groupe Partouche continued to suffer the effects of a difficult overall economic environment, which translated into a sharp deceleration in the revenue growth we have experienced since the introduction of slot machines. This gloomy business climate was compounded by further increases in levies collected by the State and local authorities. Despite these harsh winds, our Group stood firm, reasserting its confidence in the future of the gaming industry and in its leadership status. Our efforts paid off in the French national casino rankings, particularly for the Lyon Vert, which retained its second place standing, and in the impressive results achieved by our two new jewels, the Pasinos in Aix-en-Provence and Saint-Amand-les-Eaux.

In accordance with our plans, we were able to open the Le Havre casino in temporary premises, where it will be housed until mid-2007. This establishment is already a feather in our Group's cap, for the quality of its hospitality and amenities. The Port-Barcarés and La Trinité-sur-Mer casinos are also now in operation. Fully satisfied with the Group's ability to provide a great experience for our customers and to respond quickly to changes in both the industry and the economic environment, it was with utter confidence in the course we have been pursuing that we respected our commitment to improve the operating margin. Our unyielding efforts to control costs, the optimisation of our scope of consolidation and the strategic refocusing on our core business, which prompted us to sell two hotels during the year, have contributed to significant improvements in our financial position. I thus have the honour of handing over to Patrick Partouche the operational management of a Group with a luminous future. This transfer will also free me to reflect profoundly upon the future challenges we will need to face.

Hubert Benhamou

OUR PROFESSION & REGULATORY FRAMEWORK

→ OUR PROFESSION

FRANCE AUTHORISES THE FOLLOWING GAMES:

Table games:

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

Automatic games:

Slot machines are legally defined as automatic machines incorporating games of chance and comprise "roll machines" and "video games".
The Group has a large number of slot machines (4,515 at 31 October 2004 and 4,565 at 31 January 2005).

Other activities:

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

→ A VERY STRICT REGULATORY FRAMEWORK

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

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

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

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

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

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

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

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

OUR PROFESSION & REGULATORY FRAMEWORK (CONT'D)

→ TAX LEVIES

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

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

GROSS GAMING REVENUE

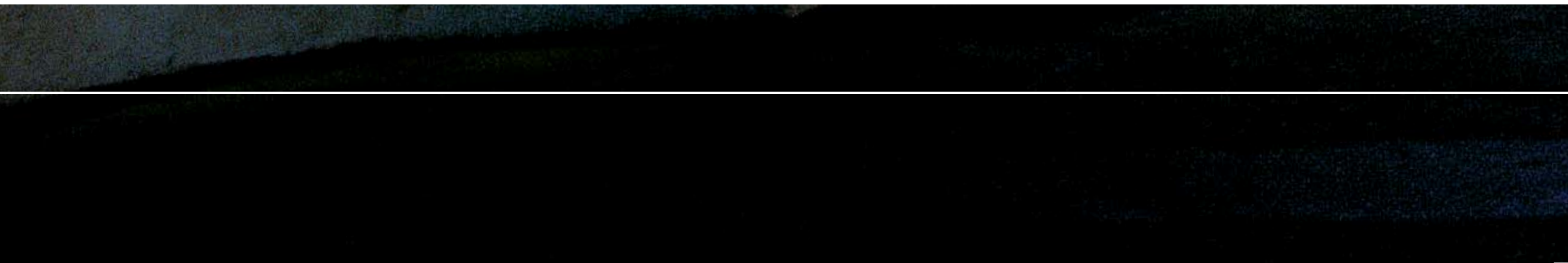
10 %	up to	58 000 €		
15 %	from	58 001 €	à	114 000 €
25 %	from	114 001 €	à	338 000 €
35 %	from	338 001 €	à	629 000 €
45 %	from	629 001 €	à	1 048 000 €
55 %	from	1 048 001 €	à	3 144 000 €
60 %	from	3 144 001 €	à	5 240 000 €
65 %	from	5 240 001 €	à	7 337 000 €
70 %	from	7 337 001 €	à	9 443 000 €
80 %	above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

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

Moreover, a fixed-percentage levy is charged on the very first euro of revenue generated. This levy is charged at the rate of 0.5% on table games and 2% on slot machines 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 machines gross gaming income. Since January 1998 the rate of CSG has been increased to 7.5% and is now calculated on a reduced basis of 68% of slot machines' gross gaming revenue.

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



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

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

BACKGROUND OF GROUPE PARTOUCHE

→ 1973

Arriving in France from Algeria, where he was a Philips representative, Mr. Isidore Partouche bought, with the help of his brothers and sisters, the Saint-Amand-les-Eaux casino, together with its spa and mineral water source.
The popularity of the casino was restored thanks to a family-orientated marketing strategy.

1976

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

1982

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

1986

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

1988

Acquisition of the Dieppe Casino (SA CBM).

1989

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

Châtel-Guyon

1991

Groupe Partouche's casinos were finally granted their first slot machines operating licences. The Group also took control of the Lyon Vert casino in La Tour-de-Salvagny that year, together with its subsidiaries, the Saint-Galmier and Juan-les-Pins casinos.

1992

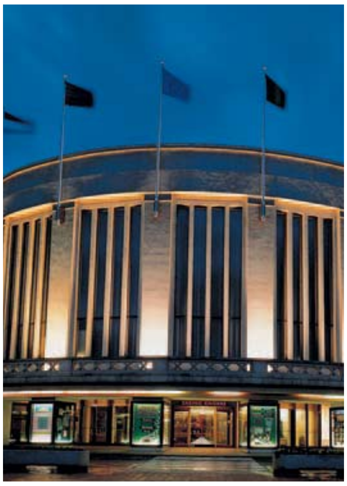
The towns of Royat and Chamalières selected the Group to re-open the Royat casino. Fécamp and Bagnoles-de-l'Orne casinos were sold.

1994

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

1995

Acquisition of a jointly-controlled stake in the Grasse casino leaving management responsibility to the Boucau Group.
On 29 March 1995, Groupe Partouche SA made its début listing on the Paris Stock Exchange Second Marché (Sicovam Code 5354) with a view to enhancing Group's profile, consolidating its position in France and providing it with extra financial muscle to drive



Knokke le Zoute

the business forward, particularly internationally.
In September 1995, the Group negotiated the acquisition of the prestigious Belgian casino of Knokke-le-Zoute.

1996

The Group purchased Générale des Eaux's minority stake in Société Fermière du Casino Municipal de Cannes, listed on the spot market of the Paris Stock Exchange. This company operates the Croisette casino and controls the Hotel Majestic and the Gray d'Albion in Cannes.
Opening of the Group's first casino in Agadir (Morocco) in association with Club Méditerranée.

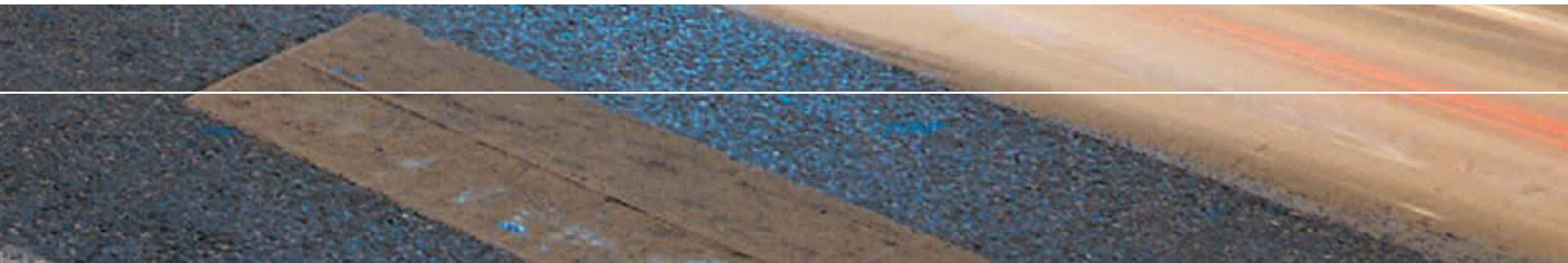
1997

Acquisition of a 4-star Hotel which was renamed the Meridien-Garden Beach.
This transaction brought together the hotel and the Juan-les-Pins casino properties, constituting a cohesive asset.
The town of Cabourg selected Groupe Partouche to reopen its Grand Casino and the Group purchased the Beaulieu-sur-Mer casino.

1998

Celebration of the Group's 25th anniversary in April 1998 and opening of the Djerba Pasino, an innovative concept: an entertainment centre and casino combined.
In June 1998, acquisition of the Carlton Casino Club in Cannes from UK-based London Clubs International.
On 2 November 1998, Groupe Partouche purchased Vivendi's 99% stake in Cannes Balnéaire, the company which owns the Cannes Palm Beach, with a view to re-opening the establishment, considered to be the most prestigious casino in France.
On the same date, Groupe Partouche SA was transferred to the monthly settlement

Arcachon



BACKGROUND OF GROUPE PARTOUCHE (CONT'D)

Hyères

segment of the Paris Stock Exchange Premier Marché.

1999

On 1st July the Hilton hotel in Lyons' Cité Internationale complex was opened: the future home of a new casino.
Abroad, the San Roque Grand Casino in Andalucia was inaugurated and the Hilton Bucharest's casino was created and inaugurated by Groupe Partouche.
In October, acquisition of a majority stake in Société Française de Casinos, which operates four casinos, three of which are located in Auvergne and one on the Narbonne Coast.

2000

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

2001

In July, the Aix-en-Provence Pasino opened a hugely successful new breed of casinos.
At the end of the fiscal year, Groupe Partouche acquired the Savoy, a 4-star hotel in Cannes with 106 rooms: an ideal complement to the Carlton casino and the Palm Beach.
In November, the Bucharest casino was sold and the Contrexéville casino, hotels and thermal spa business unit was acquired, together with the Vittel thermal spa.

2002

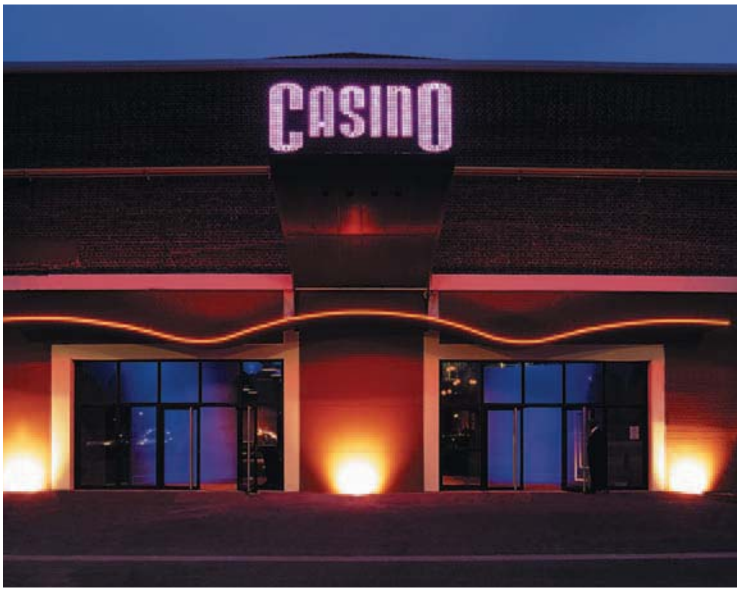
Thanks to its successful Public Cash Offer for Compagnie Européenne de Casinos, between January and April 2002, Groupe Partouche acquired 22 additional casinos, including 18 in France and four abroad.

In August, the transfer of the Cannes-based Casino Carlton to the Palm Beach was officially approved.
In December, the casinos based at La Bourboule and Le Mont-Dore were sold and the company intended to oversee the creation of a casino in Alvignac was also sold.

2003

In January, the slot machines floor at Plombières-les-Bains casino was officially opened (50 slots).
In July, Groupe Partouche's first Swiss casino was launched in Meyrin, overlooking Geneva's international airport.

In September, the casino in Spa (Belgium) was sold, and the Groupe received authorisation to open La Trinité-sur-Mer casino.
On 28 December 2003, Saint-Amand-les-Eaux casino changed location and was transformed into a Pasino, 30 years after its acquisition.



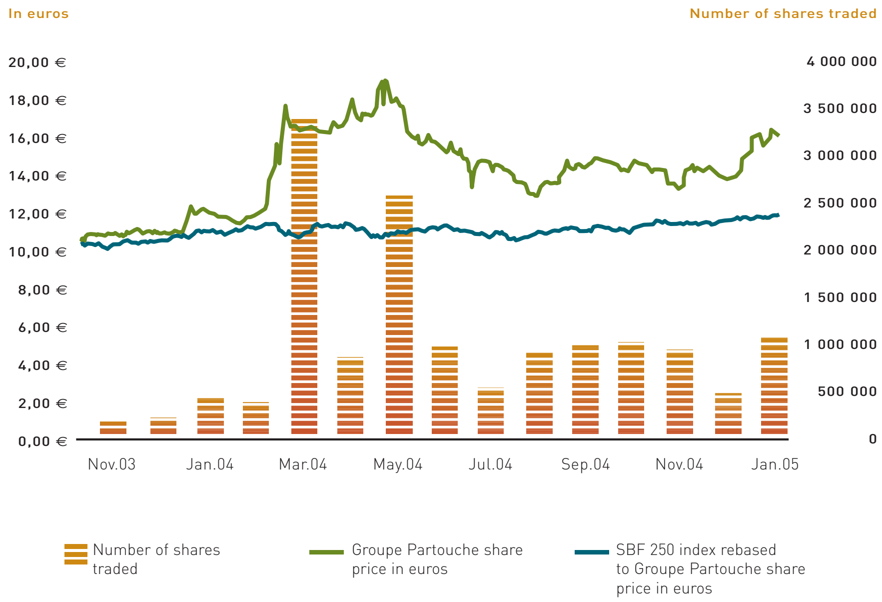
Le Havre

→ 2004

La Trinité-sur-mer casino was opened in March.
In May, Le Lydia casino was reopened in Port-Barcarès.
In June, Groupe Partouche opened the casino in Le Havre at a temporary venue.
Le Palais de la Méditerranée opened its doors to patrons in Nice, followed by the opening of its casino.
In October, Groupe Partouche was given authorisation to open a casino in Port-la-Nouvelle.

KEY FIGURES

Movements in Groupe Partouche SA's share price



Financial review

In euros	2002	2003	2004
Share price at 31/10	66,6	68,4	14,9
Number of shares as at 31/10*	6 156 774	6 156 774	43 097 418
Market capitalisation	410 041 148	421 123 342	642 151 528
Earnings per share	3,65	2,87	0,47
Net dividend per share	0,00	0,00	0,00
Total payout (€ million)	0,00	0,00	0,00
Payout ratio (%)	0,00%	0,00%	0,00%
Net stock yield (%)	0,00%	0,00%	0,00%

* The nominal value was reduced from €14 to €2 at the Extraordinary General Meeting of Monday, 10 November 2003. Mechanically, the number of shares was multiplied by 7; the share capital now comprises 43,097,418 shares with a par value of € 2.

EXECUTIVE BOARD REPORT TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING

OF TUESDAY 26 APRIL 2005

I. EXECUTIVE BOARD REPORT TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING

Ladies and Gentlemen

The Executive Board submits 13 resolutions for the approval of the Combined Ordinary and Extraordinary General Meeting convened on 26 April 2005.

First of all, eight resolutions are submitted for the approval of the Ordinary General Meeting. These resolutions relate to the approval of the holding company accounts and the consolidated financial statements for the fiscal year under review (first and fourth resolutions), the appropriation of earnings in the holding company accounts (second resolution), the allocation of special reserves for long term capital gains to an ordinary reserves account (third resolution), the approval of regulated agreements (fifth resolution), the implementation of the procedure for the purchase of treasury shares pursuant to the provisions of Article L.225-209 of the Code of Commerce (sixth resolution), the appointment of a new member of the Supervisory Board (seventh resolution) and the allocation of directors' fees to members of the Supervisory Board (eighth resolution).

Secondly, five resolutions are submitted for the approval of the Extraordinary General Meeting. These resolutions relate to the new "delegation of competence" provisions pursuant to Article L.225-129-2 and following of the Code of Commerce governing the issue of ordinary shares or any other securities granting access to the Company's capital, with or without pre-emptive subscription rights being maintained (ninth and tenth resolutions), the delegation of competence with a view to increasing the Company's share capital by capitalising share premiums, reserves, retained earnings or other items (eleventh resolution), the authorisation to issue bonus shares in favour of employees and directors of the Company and its subsidiaries (twelfth resolution) and finally the powers to complete any legal formalities (thirteenth resolution).

Before inviting you to vote on these proposed resolutions, we present below our report on the fiscal year.

I-EXECUTIVE BOARD REPORT TO THE ORDINARY GENERAL MEETING

1.1 Business review

Position and trends for the fiscal year ended 31 October 2004.

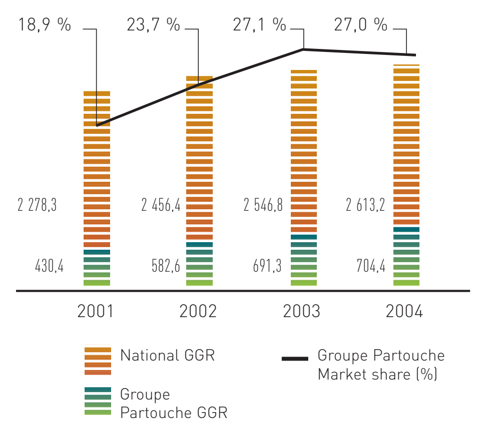
Following a flat business growth line in fiscal 2003, turnover for the year ended 31 October 2004 rose 3.8% to €452.5 million. Top-line growth was achieved notably thanks to the performance of Meyrin casino (Switzerland).

Gaming business in France

Casinos generated gross gaming revenue (GGR) of €704.4 million, up 1.9% from €691.4 million in 2003, once again thanks to slot machines. This segment generated additional revenue of €24.2 million (up 3.7%) thanks to the performance of our Pasino-branded establishments: St-Amand-les-Eaux (+21.2%) and Aix-en-Provence (+8.6%), together with other entities such as our Cannes, Lyon and Calais casinos.

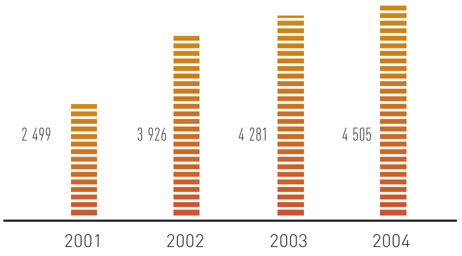
Growth was also propelled by the increase in our slot machines base during the year (additional 176 slots were obtained), although the daily average GGR per slot fell from €445 in 2003 to €417. The positive trend in slot machines GGR offset the significant decline in table games €11.2 million (down 28.3%) essentially at the Cannes Palm Beach, which now targets a lower risk-profile client base.

Gross Gaming Revenue (€ million)



Slot machines now generate 96.0% of Groupe Partouche's total GGR.

Slot machines installed in France at 31 October 2004

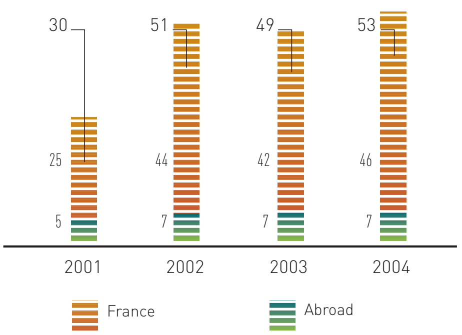


Gaming abroad

Business outside France surged 67.1%, lifting total GGR €20.6 million higher to ¤51.2 million, despite lower revenue at the Ostend casino due to the combined impact of building work and a strike action by workers. The increase is attributable to Meyrin casino's first full fiscal year of activity: its GGR came to €32.4 million.

In Belgium, averages for slots installed at Knokke casino rose to reach the €100-mark by the end of the fiscal year. This upward trend seems to point towards a favourable movement in this sector.

Casinos in operation at 31 October 2004



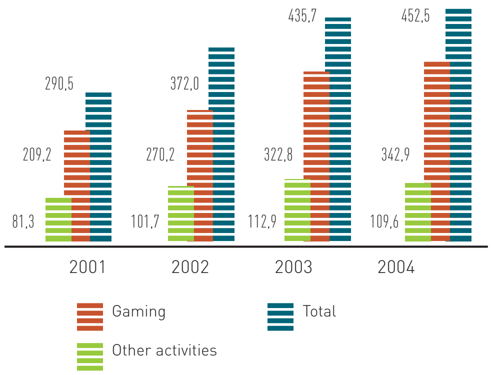
Levies

The calculation basis for the various levies imposed on GGR did not undergo any significant changes. Therefore the expense that they represent was left broadly unchanged. Total levies represented €412.7 million, or 54.6% of GGR, corresponding to an average rate of 55.9% in France and 37% abroad. After deducting these levies, Net Gaming Revenue came to €342.9 million.

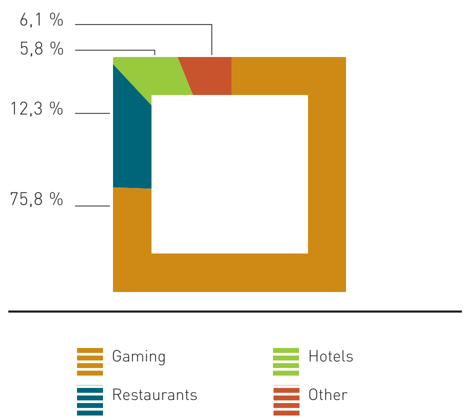
Other activities

The Group's other business activities, mainly hotels and restaurants, generated total revenue of ¤109.6 million, down €3.3 million year-on-year. This decrease was due to a change in the scope of consolidation following the disposal during the fiscal year of two hotels in the Lyon region. This segment also reaped the benefits of other activities at the Group's Pasinos, e.g. at St-Amand-les-Eaux where the top-line rose by €2.3 million. We should also note that the Vichy cinema complex generated revenue for the first time.

Consolidated net turnover (€ million)



Consolidated turnover by business segment

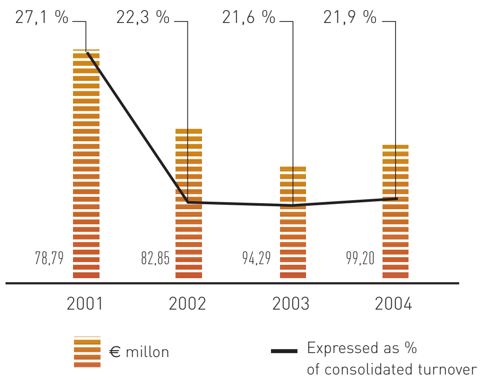


Consolidated results

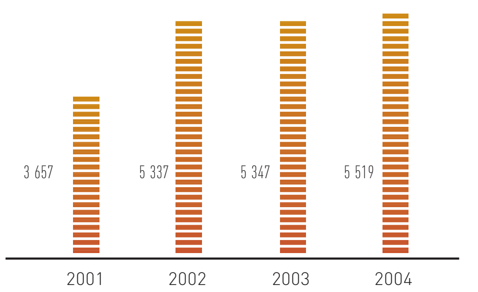
The Group's operating income came to €99.2 million versus €94.3 million in 2003 (21.9% of turnover, up from 21.6% in 2003).

Operating margin (€ million)

(including employee profit sharing)



Group workforce



The main establishments that contributed to this improvement were Meyrin casino, the Cannes Palm Beach and the Aix-en-Provence Pasino, whose entire top-line growth impacted the operating margin.

The main adverse effects came from the St-Amand-les-Eaux Pasino, which has to absorb the total cost of its new structure, Hôtel Savoy in Cannes, which underwent a major rebranding programme to become the "3.14", and the Ostend casino which was closed as a result of strike action and construction works. Finally, the launch of several new casinos at Port-Barcarès, La Trinité-sur-Mer and Le Havre generated the operating losses of a magnitude that can be expected of operations limited to table games pending the installation of slot machines, particularly during the second half of the year. Financial items show a net finance cost of €25.0 million compared with €33.1 million in 2003. This substantial reduction was achieved thanks to the restructuring of the Group's debt at the end of August 2003 and ongoing efforts to pay down borrowings throughout the fiscal year.

These positive movements in operating and financial items helped drive income on ordinary activities before tax 21.4% higher to €74.3 million.

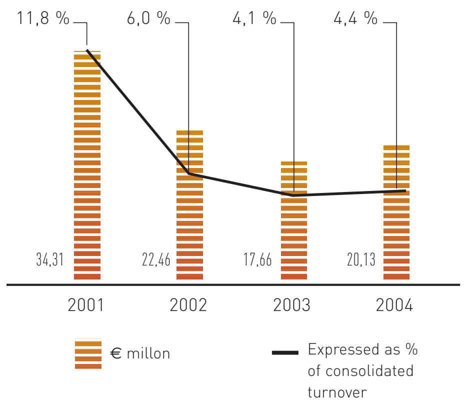
The net gain from exceptional items of €7.6 million is attributable to two main factors: the proceeds from the sale of the Méridien Part-Dieu hotel and Hôtel du Golf of €15 million and a provision for impairment of a receivable of €6.8 million.

The Group's overall tax charge came to €30.0 million, and if the effects of external growth and the amortisation of goodwill are stripped out, it remains unchanged at €22.3 million.

The share in net income attributable to equity-accounted companies was a loss of €2.1 million, generated by the operational launch of the Palais de la Méditerranée complex in Nice.

Net income attributable to consolidated companies came to €27.4 million compared with €23.8 million in 2003. Group income was €20.1 million (+14%), with minority interests representing €7.3 million.

Group income



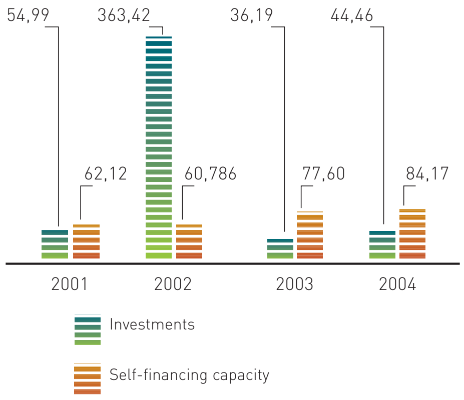
Investments and financing

The Group carried out a significant volume of investment transactions during the period. Cash flow from investing activities, net of the disposals of the two hotels based in the Lyon area referred to above, came to €44.5 million, and includes among other things the final construction work on the St-Amand-les-Eaux Pasino, the renovation of Hôtel Savoy in Cannes and the construction of a cinema complex in Vichy.

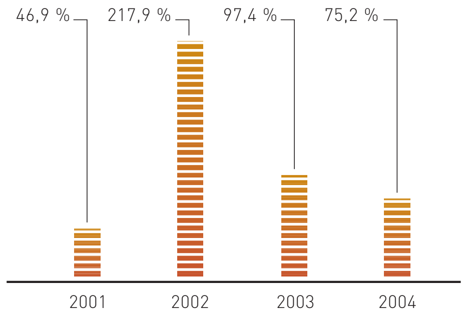
The Group's self-financing capacity rose €6.6 million to €84.2 million, and working capital requirements once again moved in the right direction, releasing additional net resources of €22.4 million, relating to changes in the settlement terms of tax at Group companies.

While maintaining and increasing its cash holdings (€6.5), Groupe Partouche stepped up the pace of its debt reduction programme. The Group paid down a total of €53.9 million during the period, compared with €34.9 million in fiscal year 2003.

Investments and self-financing capacity (€million)



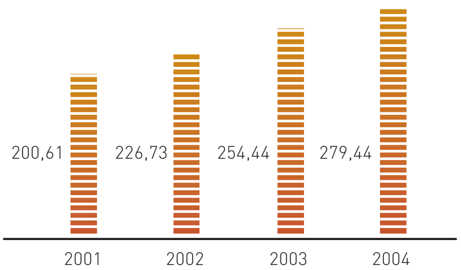
Debt to equity (%)



The Group's equity and long-term debt breaks down as follows:

€million	2004	2003
Equity and equity equivalents	379,4	354,4
Gross financial debt	354,9	408,1
Financial debt net of cash	285,2	345,1
Gearing	75,2 %	97,4 %

Equity (€ million)



Outlook

The level of income for fiscal year 2005, which has already been hit by the rise in CSG tax as of 1 January 2004, remains uncertain, given the lower levels of business experienced from the end of fiscal 2004 to the beginning of fiscal 2005 (cf. our press release dated 14 March 2005, below).

"To help boost business, in addition to the entertainment and event-hosting initiatives that we already carry out, the Group's growth is driven by additional slots installations at establishments that have been allocated their first slot licences (Port-Barcarès, La Trinité-sur-Mer, Le Havre and Nice) or by increase an existing allocation of slots which is no longer sufficient to absorb demand; 120 slots have thus been licensed since the beginning of the fiscal year at Plombières (+30 slots), La Ciotat (+20 slots), St-Amand-les-Eaux (+50 slots) and Vichy (+20 slots). Fiscal 2005 will also see the opening of the Port-la-Nouvelle casino. Groupe Partouche is taking part in competitive bidding procedures in Toulouse, Lille and Blotzheim, for which the choice of concession-holder is expected to be announced by the end of June 2005."

Significant post balance sheet events

The two-point increase in the Contribution Sociale Généralisée (CSG) tax contribution as of 1 January 2005 will impact 10 months of the fiscal year in progress. Calculated at the old rate of 7.5%, CSG paid in fiscal 2004 came to €29.6 million; at the new rate of 9.5% it would have been €37.4 million, representing an additional annual levy of €7.8 million.

On 22 March 2005, Groupe Partouche sold Cazaubon-Barbotan casino.

On 14 March 2005, Groupe Partouche published the following press release:

TURNOVER FOR THE FIRST QUARTER 2004-2005

€ million	01/11/04 To 31/01/05	01/11/03 To 31/01/04	Variation
Gross gaming revenue	184,0	186,5	-1,3 %
Levies	88,9	88,6	0,3 %
Net gaming revenue	95,1	97,9	-2,8 %
Turnover from other activities	22,4	22,7	-1,3 %
Total consolidated turnover	117,5	120,6	-2,5 %

Turnover for the first quarter of fiscal year 2004/2005 was down 2.5% compared with the first quarter of the previous year, which included €2.6 million in revenue generated by the two hotels sold in May 2004.

Therefore, turnover remained stable on a like-for-like basis. This was attributable to two opposite movements: lower net gaming revenue, mainly at establishments in the south of France and the recovery of other activities, notably hotels.

Investment policy

Groupe Partouche strives to balance its drive to keep its debt load under control following the significant acquisition of Compagnie Européenne de Casinos (CEC) in 2002, with its concern to maintain investments at a sufficient level to allow it to continue to provide an offering worthy of its status as market leader.

Net investments for the fiscal year are expected to approach €45 million, including the launch of building works at Le Havre casino, the construction of a thermal spa hotel complex in Charbonnières and a hotel at St-Amand-les-Eaux Pasino.

Preparing for the transition to IFRS

The new IFRS accounting standards are applicable to the Group as of 1 November 2005.

A project steering committee and a specialist core team representing the various functions concerned have been set up to prepare for the transition to IAS/IFRS. An implementation schedule has also been prepared.

As part of its preparation for the obligatory application as of 2006 of international accounting standards published by the IASB, applicable to listed European companies, Groupe Partouche has performed an initial – not necessarily exhaustive – identification of differences (with respect to the principles and policies currently applied by the Group) which will be continued in fiscal 2005.

Groupe Partouche already applies certain provisions of IAS/IFRS with respect to measurement and recognition. Among others, the Group complies with the most significant aspects of:

- IAS 2: measurement of inventories
- IAS 7: cash flow statement in its recommended
- IAS 19: employee benefits (recognition of pension obligations)
- IAS 21:effects of changes in foreign exchange rates.

Moreover, Groupe Partouche has identified the differences between current practice and the following standards:

- IAS 1: IASC standards are not applied in their entirety
- IAS 14: segment reporting
- IAS 16: measurement of property, plant and equipment
- IAS 36: goodwill will no longer be subject to amortisation, but to impairment testing (in process)
- IAS 32 & 39: implementation of these standards is expected to have a limited impact.

1.2 Subsidiaries and equity affiliates

Breakdown of turnover by main activities at 31 October 2004 (in euros)

Company	Turnover	Net gaming revenue	Hotels	Restaurants	Other
CASINO LYON VERT (SATHEL)	35 331 150	30 409 439	-	4 443 656	478 055
CASINO MUNICIPAL D'AIX THERMAL	32 178 142	27 520 414	-	3 754 522	903 206
CASINO DE FORGES THERMAL	28 822 750	20 028 491	3 642 584	3 674 100	1 477 575
CASINO DE St-AMAND-LES-EAUX	22 876 822	19 508 189	-	2 739 388	629 245
CASINO LAC MEYRIN	20 514 902	19 677 129	-	832 875	4 899
CASINO DE LYON (PHARAON)	18 823 227	17 815 456	-	763 486	244 285
CASINO DE LA GRANDE MOTTE	14 253 111	12 687 222	-	1 363 575	202 314
CASINO DE HYÈRES	13 131 174	11 881 125	139 169	474 995	635 885
CASINO DE BANDOL	12 922 092	12 188 703	-	542 884	190 505
CASINO DE PORNICHET	12 188 794	10 891 757	-	1 222 575	74 462
CASINO JUAN-LES-PINS (EDEN BEACH)	11 338 720	9 585 744	-	1 475 333	277 643
CASINO PALM BEACH (LCLP)	10 571 348	6 604 282	-	3 350 984	616 082
GARDEN BEACH HÔTEL	9 815 815	-	7 176 292	1 971 243	668 280
HÔTEL INTERN. LYON (HILTON LYON)	9 549 315	-	4 776 646	2 812 647	1 960 022
CASINO DE PALAVAS	9 097 485	8 448 532	-	536 085	112 868
CASINO MUNICIPAL DE ROYAT	8 942 371	8 275 936	-	515 758	150 677
CASINO DE PORNIC	8 934 030	7 793 081	-	986 078	154 871
CASINO DE LA ROCHE-POSAY	8 879 666	8 092 078	63 068	542 335	182 185
CASINO St-GALMIER	7 807 696	6 491 926	-	1 153 051	162 719
CASINO DE DIEPPE (SACBM)	6 675 959	5 221 091	134 932	1 161 936	158 000
CASINO D'ARCACHON	6 623 711	5 920 424	-	297 960	405 327
CASINO DU GRAND CAFÉ (VICHY)	6 499 167	4 868 217	-	1 560 592	70 358
CASINO DE PLOUESCAT	6 312 427	5 723 800	-	503 360	85 267
CASINO DE GRUISSAN (PHOEBUS)	6 165 925	4 785 211	538 685	717 834	124 195
CASINO DE CALAIS (LE TOUQUET'S)	5 813 051	5 353 486	-	409 359	50 206
MERIDIEN EGH LA PART DIEU	4 972 162	-	2 555 746	2 205 821	210 595
CASINO DE BEAULIEU	4 958 534	4 325 105	-	491 868	141 561
CASINO DU TOUQUET (4 SAISONS)	4 832 798	3 951 452	-	866 245	15 101
SA ECK (Belgique) KNOKKE LE ZOUTE	4 734 605	3 088 415	-	803 429	842 761
CASINO DE BERCK (JEAN METZ)	4 722 056	4 274 181	-	447 875	-
CASINO D'ANDERNOS	4 391 371	3 998 443	-	324 391	68 537
CASINO LA CIOTAT (LES FLOTS BLEUS)	4 310 495	3 992 885	-	248 244	69 366
CASINO DU VAL ANDRÉ	4 216 054	3 220 825	-	794 990	200 239
CASINO DE CONTREXÉVILLE	3 930 919	3 523 344	-	355 844	51 731
AQUABELLA	3 916 553	-	2 484 843	1 227 960	203 750
CASINO CHATEL GUYON	3 830 119	3 317 869	-	422 985	89 265
CASINO DE BOULOGNE (NUMA)	3 815 012	3 712 886	-	85 128	16 998
CASINO DE VICHY (les 4 Chemins)	3 587 711	3 200 010	-	346 875	40 826
CASINO DE CABOURG	3 586 275	2 831 259	-	661 567	93 449
THERMES VITTEL	3 382 674	-	-	-	3 382 674
CASINO DE PLOMBIÈRES-LES-BAINS	3 265 593	3 003 464	-	237 253	24 876
CASINO D'OSTENDE	3 203 899	2 316 349	-	348 515	539 035
CHAUDFONTAINE LOISIRS	3 166 643	2 262 193	-	100 915	803 535
IMMOBILIÈRE CANNOSTA (SAVOY)	3 107 812	-	1 390 429	1 531 390	185 993
CASINO DE CAZAUBON	3 015 809	2 834 618	-	178 647	2 544
CASINO DE GRÉOUX-LES-BAINS	2 951 633	2 683 566	-	254 656	13 411
CASINO D'AGON COUTAINVILLE	2 775 664	2 629 769	-	117 015	28 880

Company	Turnover	Net gaming revenue	Hotels	Restaurants	Other
CASINO DE DJERBA	2 640 590	2 246 044	-	349 548	44 998
THERMES CHATEL GUYON (SEMCG)	2 531 569	-	-	-	2 531 569
CASINO DE ST-HONORÉ	2 526 397	2 413 666	-	112 654	77
HÔTEL DU PARC (MARTIGNY - SUISSE)	2 451 540	-	875 580	1 323 849	252 110
CASINO D'ÉVAUX-LES-BAINS	2 274 737	1 996 885	-	240 031	37 821
HÔTEL COSMOS (Contrex)	1 903 555	-	765 670	1 070 567	67 318
CASINO DE ST-NECTAIRE	1 824 123	1 661 247	-	153 680	9 196
CASINO DE SALIES-DE-BÉARN	1 815 159	1 563 148	-	194 764	57 247
C.B.A.P. (Centre de Balnéothérapie)	1 750 243	-	-	-	1 750 243
CASINO NUEVO SAN ROQUE (Espagne)	1 739 775	1 336 127	-	210 144	193 504
CASINO DE GRASSE	1 363 515	1 204 149	-	158 987	379
CASINO LE MIRAGE (Maroc)	1 362 575	1 313 936	-	27 180	21 460
THERMES CONTREXÉVILLE	1 359 346	-	-	-	1 359 346
HÔTEL SPLENDID (Châtelguyon)	1 257 866	-	904 984	308 682	44 200
HÔTEL DU GOLF	1 025 869	-	501 551	487 647	36 671
SIKB (Belgique)	868 307	-	-	3 558	864 749
VILLA DU HAVRE	748 073	-	-	747 320	753
CAFE CARMEN	493 724	-	-	-	493 724
CASINO VIRGINIAN DE RENO	450 476	-	-	-	450 476
SCI AZT GRUISSAN	409 526	-	-	-	409 526
SCI LERICHE ROSTAGNE	383 269	-	-	-	383 269
CASINO LE LYDIAPORT BARCARÈS	302 204	39 695	-	54 861	207 648
GRANDS HÔTELS DU PARC (Contrex)	256 167	-	114 445	135 101	6 621
CASINO DU HAVRE	242 029	138 920	-	86 938	16 171
SIT	211 705	-	-	-	211 705
SINOCA (Val André)	209 155	-	184 743	23 678	734
CASKNO (Belgique)	202 592	-	-	-	202 592
CASINO SLUIS N.V.	193 952	-	-	-	193 952
GROUPE PARTOUCHE	178 533	-	-	-	178 533
THERM'PARK	140 189	-	-	-	140 189
CASINO TRINITÉ-SUR-MER	131 363	26 363	-	103 000	2 000
CASINO PORT-LA NOUVELLE	128 573	-	-	-	128 573
CINÉMA ÉLYSÉE VICHY	113 623	-	-	-	113 623
ÉLYSÉE PALACE SA (EPSA)	67 323	-	-	-	67 323
SARL BARATEM	50 138	-	-	50 138	-
SANDTON TRADING LIMITED	49 897	-	-	-	49 897
SCI RUE ROYALE	44 781	-	-	-	44 781
SCI DE VITTEL ET CONTREXÉVILLE	28 742	-	-	-	28 742
SCI PARC DE POSAY	17 828	-	-	-	17 828
CHM	2 751	-	-	-	2 751
SCI DE GRASSE	27	-	-	-	27
TOTAL	**452 495 047**	**342 878 545**	**26 249 367**	**55 700 551**	**27 666 584**

Changes in the competitive environment

The competitive environment of some of our subsidiaries changed significantly during the period.

- Cannes Palm Beach: the opening of a third casino, together with lower tourist numbers, had an impact on the casino's gaming revenue.
- St-Honoré-les-Bains: Bourbon Lancy casino opened with 80 slots, and nearby competitors received extra slots licences.

Group Partouche slot machines

Groupe Partouche was awarded licences to operate 176 additional slot machines:

• St-Amand-les-eaux	+ 30
• La Grande Motte	+ 30
• Hyères	+ 30
• Palavas	+ 30
• Dieppe	+ 21
• Salies de Béarn	+ 20
• Bandol	+ 10
• Agon-Coutainville	+ 5

New slot machines licences were also awarded for fiscal year 2004-2005:

• St-Amand-les-eaux	+ 50
• Plombières	+ 30
• La Ciotat	+ 20
• Vichy – «Les 4 Chemins»	+ 20

Refurbishment and construction works

a. During the fiscal year

Groupe Partouche is unremittingly committed to enhance the service that it provides for its patrons. By refurbishing existing establishments and creating new ones, the Group is constantly improving the quality of its amenities.

- **Agon-coutainville:** a new slot machines floor, a new piano bar and an extension to the restaurant which now caters for up to 50 covers.
- **Beaulieu-sur-mer:** "La Ferme" - a brand new dining concept and the renovation of the Belle Époque room.
- **Boulogne-sur-mer:** refurbishment of the restaurant.
- **Cannes-Hôtel 3.14:** new hotel, new concept.
- **Dieppe:** redecoration of the slot machines floor.
- **Gréoux-les-bains:** reconfiguration of the car park.
- **Hyères:** refurbishment work on the slot machines floor following the increase in the number of slots.
- **Juan-les-pins:** new concepts at the "Le Pacha" lounge and "Macao Lounge" restaurant
- **La Grande-Motte:** refurbishment of the slot machines floor following the installation of additional slots.
- **Lydia – Port-Barcarès:** table games room opened in May 2004.
- **Plouescat:** refurbishment of the slot machines floor.
- **Pornic:** new terrace to increase capacity to 60 people and enhance the quality of amenities.
- **Royat:** reopening of "Le Venice" restaurant after nine months of building works.
- **Salies-de-Béarn:** new slots installed and poker-room inaugurated.
- **St-Amand-les-eaux:** Location of the casino transferred and transformed into a "Pasino".
- **Vichy – Grand Café :** New décor for "Le Patio" ballroom.
- **Vichy – Les 4 Chemins :** Casino transferred to its new site: "Centre commercial Les 4 chemins".

b. Projects for the year ahead 2004-2005:

- **Calais:** casino refurbishment.
- **Forges-les-eaux:** complete renovation of Hôtel Continental ***NN.
- **La Tour de Salvagny:** creation of a thermal spa complex with a four-star 16-suite luxury hotel.
- **Le Havre:** refurbishment work at the casino in the former premises of the Chamber of Commerce.
- **Lydia – Port-Barcarès:** preparation of the hall for the future installation of slot machines.
- **Ostende:** refurbishment of the casino.
- **St-Amand-les-eaux :** construction of a three-star 60-room hotel.

Awards

Thanks to the savoir-faire and talents of all of its employees, Groupe Partouche, received distinctions at the following establishments:

- **Le Havre - La Villa:** one Michelin star, and rated 18 in Gault-Millau.
- **Berck-sur-mer:** Two Michelin forks.
- **La Tour de Salvagny:** Two Michelin stars for the la Rotonde restaurant, three-stars in the Bottin Gourmand and 16/20 in the Gault-Millau.
- **St-Galmier:** Two Michelin forks for the casino restaurant.
- **Cannes - Hôtel 3.14:** listed in both Michelin and Gault-Millau guides.

Events

Groupe Partouche casinos make a significant contribution to cultural life and entertainment by organising or taking part in local and internationally renowned events such as:

- **Aix-en-Provence:** International Lyric Art Festival – Preljocaj Ballet Festival.
- **Andernos-les-bains:** Jazz Festival – Les Mots pour Rire Festival.
- **Bandol:** Les Nuits Live M6

- **Berck-sur-mer:** International Kite festival – Country Music Festival.
- **Beaulieu-sur-mer:** Les Nuits Guitares
- **Cabourg:** Romantic Film Festival – Epona - Festival Adami - Festival de Théâtre Universitaire - Une autre façon d'aimer Festival.
- **Cannes:** Performance d'acteurs – International Fashion Photography Festival.
- **Châtelguyon:** Jazz aux sources Jazz Festival – Summer Festival – Festival du Rire (comedy festival).
- **Dieppe :** International Kite Festival.
- **Forges-les-eaux:** Feuilles d'automne literary festival – International Magic Festival.
- **Hyères:** Festival de l'anche Jazz Festival – French Song Festival.
- **Juan-les-pins:** International Jazz Festival Jazz à Juan – Magic Festival.
- **La Tour de Salvagny:** Country Music Festival.
- **La Trinité-sur-mer:** Rencontres avec la Mer, the annual venue for authors with a predilection for the sea.
- **Le Touquet:** Celtic Festival.
- **Lyon:** Biennale de la Danse.
- **Nice:** International Accordion Festival.
- **Plouescat:** Young Fashion Designers of the Year.
- **Royat:** Festival Pyromélodique – Bridge Festival.
- **St-Amand-les-Eaux:** Festival de l'Eau.
- **Val-André:** Documentary Film and Theatre Festival.

1.3 The share capital of Groupe Partouche SA

Shareholding information (Article L. 233-13)

We present the identity of persons holding directly or indirectly at 31 October 2004, more than 5%, 10%, 20%, 33.33%, 50%, or 66.66% of the share capital or voting rights to the Annual General Meetings.
This list is kept up to date and is presented in the section relating to general information on the company's capital.

Self-held shares under the share buyback programme

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

As part of the granted authorisation and according to the objectives determined by the General Meeting in 2002, the Company acquired on the stock market 2,738 shares at an average price of €61.64 for a total amount of €168,767, excluding transaction fees. No shares were sold.

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

Since the Extraordinary General Meeting of 10 November 2003 decided to divide the par value of the shares by seven, we now hold 19,166 shares.

The Extraordinary General Meetings held on 2 April 2001, 9 April 2002 and 15 April 2003 authorised the Executive Board to buy the Company's own shares on the market, pursuant to the provisions of Article L. 225-209 of the Code of Commerce, mainly for the purposes of regulating the share price, the delivery of shares by way of exchange for external growth operations or for any other purpose that is in the company's interest.

The most recent authorisation given by the Ordinary General Meeting of 23 April 2004, fixed the maximum purchase price at €30 per share and the minimum sale price at €10. This authorisation, granted for 18 months which expires on 23 October 2005 has never been applied.

Approval of a procedure enabling the company to buy back its own shares, pursuant to Article L. 225-209 of the Code of Commerce

The Executive Board proposes that the General Meeting grants it the authorisation, pursuant to Articless L.225-209 and subsequent of the Code of Commerce, to carry out a share buyback programme subject to the following conditions:

- the Company may perform transactions in its own shares for any purpose, particularly, to buy and sell shares in accordance with market conditions, or use the shares bought back as consideration to make acquisitions, or to enable share purchase options to be granted to company officers and employees, or within the scope of a financial or asset management strategy;

- the number of shares that the Company may buy under the share buyback programme may not cause the number of such shares held by the Company to exceed 10% of its share capital;

- the Company may purchase such shares at a maximum price of €30 per share and sell them at a minimum price of €10 per share. These prices are fixed subject to any adjustments relating to:

- shares bought and sold under this programme by any means on a regulated or over-the-counter market (including a simple purchase, recourse to any financial instrument or derivatives, or options); the maximum portion of share capital that may be purchased or sold in the form of a block of shares is equal to the total permitted by the share buyback programme.

This authorisation:

• would terminate the authorisation to conduct transactions in the Company's shares granted to the Executive Board under the terms of the fifth resolution of the Ordinary General Meeting held on 23 April 2004;

• would have a maximum period of validity of 18 months commencing on the date of this General Meeting until 26 October 2006.

Employee share ownership

Pursuant to the terms of Article L.225-102 of the Code of Commerce, we hereby confirm that no shares were held by employees in the corporate saving plan on the last day of the fiscal year, 31 October 2004.

1.4 Results – Appropriations

Review of the financial statements of Groupe Partouche SA, the holding company, and its results

Turnover came to €8.592 million, the lion's share of which came from €7.899 million of management fees received from the subsidiaries. The operating loss was €20.585 million, compared with 13.314 million in the prior year. This change is due mainly to a provision allocation in respect of a subsidiary. Financial items generate net income of €16.132 million compared with €2.920 million in 2003. This improvement was achieved thanks to lower finance costs, while financial income (mainly dividends distributed by subsidiaries) came to €44.748 million. Income on ordinary activities before tax showed a loss of €4.410 million and the net loss on exceptional items was €5.197 million, due primarily to a provision for receivables of €6.860 million. The tax saving, which was chiefly attributable to the application of the group tax consolidation structure was €22.325 million, and Groupe Partouche SA's net income was €12.718 million.

The company's assets totalled €749.606 million. Assets remained broadly in line with the prior year, except for the reduction in Other receivables, which was impacted notably by the aforementioned impairment. The change in liabilities reflects the Group's ongoing strategy of reducing its debt.

Proposed appropriation of net income

We invite you to approve these annual financial statements (balance sheet, income statement and notes), as submitted to you and showing net income of €12,718,223 which we propose be appropriated as follows:

Net income for the year	12.718.223 euros
To the long term capital gain reserve	6.082.104 euros
Balance	6.636.119 euros
entirely allocated to Retained earnings, which, after appropriation, totals 111,897,753 euros.	
Representing a total net income of	12.718.223 euros

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

Fiscal year ending	Number of shares	Net dividend in euros	(1) Tax credit in euros
31 October 2001	6.156.774	4.925.419,00	2.462.709,50
31 October 2002	6.156.774	0,00	0,00
31 October 2003	6.156.774	0,00	0,00

(1) the tax credit has been systematically calculated at the rate of 50%.

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

Pursuant to the provisions of Article 233 quater of the French General Tax Code ("CGI"), we hereby inform you that the financial statements for the period under review include an amount of €13,573 which corresponds to expenses that may not be deducted for tax purposes in light of the provisions of Article 39-4 of the CGI.

Income for the last five fiscal periods

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

Allocation of special reserves for long term capital gains to an ordinary reserves account (other reserves), subject to an exceptional 2.5% tax charge of €278,694.13, after which the net amount of tax allocated would be €11,369,070.90.

Pursuant to the reform of the tax regime for capital gains introduced by Article 39 of the modified 2004 Finance Act, you are invited to allocate amounts recognised under the reserve for long term capital gains of €11,647,765 to an ordinary reserve account (other reserves), after an exceptional 2.5% tax charge of €278,694.13, after which the net amount of tax allocated would be €11,369,070.90.

Review of the consolidated financial statements

Pursuant to Article L. 225-100 of the Code of Commerce and after having heard the report of the Executive Board, we hereby submit for your approval the consolidated financial statements for the fiscal year ended 31 October 2004.

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

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

Your Statutory Auditors have been informed of such agreements which they have included in their special report.

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

(cf. Remuneration and benefits in kind in the Corporate Governance – Management Remuneration section).

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

(cf. list of directorships of members of the Executive Board and Supervisory Board in the Corporate Governance section).

1.8 Company management and control

Status of mandates of members of the Supervisory Board

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

Proposed appointment of a new member of the Supervisory Board and statutory auditors

We invite you to appoint Mr. Hubert Benhamou as a new member of the Supervisory Board, in addition to the current members, for a period of six fiscal years ending on completion of the Ordinary General Meeting of Shareholders called to approve the financial statements for the year ending 31 October 2010. Additional information on the functions already carried out by Mr. Benhamou is presented in the list of directorships of members of the Supervisory Board in the Corporate Governance section, below.

Directors' fees

Finally, you are invited to set the total amount of directors' fees allocated to the members of the Supervisory Board for the fiscal year in progress and each future year, at €66,000.

1.9 Employee relations and environmental issues

Information on employee relations and environmental issues provided in accordance with Article L.225-102-1 of the Code of Commerce:

EMPLOYEE RELATIONS

Our people make us what we are

At the end of the fiscal year, Groupe Partouche had 5,519 employees, and an average headcount remaining in line with the prior year. This stability stems mainly from our finely calibrated management of joiners and leavers, together with close supervision of our teams. 88% of the Group's employees are employed under open-ended contracts. Women make up 39% of our total workforce. We have 678 executive level staff.

Work organisation

Each casino's work schedule is managed entirely at the local level. Schedule planning is driven by two factors specific to our sector. First, the fact that our establishments are opened 365 days a year means that we have to use a team rota system and secondly, a large number of our employees work at night, due to the very nature of the gaming, restaurant, and entertainment businesses.

Working time reduction agreements were negotiated and signed at certain subsidiaries. Subcontracting is only used on a relatively small scale, as our key professional specialities cannot be easily outsourced. During the fiscal year, subcontracting represented €2.93 million, chiefly attributable to the provision of security services.

Rewards and loyalty enhancements

Total payroll including social charges came to €169.8 million, and the combined total of profit-related pay paid by the subsidiaries came to €7.4 million.

Employee communication

Each subsidiary, irrespective of whether or not it has employee representative bodies, makes sure that there is free and open communication, an essential ingredient for employee relations within the company. By managing our staff "in real time", and allowing our subsidiaries to remain independent, our management teams can continually adapt to changing employee relations dynamics.

Health and safety

Groupe Partouche strives to give its patrons additional guarantees with respect to food and drink hygiene by anticipating potential risks. To this effect, an independent laboratory is responsible for systematically controlling all of the subsidiaries' restaurant facilities. The work currently underway will lead to the implementation of a Quality Charter, to be respected by all of our subsidiaries. Moreover, 1,294 catering staff will be given specially tailored training on food and drink health hygiene.

This exemplary level of commitment is part of Groupe Partouche's longstanding policy of providing quality hospitality services and respecting its clientele. Moreover, a system of internal risk assessment documents has been implemented and is updated every year, enabling, notably the Health&Safety, Security and Working Conditions Committees, to minimise any risks to the health and safety of our employees. Ongoing, permanent identification of risks and ways of mitigating them lie at the heart of this process. Rather than simply adhering to the letter of the law, Groupe Partouche made this a moral principle, a core component of our essential values of respecting people at the workplace.

Training to keep a competitive edge

Our businesses are constantly changing, which naturally means that our employees need to be willing to embrace change. For example, slot machines floor computerisation and our ceaseless efforts to optimise the profit centres require our staff to continually update their training.

This training notably involves sending our staff – senior gaming staff – on one-week training programmes, before starting their new role.

Employing and integrating disabled staff

Groupe Partouche ensures that its legal and moral obligations are fulfilled; each subsidiary remains free to make its own hiring and charity contribution decisions.

Caring and sharing

Groupe Partouche, via its subsidiaries, mainly takes an active role in local initiatives preferring to focus on its role in the local community. Examples abound, notably in the realm of sporting events and shows, and can be found in the company magazine Players Magazine, which is distributed to our patrons and employees. Our plethora of charitable contributions and support for non-profit associations help make Groupe Partouche a leading player in the social and economic fabric of its subsidiaries' local communities.

ENVIRONMENTAL ISSUES

The Group's business has a very low level of exposure to industrial risks. The potential environmental consequences for the Group via its subsidiaries are as follows (note that the cost of "environmental policy" is included in total costs incurred by the Group):

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 CO_2 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, in contrast to industrial companies.

The 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, an employee 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 2004.

Amount of indemnities paid during the course of the fiscal year with regard to the execution of a legal decision relating to environmental issues and action taken to repair damages caused thereby:

No indemnities with regard to the execution of a legal decision relating to environmental issues were paid during the fiscal year.

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

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

II. EXECUTIVE BOARD REPORT TO THE EXTRAORDINARY GENERAL MEETING

We have also convened you to an Extraordinary General Meeting in order to submit to you several resolutions which would have the effect, after the Meeting's decision to ratify them, of granting the Executive Board the authorisations to carry out issues of transferable securities at its sole discretion, leading to a capital increase of your Company with or without shareholders' pre-emptive subscription rights being maintained.

The range of financial products available and the rapid pace of change in the financial markets means that the issuer has more flexibility to choose the most favourable issue conditions for the Company and its shareholders and to expedite transactions rapidly in response to opportunities that may arise. The Group's development strategy may, in future, lead it to use the financial markets to obtain the capital required.

These delegations, which would be granted to the Executive Board for a period of 26 months, would be valid until 26 June 2007. They would terminate and supersede the previous authorisations provided by the Extraordinary General Meeting of 23 April 2004.

These resolutions are consistent with the new provisions of the Ordonnance of 24 June 2004 governing the regime for securities, notably Articles L. 225-129, L. 225-129-2, L. 225-130, L. 225-135, L. 225-148, L. 225-197-1, L. 225-197-2 and L. 225-92 of the Code of Commerce.

These authorisations are therefore designed to give your Executive Board the greatest latitude to act in the best interests of your Company, subject to the powers granted by your General Meeting.

The ninth resolution proposes that the Executive Board be delegated the powers of the Extraordinary General Meeting, for a period of 26 months, to decide at its sole discretion to issue shares or other securities in one or several stages, in amounts and times that it decides, on the French and/or international market, in euros, with pre-emptive subscription rights of shareholders being maintained.

You are invited to decide that the nominal amount of the immediate or future capital increase resulting from all of the issues carried out by virtue of the delegation given to the Executive Board may not exceed €500,000,000, excluding the additional amount of shares to be issued to maintain the rights of holders of securities conferring entitlement to shares in accordance with the law.

In the event that subscriptions in proportion to existing shareholders, and where applicable secondary priority rights, do not absorb the entire issue of shares or other securities, as defined under the ninth resolution, the Executive Board may distribute freely all or part of the issued securities not subscribed.

Tenth resolution - The Executive Board may, in the interests of the Company and its shareholders, issue shares or other securities on certain markets and in certain circumstances, without pre-emptive subscription rights.

Therefore, we invite you, by voting in favour of the tenth resolution, to delegate the powers of the Extraordinary General Meeting to the Executive Board for a period of 26 months, to decide, at its sole discretion, to issue shares, equity instruments or other securities, in one or several stages, in amounts and times it decides, without pre-emptive subscription rights of shareholders being maintained.

The nominal amount of the immediate or future capital increase resulting from all of the issues carried out under the terms of the delegation given to the Executive Board by virtue of the tenth resolution, may not exceed €500,000,000, excluding any additional amount of shares to be issued to maintain the rights of holders of securities conferring entitlement to shares in accordance with the law.

We invite you to delegate to the Executive Board the faculty to assess whether a period of preference should be provided for shareholders subscribing in proportion to their existing shareholding and/or those exercising secondary priority rights, the minimum period of which is fixed by decree and to set such a period and conditions of implementation, in accordance with the provisions of Article L. 225-135 of the Code of Commerce. The Ordonnance of 24 June 2004 governing the reform of the regime for securities of commercial companies provided a legal validation for this priority period which until then had only been encountered in practice rather than in legislation.

You are invited to decide that the issue price be greater than or equal to the weighted average of the opening price on the three trading days (on the Paris stock exchange) preceding the date on which it is set, after deducting any discount required by law.

Finally, we invite you to delegate to the Executive Board, for a period of 26 months, the powers of the Extraordinary General Meeting, to decide, at its sole discretion, to issue ordinary shares in the Company or any other securities conferring immediate and/or future entitlement, by any means, to ordinary shares in the Company, in order, where applicable:

(i) to issue shares, in accordance with the provisions of Article L. 225-136 of the Code of Commerce, subject to the ceiling of 10% of the share capital with a view to remunerate contributions in kind made to the Company insofar as the legal provisions relating to contributions in kind via Public Exchange Offers do not apply;

(ii) to remunerate shares contributed to any public offer that includes an exchange component initiated by the Company in respect of the shares of another company listed on a regulated market as defined under Article L. 225-148 of the Code of Commerce and decide as necessary to remove, in favour of the holders of these shares, the pre-emptive rights of shareholders to subscribe to these shares or other securities.

The eleventh resolution also empowers the Executive Board at its sole discretion, to increase the share capital via the capitalisation of reserves, earnings, issue or contribution premiums. This capital increase, the amount of which may not exceed the amount of the premiums, reserves and earnings available, may be carried out by the creation and bonus issue of shares and/or by increasing their nominal value.

The twelfth resolution empowers the Executive Board to carry out the bonus issue of shares in favour of employees or directors of the Company and its subsidiaries.

This new provision originated in Article 83 of the 2005 Finance Act, which introduced the new provisions of Articles L. 225-97-1 to L. 225-97-5 of the Code of Commerce, applicable since 1 January 2005.

By virtue of this authorisation, which would be granted by a ratification of the twelfth resolution, the Executive Board may, in one or several stages, carry out the bonus issue of existing shares or shares to be issued in favour of the Company's employees or certain categories of employees. Beneficiaries may be employees of the Company and/or the Company's direct or indirect subsidiaries and affiliates. The identity of beneficiaries and conditions for allocating shares will be determined by the Executive Board.

The total number of bonus shares issued by virtue of this resolution may not exceed 0.5% of the Company's share capital on the date of the corresponding decision of the Executive Board, i.e. a maximum capital amount of €430,974.18 which would be deducted in the appropriate amount from reserves.

The authorisation to be given to the Executive Board may not exceed 38 months commencing on the date of this General Meeting

In the thirteenth resolution, the General Meeting grants full powers to the holder of copies or extract of the minutes of this General Meeting to complete any legal formalities.

II. OBSERVATIONS OF THE SUPERVISORY BOARD TO THE COMBINED SHAREHOLDERS' MEETING

HELD ON TUESDAY 26 APRIL 2005 AT 10 A.M.

Ladies and Gentlemen,

The Executive Board of our Company convened you to the Combined Annual and Extraordinary General Meeting in compliance with the law and the Articles of Association, in order to report to you on the position and activities of our company and of the Group during the fiscal year ended 31 October 2004 and to invite you to approve the financial statements for the said year and the appropriation of earnings.

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

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

We note with satisfaction the results of the Company, which reflect the quality of the business strategy implemented by the Executive Board under the aegis of its Chairman, within a general environment marked by a slowdown, not to say stagnation, in the French gaming business, and a heavier burden of our sector-specific levies. Consequently, pursuant to Article L. 225-68 of the Code of Commerce, we have examined and verified the financial statements submitted to us by the Executive Board and we have no specific observations to make concerning the report of the Executive Board or the financial statements.

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

The Supervisory Board

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

(ARTICLE L. 225-68 OF THE CODE OF COMMERCE)

Ladies and Gentlemen,

Pursuant to the provisions of Article L. 225-68 of the Code of Commerce ensuing from Article 117 of the Financial Security Act, it is my responsibility as Chairman of the Supervisory Board of Groupe Partouche SA to present: (1) the conditions under which the Board's work is prepared and organised, and (2) the internal control procedures implemented by your Company during the fiscal year ending 31 October 2004.

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

The Extraordinary General Meeting of 20 June 1996 decided to change the management mode of our Company, until then governed by a Board of Directors, to that of a Société Anonyme with Executive and Supervisory Boards.

The decision to adopt this structure was made to observe the principles of corporate governance that have since been adopted under French legislation, the most recent changes in which increase the required level of transparency. This dual structure encourages a clear separation between, on the one hand, the functions of the Company's operational management, which is carried out by the five members of the Executive Board and on the other hand, the control function, which is permanently exercised by a Supervisory Board, which at present has four members.

We have described herebelow : (1.1.) the conditions under which the Supervisory Board is organised and operates, provided a summary of (1.2.) its activity during the fiscal year under review, (1.3.) its preparatory work and finally (1.4.) an evaluation of its members.

1.1 Organisation and operating methods of the Board

Composition of the Supervisory Board

The Supervisory Board has four members, Isidore Partouche, Marcel Partouche, Maurice Sebag and Gaston Ghrenassia, appointed to this function by decision of the Ordinary Annual General Meeting of 20 June 1996, (Gaston Ghrenassia, having been co-opted to replace Jacques Benhamou by decision of the Supervisory Board of 11 December 1998). These mandates were renewed by decision of the Ordinary General Meeting of 9 April 2002 and expire on completion of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 October 2007.

The General Meeting of 23 April 2004 decided in its eighth resolution not to allocate directors' fees to the Supervisory Board. This decision is applied for the fiscal year in progress and for future years, until superseded by a new decision of the Meeting.

Operation of the Supervisory Board

The organisation and operating methods of the Supervisory Board are stipulated in Articles 21 and 22 of the Articles of Association of Groupe Partouche SA:

Article 21 - Organisation and operation of the Supervisory Board

1 - 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.

2 - The Board meets as often as the interests of the Company dictate.

However, the Chairman must convene a meeting of the Board no more than 15 days after the request date, when at least one member of the Executive Board, or at least one third of the members of the Supervisory Board present him with a substantiated request to do so.

Meetings take place at the registered office or at any other place indicated in the notice of meeting.

Any member of the Board may, via letter or telegram, mandate another advisor to represent him at a Board meeting.

The effective presence of at least half of the members of the Board is required for its operations to be valid.

The Executive Board's deliberations shall be valid if at least one-half of its members are present or deemed present; each member present or represented has one vote and each member present only has one vote.
The vote of the meeting's chairman is casting in the event of a tie vote.

3 - 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 General Meeting and sets the level of their remuneration.
It convenes the General 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 below.
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 fiscal year to the Ordinary Annual General 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 General 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.

1.2 Report on the activity of the Supervisory Board during the year under review

During the fiscal year, a twelve months period ending 31 October 2004, the Supervisory Board met 14 times, with a 93% attendance rate. The meetings of the Supervisory Board related primarily to the quarterly accounting closes. The Executive Board presents a detailed activity report, which allows the Supervisory Board to carry out its mission in full. Moreover, the Board approved, on the basis of precise, complete information provided by the Executive Board, information on strategically important investments carried out by the Company and the Group as a whole.
(Supervisory Boards of 30 November 2003, 27 February 2004, 28 May 2004 and 31 August 2004).
The Supervisory Board decided during the period to approve three receivable write-offs with a financial recovery clause with respect to three new subsidiaries, each of which operates a gaming establishment in its start-up phase, which require an equity contribution to finance start-up operations. (Supervisory Board of 15 January 2004, 30 April 2004 and 3 May 2004). The Supervisory Board of 12 May 2004 authorised the sale of shares in SNC HOTEL DU GOLF and SARL SIT.
The Supervisory Board authorised the group to provide its guarantee to several financial establishments and subsidiaries for external growth transactions. (Supervisory Board of 3 November 2003, 10 November 2003, 26 February 2004 and 10 May 2004). The Supervisory Board of 4 October 2004 authorised Groupe Partouche to substitute itself for its subsidiary CASKNO in the event of a cessation of activity.
Finally, the Supervisory Board meeting of 30 January 2004 examined the statutory accounts and consolidated financial statements for the fiscal year ended 31 October 2004, together with the report of the Executive Board.

1.3 Preparation for Board meetings

Modus operandi of Supervisory Board meetings
The members of the Supervisory Board receive accounting documents and, generally, documents relating to the agenda of Board meetings, on average 10 days before the meeting are held.

Organisation and operation of committees
The Supervisory Board set up three committees, an Audit Committee, a Finance Committee and a Remuneration Committee.
The Remuneration Committee generally meets once a year, in order to determine, in line with budget restrictions, remuneration for the fiscal year to come, with an attendance rate of 100%. The Finance Committee and the Audit Committee met five times in fiscal year 2004, with an attendance rate of 100%.
The various committees meet under the chairmanship of Isidore Partouche who co-ordinates and runs them with the collaboration of Patrick Partouche, Chairman of the Executive Board, Ari Sebag and Hubert Benhamou, both General Managers and members of the Executive Board.

The committees can rely, through the members of the Executive Board, on the collaboration and involvement of the various staff departments of the Group. In connection with their tasks, they may use or bring in, as authorised by the Supervisory Board, the outside specialists or advisors they deem necessary.

• Audit Committee

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

• Finance Committee

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

• Remuneration Committee

The Remuneration Committee's task is to determine the remuneration of the members of the Executive Board, and to obtain, through the Executive Board, information relating to the remuneration and status of the Directors of the Group.
The committee does not determine the allocation methods for bonuses in advance. No variable portion of remuneration related to performance or progress is allocated to the company officers.

1.4 Evaluation of Supervisory Board members

The methods of evaluating members of the Supervisory Board, as detailed in the Viénot Report, aim above all to provide assurance to shareholders that the members of the board have a suitable profile of skills to be able to perform their role.
This is one of the concerns of the Chairman of the Supervisory Board and dovetails with the working methods applied within the Group. In the case of your Company, each member of the Supervisory Board has over 30 years experience and has a highly honed set of skills and knowledge of the leisure business, and particularly of gaming establishments and managing live shows, events and restaurants.
The Supervisory Board evaluates its members once a year. During the fiscal year under review, this assessment did not reveal any dysfunction which may have a prejudicial effect on the company.

2 - INTERNAL CONTROL PROCEDURES IMPLEMENTED

Objectives of internal control procedures

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

• to ensure that operational and transaction management, together with the behaviour of employees in general comply with the framework of guidelines defined by management bodies, laws and regulations, as well as the Company's own values, standards and internal regulations;

• to check that accounting, financial and management information communicated to the company's management bodies faithfully reflect the company's business performance and financial position.

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

General organisation of internal control procedures

Internal control procedures are part of the policy defined by the Executive Board and are implemented under the direct responsibility of the General Managers of the various subsidiaries.
Some 80% of our Group's business centres on the casino business in France, which has "three distinct segments: entertainment, restaurants and gaming, all of which are combined under a single management structure, without any individual segment being run separately" (Article 1 of the Order of 23 December 1959 governing to the regulation of gaming in casinos).
The management of these activities therefore falls within an extremely precise scope, defined by the regulations governing the gaming industry, a very strict set of controls covering the authorisation, organisation of business, levying of taxes by the public authorities and oversight.

The application order of the Decree of 22 December 1959 determines the following:

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

The regulatory frameworks of casinos operated outside France (over 8% of turnover) are also very strict, particularly in Switzerland.

Moreover, the Group's major hotels are managed via management (Hilton and Méridien) or franchise contracts (Club Méditerranée), or by reputable operators. Over 5% of our turnover is generated with Hilton and Méridien.

Groupe Partouche SA's finance department is responsible for organising internal control procedures relating to the preparation and processing of the company's accounting and financial information.

Groupe Partouche SA's head office makes available to its operating units its know-how, resources and skills, in terms of personnel and technical resources, and thus provides, among other things, administrative, accounting, legal and financial support.

The operating units are all subsidiaries which do not have a particularly high degree of complexity, equipped with a dedicated internal administration and accounting departments.

Groupe Partouche SA's subsidiaries are also assisted by chartered accountants, long-term advisors with an in-depth knowledge of the specificities of the Group's business segments. The only entities that do not benefit from the assistance of a chartered accountant are those subsidiaries that are administered at the Group's head office, thanks to the presence of a qualified French chartered accountant who is a head office employee.

Organisation of accounting internal controls

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

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

The system is configured by external consultant. Updates to the software are performed only by the Group's in-house IT department. The system runs on an AS400 and data is backed up on tape on a daily basis. These tapes are placed in fireproof safes which guarantee that the data is stored in optimal security.

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

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

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

Organisation of management internal controls

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

All of the information used, in the budgetary and management reporting process, is processed by one of the leading information systems on the market.

This analysis tool is based on a single reference system applicable to all of the units, which ensures the homogeneity of information.

The units have decentralised data input modules which feed into a single group-wide database. This database guarantees the reliability and the traceability of data, thanks notably to controls and automated validations of data and a set of controls that are specific to our line of business.

Organisation of financial internal controls

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

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

The information system used to prepare the consolidation is one of the leading products on the market.

A certain amount of work was required to configure the system to the specific needs of the Group, and this was performed exclusively by the software maker itself.

Information is collected from the subsidiaries using decentralised modules of the information system. These modules are secure; subsidiaries have access only to the current period, without being able to modify any parameters.

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

Internal control procedures relating to the preparation and processing of financial and accounting information

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

Accounting information

A chart of accounts adapted to the Group's accounting framework is used by the operating units, in compliance with the Order of 27 February 1984, which sets the provisions relating to casino's accounts and mentions that the professional chart of accounts appended thereto should by applied by casinos. Procedural notes are prepared by the Group's accounting department for the attention of the subsidiaries, particularly by taking account of the specific accounting treatment in the gaming sector. These provisions mean that consistent accounting information is sent to Groupe Partouche SA.

The Group's accounting department organises and plans the work required to close the statutory accounts of Groupe Partouche SA, and prepares an annual and half-yearly control file.

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

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

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

Management information

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

The key stages of the budget process are as follows:

• August: operating units prepare their annual monthly-apportioned budget and investment budget,

• September and October: operating unit directors present their budgets to the Budget Committee which makes any final adjustments.

Budgets may be revised during the current reference period whenever a structural modification affects the operating conditions of a unit.

Specific indicators are defined and summary reports are prepared on the basis of budgetary information in order to optimise the level of analysis.

All of this information helps to ensure the monitoring, control and co-ordination of the operations, by using the data produced from the financial reporting and management processes.

The financial reporting process is fundamental to controlling accounting, financial and management information. It also produces a set of performance indicators.

Two financial reporting phases are in place: a monthly activity reporting phase and a quarterly operating and investment reporting phase.

The monthly activity reporting phase makes data available relating to turnover and specific information relating to the gaming sector.

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

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

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

Financial information

The ultimate objective of the internal control procedures for Groupe Partouche SA, the holding company, is to ensure the reliability of the consolidated financial statements.

Specific procedures deal with the preparation of the consolidated financial statements by the dedicated department at Groupe Partouche's head office.

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

Planning, organisation and the management of the consolidation process are performed by the head of the Group's consolidation department.

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 joint statutory auditors.

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

The state of completion of the accounts, the homogeneity of accounting process and any other element that is required in order to fully understand subsidiaries' data are monitored. We can detail the sequence in which the consolidated financial statements are prepared by listing the primary controls that are carried out.
The definition of the scope of the consolidated companies is performed by monitoring the equity stakes held by all of the companies within the group and is validated by cross-checking with the information held by the group's central legal department.
Changes in the regulatory framework governing consolidations are permanently monitored, where necessary, in conjunction with external advisors. This allows work to be carried out to make the standards applied consistent, ensure that they comply with Group policies and that the information system is updated as appropriate, in liaison with consultants from the software supplier.

When it receives the consolidation packages from the subsidiaries, the consolidation department ensures compliance with group accounting policies, which guarantees the presentational consistency of the financial statements.
The subsidiaries keep a "permanent file", a set of instructions on how to produce their consolidation packages which presents the consolidation work to be performed, the required documents to be used and the corresponding information submission procedures, and a "period-end file" detailing the consolidation schedule and specific information requested at the end of each period.

Isidore Partouche
Chairman of the Supervisory Board

STATUTORY AUDITORS' OBSERVATIONS ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD IN RESPECT OF INTERNAL CONTROL PROCEDURES RELATING TO FINANCIAL INFORMATION

Ladies and Gentlemen,

In our capacity of statutory auditors of Groupe Partouche SA and pursuant to the provisions of the last subsection of Article L.225-235 of the Code of Commerce, we hereby present our observations on the report of the Chairman of the Supervisory Board of your Company, in accordance with the provisions of Article L.225-68 of the Code of Commerce for the fiscal year ending 31 October 2004.

Under the responsibility of the Supervisory Board, Management is bound to define and implement adequate and efficient internal control procedures. The Chairman is responsible for providing in his report, notably, the conditions under which the work of the Supervisory Board is prepared and organised and of the internal control procedures implemented within the company.

Our role is to communicate to you our observations on the information provided in the Chairman's report relating to internal control procedures governing the preparation and processing of accounting and financial information.

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

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

- acquiring information on the work performed to provide the information presented in the report.

On the basis of our work, we have no comments to make on the information provided relating to the Company's internal control procedures governing the preparation and processing of accounting and financial information, contained in the report of the Chairman of the Supervisory Board, prepared in application of the provisions of the last subsection of Article L.225-68 of the Code of Commerce:

Saint-Cloud and Sceaux, 31 March 2005

BDO Marque Gendrot **José David**

Joël Assayah
Jean-Louis Mathieu

Ya Ya Tequila
126
145
DOUBLE DRAGON
1ERE PIECE
2EME PIECE
3EME PIECE
LA MACHINE PAYE JUSQU'A 1000 PIECES
0,50
GAIN PAYE
CREDITS
DOUBLE DRAGON
27
28

CONSOLIDATED FINANCIAL STATEMENTS 2004

CONSOLIDATED BALANCE SHEET

FISCAL YEAR ENDED 31 OCTOBER 2004

I.- CONSOLIDATED BALANCE SHEET - ASSETS (NET VALUE)

€'000 at 31 October	2004	2003	Proforma 2002	2002
Set-up costs	297	749	665	665
Capitalised research and development costs	323	466	102	102
Franchises, patents, licences and trademarks	1 038	572	604	604
Internally generated goodwill	6 876	7 121	7 353	7 353
Goodwill on acquisition	358 914	380 915	385 740	393 621
Other intangible assets	987	1 102	1 145	1 145
INTANGIBLE ASSETS	**368 435**	**390 924**	**395 611**	**403 492**
Land	21 343	18 709	18 769	18 769
Buildings	241 829	232 687	240 228	240 228
Machinery and equipment	48 637	41 996	35 578	35 578
Other tangible fixed assets	57 141	51 415	53 673	53 673
Assets under construction	5 019	4 720	3 607	3 607
Deposits and down payments	816	14 276	897	897
TANGIBLE FIXED ASSETS	**374 785**	**363 802**	**352 752**	**352 752**
Investments in associates	35 982	36 206	43 184	43 180
Loans	210	1 262	1 188	1 188
Other long-term investments	2 442	2 353	1 638	1 638
Investments – accounted affiliates	5 404	9	-	-
FINANCIAL INVESTMENTS	**44 038**	**39 830**	**46 011**	**46 006**
FIXED ASSETS	**787 258**	**794 557**	**794 374**	**802 250**
Raw materials	2 641	2 521	2 385	2 385
Semi-finished and finished goods	166	477	470	470
Goods held for resale	4 233	4 196	4 372	4 372
Down payments to suppliers	550	942	378	378
Trade receivables	9 823	12 880	9 828	9 828
Deferred tax	1 030	1 555	8 805	1 940
Other receivables	21 535	35 610	51 280	51 280
Treasury shares	169	291	169	169
Other marketable securities	3 572	7 000	3 388	3 388
Cash at bank and in hand	65 916	55 637	46 698	46 698
Deferred charges	7 653	7 506	7 297	7 297
CURRENT ASSETS	**117 287**	**128 615**	**135 071**	**128 206**
Prepayments and accrued income	8 266	9 710	2 564	2 564
TOTAL ASSETS	**912 811**	**932 882**	**932 008**	**933 019**

II.- CONSOLIDATED BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

€'000 at 31 October	2004	2003	Proforma 2002	2002
Share capital	86 195	86 195	86 195	86 195
Share premium	9 411	9 411	9 411	9 411
Consolidated reserves	127 734	110 017	79 617	86 637
Group revaluation reserve	159	128	139	122
Group net income for the year	20 134	17 657	17 261	22 459
Statutory provisions	-	-	-	-
SHAREHOLDERS' EQUITY	**243 633**	**223 408**	**192 622**	**204 824**
Minority interests	28 517	24 877	18 636	19 154
Net income attributable to minority interests	7 287	6 155	3 279	2 752
MINORITY INTERESTS	**35 805**	**31 032**	**21 915**	**21 905**
Contingency provisions	4 061	6 371	5 242	5 242
Loss provisionss	8 573	3 751	4 710	4 710
CONTINGENCY AND LOSS PROVISIONS	**12 634**	**10 122**	**9 953**	**9 953**
Bank loans and overdrafts	339 621	391 754	534 741	527 017
Other borrowings	115 275	116 303	17 333	17 333
Down payments from clients	1 827	2 468	2 039	2 284
Trade notes and accounts payable	17 811	18 514	19 012	19 012
Tax and social charges	97 438	88 513	80 350	80 265
Deferred tax liability	23 171	16 513	18 666	15 047
Liabilities to fixed assets suppliers	7 601	10 314	11 334	11 334
Other liabilities	10 827	13 354	14 352	14 352
Deferred income	7 167	10 585	9 692	9 614
LIABILITIES	**620 739**	**668 319**	**707 518**	**696 259**
Accruals	-	-	-	78
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**912 811**	**932 882**	**932 008**	**933 019**

III.- CONSOLIDATED INCOME STATEMENT

€'000 at 31 October	2004	2003	Proforma 2002	2002
Sales of goods held for resale	1 085	1 256	1 420	1 386
Sales of services	451 410	434 399	436 931	370 599
NET TURNOVER	**452 495**	**435 655**	**438 351**	**371 985**
Goods capitalised	418	717	322	322
Operating subsidies	467	385	386	215
Reversals of depreciation, amortisation, provisions and expense transfers	13 645	20 638	13 332	9 809
Other income	509	405	389	287
Operating income	**467 534**	**457 801**	**452 780**	**382 619**
Purchases and change in inventories	24 578	25 980	26 280	23 125
Other purchases and external expenses	97 051	100 905	97 947	81 155
Tax	22 045	21 785	22 256	18 699
Personnel costs	169 799	163 195	160 788	135 118
Depreciation and amortisation charges on fixed assets	37 290	33 852	33 199	28 041
Impairment of current assets	2 774	4 134	4 164	3 261
Contingency and loss provisions	1 930	1 791	1 683	1 244
Other expenses	12 865	11 872	10 507	9 125
Operating expenses	**368 332**	**363 514**	**356 824**	**299 768**
OPERATING INCOME	**99 202**	**94 288**	**95 956**	**82 850**
Financial income	**4 126**	**1 586**	**8 297**	**2 617**
Finance costs	**29 067**	**34 705**	**35 286**	**25 040**
FINANCIAL ITEMS	**(24 941)**	**(33 119)**	**(26 990)**	**(22 423)**
INCOME ON ORDINARY ACTIVITIES BEFORE TAX	**74 260**	**61 168**	**68 966**	**60 427**
Exceptional income	**34 693**	**27 775**	**18 318**	**16 783**
Exceptional expense	**27 134**	**23 936**	**17 948**	**12 397**
EXCEPTIONAL ITEMS	**7 559**	**3 839**	**369**	**4 386**
Amortisation of goodwill on acquisition	22 339	22 383	21 695	13 815
Corporate income tax	22 495	16 546	26 419	22 995
Deferred tax	7 475	1 830	681	2 793
Share in earnings of equity affiliates	2 089	436	-	-
TOTAL INCOME	**506 335**	**487 162**	**479 395**	**402 019**
TOTAL EXPENSES	**478 931**	**463 350**	**458 855**	**376 808**
Net income attributable to consolidated companies	27 421	23 812	20 540	25 211
GROUP INCOME	**20 134**	**17 657**	**17 261**	**22 459**
NET INCOME ATTRIBUTABLE TO MINORITY INTEREST	**7 287**	**6 155**	**3 279**	**2 752**
NET EARNINGS PER SHARE*	**0,6363**	**3,87**	**3,34**	**4,09**

* Total number of shares at 31 October 2004 : 43 097 418

IV – CONSOLIDATED CASH FLOW STATEMENT

€'000 at 31 October	2004	2003
Operating activities		
Net income attributable to consolidated companies	27 421	23 812
Depreciation and amortisation	58 474	56 478
Provisions	(565)	(87)
Change in deferred tax	7 475	1 830
Gain on sale of fixed assets	(10 729)	(4 865)
Elimination of share in equity affiliates	2 089	436
Self-financing capacity	**84 166**	**77 604**
Change in working capital requirements	**22 389**	**17 034**
Net cash inflow from operating activities	**106 555**	**94 639**
Investment activities		
Purchase of intangible and tangible fixed assets	(53 071)	(51 901)
Purchase of financial investments	(6 160)	(1 872)
Liabilities payable to suppliers of fixed assets	(2 696)	(935)
Disposal of fixed assets	2 705	4 133
Impact of change in Group structure and others	14 766	14 381
Net cash outflow from investing activities	**(44 455)**	**(36 194)**
Financing activities		
Change in borrowings	(53 901)	(34 859)
Capitalised expenses	(107)	(8 394)
Dividends paid	(1 670)	(1 550)
Net cash outflow from financing activities	**(55 678)**	**(44 803)**
Impact of currency fluctuations	104	(247)
INCREASE IN BANK BALANCES AND CASH	**6 525**	**13 394**
Opening cash position	62 620	49 226
Closing cash position	69 146	62 620

CONSOLIDATED CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS

€'000 at 31 October	2004	2003
ASSETS		
Trade receivables	2 547	(3 192)
Inventories and semi-finished goods	(63)	1
Other receivables	15 910	16 813
Prepaid expenses	(200)	(238)
Advances and down payments	428	(564)
Subtotal	**18 622**	**12 821**
LIABILITIES		
Trade payables	246	(184)
Tax and social security liabilities	8 150	7 156
Other operating liabilities	(4 231)	(2 943)
Advances and down payments	(398)	185
Subtotal	**3 767**	**4 213**
CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS	**22 389**	**17 034**

V – CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€'000	Share capital	Share premium	Translation reserve	Consolidated Group reserve	Consolidated Group income	Shareholders' equity Group	Minority interests
POSITION AT 31 OCTOBER 2002	**86 195**	**9 411**	**122**	**86 637**	**22 459**	**204 824**	**21 905**
Translation adjustment	-	-	6	-	-	6	(227)
Distribution of GP SA dividends	-	-	-	-	-	-	-
Distribution of subsidiaries' dividends	-	-	-	-	-	-	(1 556)
Change in the scope of consolidation	-	-	-	-	-	-	-
Other movements	-	-	-	921	-	921	4 755
Appropriation of 2002 earnings	-	-	-	29 459	(29 459)	-	-
Net income for 2003 fiscal year	-	-	-	-	17 657	17 657	6 155
POSITION AT 31 OCTOBER 2003	**86 195**	**9 411**	**128**	**110 017**	**17 657**	**223 408**	**31 032**
Translation adjustment	-	-	31	-	-	31	(111)
Distribution of GP SA dividends	-	-	-	-	-	-	-
Distribution of subsidiaries' dividends	-	-	-	-	-	-	(1 806)
Change in the scope of consolidation	-	-	-	-	-	-	-
Change in method of consolidation	-	-	-	(644)	-	(644)	(85)
Other movements	-	-	-	704	-	704	(512)
Appropriation of 2003 earnings	-	-	-	17 657	(17 657)	-	-
Net income for 2004 fiscal year	-	-	-	-	20 134	20 134	7 287
POSITION AT 31 OCTOBER 2004	**86 195**	**9 411**	**159**	**127 734**	**20 134**	**243 633**	**35 805**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 OCTOBER 2004

KEY EVENTS OF THE FISCAL YEAR

Groupe Partouche opened four casinos in France during the fiscal year: Port Barcarès, La-Trinité-sur-Mer, Le Havre and Nice.

Moreover, it sold three companies in May 2004: Hôtel Méridien Part-Dieu in Lyon, Hôtel du Golf in La Tour de Salvagny and Société Immobilière de la Tour, which had the following impacts on the consolidated financial statements:

Capital gain on the sale of the three companies divested: € 12.681 million.

HÔTEL MÉRIDIEN – PART-DIEU (EGH)

€'000	2004	2003
Turnover	4 972	9 204
Operating income	-223	430
Net income	-539	452

HÔTEL DU GOLF

Turnover	1 026	2 001
Operating income	-190	331
Net income	0	388

SOCIÉTÉ IMMOBILIÈRE DE LA TOUR

Turnover	212	0
Operating income	44	-295
Net income	1594	-194

IMPACT OF NEWLY CONSOLIDATED COMPANIES AT 31 OCTOBER 2004

€'000	Turnover	Operating income	Net income
Cinéma de Vichy	114	-812	-750
Quarisma	-	-46	-34
Casino de Saxon	-	-158	-209
SLuis	194	-136	-57

ACCOUNTING POLICIES

Accounting standards

The Group's consolidated financial statements were prepared in accordance with French accounting standards as defined by CRC Regulation 99-02.

The financial statements of foreign companies prepared on the basis of accounting standards in force in their countries, are reprocessed in order to apply the policies generally accepted by the Group.

Consolidation methods

The full consolidation method is applied in all of the subsidiaries over which the Group has exclusive control, either directly or indirectly.

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

Companies over which Groupe Partouche has significant influence are equity-accounted. This method has been applied in the case of the following four companies since they became part of the scope of consolidation in fiscal year 2003: International Casino of Madrid, Société Française d'Investissement d'Hôtels et de Casinos, SA Casino du Palais de la Méditerranée and SAS Hôtel du Palais de la Méditerranée.

Entities are consolidated on the basis of their statutory accounts restated to comply with the Group's accounting policies. All of the significant transactions between the consolidated companies together with any gains on intercompany transactions are eliminated.

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

Changes in accounting presentation and policies

As of 1 November 2002, the first-time application of CRC Regulation 2000-06 in respect of liabilities did not have an impact on opening shareholders' equity, nor on net income for the period 1 November 2002 to 31 October 2003.

As of 1 November 2003, Groupe Partouche has recognised pension obligations as a provision. The calculation method for these obligations is explained below. The impact of this accounting process on the financial statements is stated in a note to the financial statements.

Foreign currency translation methods

1. Foreign companies' financial statements

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

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

2. Translation of foreign currency transactions

Receivables and payables expressed in foreign currencies are translated on the basis of the exchange rate prevailing at 31 October 2004. Income, expenses and transaction flows are translated on the basis of the exchange rate prevailing at the date they were posted. The gains and losses resulting from the translation of the assets and liabilities are listed in the income statement, as provided by the preferential method of Regulation 99-02.

Intangible assets

1. Goodwill on acquisition

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

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

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

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

If the criteria indicated above are not met, and particularly if authorisation to operate slot machines is not obtained or where the profitable capacity is less than that originally estimated for a consecutive period of three years after obtaining the initial slot machines licence, Groupe Partouche may review its position with regard to the residual amortisation period of the related goodwill on acquisition.

2. Internally generated goodwill

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

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

3. Other intangible assets

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

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

Tangible fixed assets

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

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

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

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

Long-term investments

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

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

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

Other financial investments include deposits paid and other long-term receivables (loans or advances granted to partners). These receivables are recognised at the lower of nominal value and value-in-use. Value-in-use is determined taking into consideration, where applicable, the market value of assets that may be received in reimbursement for said receivables in application of the contractual clauses agreed between the Group and its partners or pledges.

Inventories

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

Receivables

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

Marketable securities

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

Deferred tax

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

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

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

Contingency and loss provisions

Contingency and loss provision mainly comprise:

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

Capital leases

1. Property leases

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

2. Other capital leases

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

Retirement benefit commitments

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

These commitments have been subject to an actuarial valuation using the prospective method. The entire amount of the expense corresponding to the rights acquired by employees is determined on the basis of agreements in place at each company. This valuation takes into account probabilities that employees will remain in Group employment until retirement (age 65), mortality rates based on gender, expected change in salary levels (2%), financial discounting (5.5%) and the recognition of social security expenses representing 42% of the provision that is calculated.

At 31 October 2004, Groupe Partouche recognised retirement benefit commitments, which represented a change in accounting policy. This had an impact on net income and consolidated reserves before tax of €120,000 and €1,109,000, respectively.

Specific observations concerning accounting standards

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

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

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

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

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

Turnover

Turnover represents all of the revenue relating to the ordinary activities of consolidated companies. It comprises Net Gaming Revenue, revenue from restaurants and hotels activities and real estate leases.

Operating income and operating margin

Operating income includes all of the revenue and expense items directly relating to the ordinary activities of consolidated companies. The following items are excluded from operating income: financial items, income from equity-accounted companies and exceptional items.

Distinction between ordinary and extraordinary income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FISCAL YEAR ENDED 31 OCTOBER 2004

SEGMENTAL INFORMATION

€million Years ended 31 October	2004	2003	2002
Turnover			
Games	342,9	322,8	270,2
Restaurants	55,7	54,0	46,3
Hotels	26,2	30,8	29,2
Other	27,7	28,1	26,2
CONSOLIDATED TOTAL	**452,5**	**435,7**	**371,9**

€million Years ended 31 October	2004	2003	2002
Turnover			
France	410,9	406,7	353,6
Europe (excluding France)	14,0	25,1	14,3
Other	27,6	3,8	4,0
CONSOLIDATED TOTAL	**452,5**	**435,7**	**371,9**

NOTES TO THE BALANCE SHEET

Note 1 - INTANGIBLE ASSETS

CHANGES IN GROSS VALUES

€'000 at 31 October	2003 *	Newly acquired companies	Increase	Decrease	2004
Internally generated goodwill	8 938	-	58	76	8 920
Goodwill on acquisition	444 760	66	195	66	444 955
Other	9 889	-	1 716	1 020	10 585
TOTAL	**463 587**	**66**	**1 969**	**1 162**	**464 460**

AMORTISATION

€'000 at 31 October	2003 *	Newly acquired companies	Increase	Decrease	2004
Internally generated goodwill	1 817	-	256	29	2 044
Goodwill on acquisition	63 727	-	22 339	25	86 041
Other	6 998	-	1 601	659	7 940
TOTAL	**72 542**	**-**	**24 196**	**713**	**96 025**

NET VALUES

€'000 at 31 October	2003 *	2004
Internally generated goodwill	7 121	6 876
Goodwill on acquisition	380 915	358 914
Other	2 889	2 645
TOTAL	**390 924**	**368 435**

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

Comments: The increase in "Other intangible assets" stems mainly from the € 448,000 increase in respect of the acquisition of the operating licence for Agadir Casino.

Note 2 - GOODWILL ON ACQUISITION

SUMMARY OF GOODWILL ON ACQUISITION

€'000 Years ended 31 October	Goodwill on acquisition 2004			2003
Holding companies	Gross	Amortisation	Net	Net
Groupe PARTOUCHE SA	369 512	59 677	309 835	328 411
FORGES THERMAL	635	220	415	440
ÉLYSÉE PALACE EXPANSION	2 904	1 434	1 470	1 615
CASINO PALM BEACH	6 518	978	5 540	5 866
SFC	6 900	1 590	5 310	5 642
SIHCT	373	93	280	298
SCI THERMES	865	197	667	711
Groupe PARTOUCHE INTERNATIONAL	9 504	3 168	6 336	6 788
SIKB	119	61	58	65
CASKNO	80	6	74	78
SATHEL	18 380	9 945	8 435	9 378
SEK	8 705	5 730	2 975	3 451
AIX THERMAL	1 676	878	798	882
SEMCG	942	212	730	777
C.E.C	7 969	944	7 025	7 188
SONECAR	6	-	6	-
ROCHE POSAY	222	22	200	211
CIE CASINOS HOLDING	9 645	884	8 761	9 113
CONSOLIDATED TOTAL	**444 955**	**86 041**	**358 914**	**380 915**

BREAKDOWN OF CHANGES IN GROSS GOODWILL ON ACQUISITION BY ACTIVITY

€'000 at 31 October	
Casinos	380 595
Other	65 360
CONSOLIDATED TOTAL	**445 955**

BREAKDOWN OF CHANGES

€'000 at 31 October	
NET VALUE 2003	**380 915**
Increase (gross values)	
Casino Saxon	157
Sluis Nederland	59
Other*	163
Decrease	
Disposals (net values)	(41)
Amortisation charge	(22 339)
NET VALUE 2004	**358 914**

* During the fiscal year, Groupe Partouche transformed certain subsidiaries into sociétés par actions simplifiées or into sociétés par *actions simplifiées unipersonnelles*. This modification means that directors no longer have to be shareholders. All of the loans of shares were cancelled and certain shares were repurchased from minorities. These purchases, affecting all of the companies concerned, led to the recognition of additional goodwill on acquisition in the amount of €46,000.

* This account also records the impact of the line items' exchange rate variations in the amount of €117.500.

Note 3 - TANGIBLE FIXED ASSETS

CHANGE IN GROSS VALUES

€'000 at 31 October	2003 *	Newly acquired companies	Increase	Decrease	2004
Land	19 482	-	3 729	869	22 342
Buildings	314 586	-	28 287	11 495	331 378
Machinery and equipment	118 883	860	21 560	12 015	129 288
Other	100 061	3	17 056	5 770	111 350
Assets under construction	4 718	-	4 244	3 943	5 019
Advances and down payments	14 276	-	829	14 289	816
TOTAL	**572 006**	**863**	**75 705**	**48 381**	**600 193**

DEPRECIATION

€'000 at 31 October	2003 *	Newly acquired companies	Increase	Decrease	2004
Land*	852	-	283	135	999
Buildings*	82 127	-	12 839	5 417	89 549
Machinery and equipment*	76 860	-	14 779	10 989	80 651
Other*	48 666	-	10 210	4 667	54 209
TOTAL	**208 505**	**-**	**38 111**	**21 208**	**225 408**

NET BOOK VALUES

€'000 at 31 October	2003 *	2004
Land	18 709	21 343
Buildings	232 687	241 829
Machinery and equipment	41 996	48 637
Other	51 415	57 141
Assets under construction	4 720	5 019
Advances and down payments	14 276	816
TOTAL	**363 803**	**374 785**

* These amounts include the translation difference at the closing balance sheet exchange rates of foreign companies (not material).

"OTHER" TANGIBLE FIXED ASSETS BREAK DOWN AS FOLLOWS AT 31 OCTOBER 2004:

€'000	Gross values	Depreciation
Technical and office equipment	16 123	10 978
Vehicles	1 853	1 352
Other	93 374	41 879
TOTAL	**111 350**	**54 209**

COMMENTS:

Land:

The change is due chiefly to the recognition of land improvements at the St Amand-Les-Eaux Pasino of €2.9 million and at La Trinité-sur-Mer of €567 thousand. The decrease reflects movements relating to the deconsolidation of SIT in the amount of €607 thousand and the subtraction of land improvements for the former St Amand-les-Eaux casino of €227 thousand.

Buildings:

• The increase in Buildings is due mainly to:
The reclassification of the Aix-en-Provence Pasino assets in progress account of €11.6 million.
Investments relating to the new Vichy casino of €4.4 million (€2.3 million through the reclassification of assets in progress and €2.1 million through an increase for the year).
Construction work for the Vichy Cinema amounting to €3.2 million.
Refurbishment work at Lac Meyrin casino of €1.3 million.
Investments relating to La Trinité-sur-Mer casino of €1.1 million (€693,000 through the reclassification of assets in progress and €457,000 through an increase for the year).
The renovation of Agon-Coutainville, La Grande Motte, and Hyères casinos, amounting to €939 thousand, €452 thousand, and €225 thousand, respectively.
• The decrease in the account is due mainly to the sale of SIT assets of €6 million and the subtraction of interior fittings for the Vichy casinos in the amount of €405 thousand, and for Hotel "3.14" of €453 thousand.

Fixed assets resulting from the restated finance leases had a €8.6 million impact on Buildings (gross).

Machinery and equipment:

The following items impact the Machinery and Equipment account: fixtures and fittings at Ostend casino (€3 million), St Amand-les-Eaux Pasino (€2.6 million), Hotel 3.14 (€2 million), La Grande Motte casino (€0.9 million), Hyères casino (€0.9 million), Bandol casino (€582,000), and Vichy casino (€0.5 million). Sluis casino has a €860,000 impact on "Newly acquired" companies.

The decrease in this account is essentially due to the subtraction of machinery and equipment at the Châtelguyon thermal spa (€3.3 million), Hotel 3.14 (€1 million), Saxon casino (€1.1 million), and Hyères casino (€0.5 thousand).

Other tangible fixed assets:

Increases include other assets relating to refurbishment at the St Amand-les-Eaux Pasino of €5 million, Hotel "3.14" of €4.4 million and Le Havre casino of €1.5 million.

Advances and down payments:

The bulk of the decrease in this account is due to amounts transferred to the principal fixed asset categories relating to partial payments on completion of building work.

Note 4 –NON-CONSOLIDATED INVESTMENTS IN ASSOCIATES

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

€'000 at 31 October	2004			2003
	Gross value	Depreciation	Net value	Net value
Non-consolidated owned + 50%	712	606	106	105
Non-consolidated owned 20 to 50% (1)	156	143	13	213
Non-consolidated owned less than 20% (2)	36 386	523	35 862	35 888
TOTAL	**37 254**	**1 272**	**35 982**	**36 206**

COMMENTS:

(1) The change in this account is due to the first-time consolidation of Sluis Nederland in which Groupe Partouche International acquired a 40% equity stake for €0.2 million during fiscal year 2003.

(2) The year-on-year change in this account concerns the sale of minority stakes in companies in liquidation. Société Fermière du Casino Municipal de Cannes (SFCMC) represents €35.308 million of the total amount. The share price of SFCMC on 31 October 2004 was €646.

Note 5 - EQUITY AFFILIATES

GROUP SHARE IN THE EQUITY AND EARNINGS OF EQUITY AFFILIATES

€'000 at 31 October	2004	2003
International Casino of Madrid	92	(39)
Société Française d'investissements d'Hôtels et de Casinos	55	(386)
Casino du Palais de la Méditerranée	(1 110)	(2)
SAS Hôtel du Palais de la Méditerranée	(1 126)	(9)
TOTAL	**(2 089)**	**(436)**

EQUITY-ACCOUNTED AFFILIATES

€'000 at 31 October 2004	Turnover	Net income	Total Assets	Shareholders' equity
International Casino of Madrid	2 714	2 321	3 953	(2 247)
Société Française d'investissements d'Hôtels et de Casinos	5 530	(3 287)	124 287	18 850
Casino du Palais de la Méditerranée	1 284	(4 442)	5 613	(4 409)
SAS Hôtel du Palais de la Méditerranée	10 089	(4 506)	11 020	(4 503)

Note 6 – LOANS

LOANS FALL DUE AS FOLLOWS

€'000 at 31 October 2004	TOTAL	- 1 year	1 to 5 years	+ 5 years
Gross	1 136	908	126	102
Provision	(926)	-	-	-
NET AMOUNT	**210**	**-**	**-**	**-**

The change is chiefly attributable to the loan provision recognised during the period in respect of Groupe Partouche for €0.669 million. The loan provision for the Aix-en-Provence casino is unchanged at €234.7 million.

Note 7 – INVENTORIES

€'000 at 31 October	2004	2003
Gross	7 040	7 198
Provision	-	(5)
NET AMOUNT	**7 040**	**7 193**

Note 8 – TRADE RECEIVABLES

€'000 at 31 October	2003	2004	- 1 year	1 to 5 years	+ 5 years
Gross	20 854	18 177	12 701	27	5 449
Provision	(7 973)	(8 354)	-	-	-
NET AMOUNT	**12 881**	**9 823**	**-**	**-**	**-**

The year-on-year reduction is chiefly due to the €1.8 million decrease in receivables from Palm Beach casino patrons. Casino Palm Beach trade receivables represent €6.5 million of gross trade receivables.

The provision for impairment of trade receivables essentially covers cheques or credit card payments made by casino patrons that are not honoured, including €3.3 million recorded at the Palm Beach.

Note 9 – OTHER RECEIVABLES

€'000 at 31 October	2004	2003
Corporate Income Tax	5 414	9 340
VAT	6 696	8 289
Other taxes	3 677	2 727
Employee advances and down payments	134	246
Social benefits	186	113
Sundry receivables	19 925	28 446
Gross total	**36 032**	**49 161**
Provision	(14 497)	(13 551)
NET TOTAL	**21 535**	**35 610**

Breakdown	– 1 year	1 to 5 years	+ 5 years
NET TOTAL	**21 535**	**1**	**-**

The change in the gross total mainly results from decreases in the following:

- the receipt of Groupe Partouche SA's corporation tax receivable of €5.7 million.
- the reimbursement of the VAT receivable related to St Amand-les-Eaux investments of €1.2 million.
- the reimbursement of the SOGEA receivable (HIL) of €5.2 million.

The main changes are the reversal of the provision for impairment of the HIL receivable in respect of SOGEA of €5.3 million and the provision of €6.8 million recognised by Groupe Partouche SA for sundry receivables.

Note 10 – CASH AND CASH EQUIVALENTS

€'000 at 31 October	2004	2003
Listed securities	-	-
SICAV-type mutual fund units	1 391	6 011
FCP-type mutual fund units	1 595	152
Certificates of deposit	-	457
Unlisted shares and share equivalents	585	385
Treasury shares*	169	291
Accrued interest on marketable securities	4	1
Provision for impairment	(3)	(6)
Marketable securities (net)	**3 741**	**7 291**
Positive cash balances	**65 916**	**55 637**
NEGATIVE CASH BALANCE	**69 657**	**62 929**

*Stock market price of Groupe Partouche's share at 31 October 2004: €14.9.

Note 11 – PREPAID EXPENSES

€'000 at 31 October	2004	2003
NET TOTAL	**7 653**	**7 506**

The components of this heading are essentially related to operations and are attributable to all of the companies in the Group's consolidation scope.

Note 12 – CHANGE IN SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

12.1 Composition of the share capital

The share capital at 31 October 2004 is fixed at 86,194,836 euros, divided into 43,097,418 fully-paid shares with a par value of 2 euros each. The shares are in registered or in bearer form, at the choice of the shareholders. In accordance with the articles of association, all of the shares registered carry a single voting right.

12.2 Group share of shareholders' equity

12.3 Distribution of dividends

Please see the summary table at the beginning of the section on the consolidated financial statements.

12.4 Change in minority interests:

Net income attributable to minority interests comes to €7.287 million, with the corresponding share of the dividend payout being €1.806 million.

Note 13 - CONTINGENCY AND LOSS PROVISIONS

Each known lawsuit in which Groupe Partouche or its subsidiaries are involved is provided for in the amount of the estimated risks based on available data at the year-end. Following the advice of the Company's legal counsel, legal provisions are, where applicable, allocated to cover the estimated risks.

PROVISIONS FOR CONTINGENCIES

€'000 at 31 October	2004	2003
Tax and social security re-assessments	-	10
Employee arbitration	1 772	4 013
Other provisions for contingencies	2 289	2 348
TOTAL	**4 061**	**6 371**

PROVISIONS FOR LOSSES

€'000 at 31 October	2004	2003
Jackpots	623	638
Retirement benefit provisions	1 472	245
Tax and social security re-assessments	2 334	1 819
Other provisions for losses	4 144	1 049
TOTAL	**8 573**	**3 751**

The increase in the heading provisions for loss includes €2 million relating to the increase in the provision for the negative portion of the shareholders' equity of equity-accounted companies. It also includes the recognition of retirement obligations.

BREAKDOWN OF REVERSALS OF PROVISIONS FOR CONTINGENCIES AND LOSSES

31/10/2003 *	Allocations	Non-utilised reversals	Utilised reversals	31/10/04
10 126	**7 383**	**3 275**	**2 312**	**11 923**

*The opening balance records in the amount of ¤4 thousand, foreign exchange differences at the fiscal year-end exchange rates for foreign companies

Note 14 - BORROWINGS

€'000 at 31 October	2004	2003	1 year	1 to 5 years	+ 5 years
Bank loans	334 340	386 028	48 552	224 640	61 148
Accrued interest on borrowings	150	215	150	-	-
Restated capital lease	4 769	5 418	878	3 577	314
Bank overdrafts	361	93	361	-	-
TOTAL	**339 620**	**391 754**	**49 941**	**228 217**	**61 462**

A syndicated loan represents the major portion of the Group's bank debt and has the following characteristics:
Original loan amount: €330,000,000.
Credit envelope for investment: €25,000,000 unused at fiscal year-end.
Principal outstanding at the year-end: €287,574,149
Remaining term: 6 years

Rate: variable rate based on 3-month Euribor, with a decreasing banking margin (25 basis points) in proportion to an improved ratio of Consolidated financial debt net of cash / Consolidated operating income plus depreciation, amortisation and operating provisions, less reversals of depreciation, amortisation and operating provisions.

Guarantees:

- pledging of the shares of the major subsidiaries of the Group,
- compliance with financial ratios relating to the Group's profitability, financial structure and investments:

- The ratio of Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals / Finance costs must be greater or equal to 4 at 31/10/2005.
- The ratio of Available cash flow after tax and exceptional items before debt servicing costs / Debt servicing costs must be greater or equal to 1 at 31/10/2005.
- The ratio of Financial debt net of cash / Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than or equal to 3.25 at 31/10/2005.

Investments net of disposals are limited to €21,500,000 for fiscal year 2005, excluding the investment credit envelope.

For fiscal year 2004, the banking pool authorised investments net of disposals, to exceed the agreed amount by €41.9 million.

OTHER LOANS

€'000 at 31 October	2004	2003	-1 year	1 to 5 years	+ 5 years
Other borrowings	108 704	108 002	74	8 030	100 600
Employee profit-sharing	5 000	6 699	344	4 580	76
Deposits and guarantees	607	619	297	31	279
Liabilities in respect of shareholdings in associated entities	963	983	963	-	-
TOTAL	**115 274**	**116 303**	**1 678**	**12 641**	**100 955**

The change in Other borrowings is due to a €100 million advance granted by Financière Partouche to Groupe Partouche SA in accordance with the shareholders advance agreement signed on 29 August 2003.

BREAKDOWN BY INTEREST RATE AT THE YEAR-END

€million, excl. accrued interest, at 31 October	2004 Before interest rate hedging	2004 After interest rate hedging	2003 Before interest rate hedging	2003 After interest rate hedging
Fixed rate financial debt	13,33	206,45	18,80	245,17
Variable rate financial debt	321,01	127,89	367,23	140,86
Financial debt at year end	**334,34**	**334,34**	**386,03**	**386,03**
Average interest rate – fixed	5,71 %	6,14 %	5,52 %	6,36 %
Average interest rate – variable	3,81 %	3,69 %	3,99 %	3,81 %
AVERAGE INTEREST RATE AT THE YEAR-END	**3,89 %**	**5,21 %**	**4,06 %**	**5,43 %**

At the fiscal year-end, the outstanding principal of variable-rate loans represented 96% of total borrowings. We have therefore hedged a portion of the interest-rate fluctuation risk that this implies.

A contract for exchanging variable rate into fixed rate loans (5.145%) covers the total amount of the debt for an amount of €1.524 million at the balance sheet date. Various zero-premium collars were subscribed to hedge the syndicated loan for a residual period of two years and to limit the potential impact of a rise in the reference interest rate (3-month Euribor) to a maximum of 4.50% and 5.25%. The total amount of syndicated loan principal in respect of which hedging has been obtained comes to €191.6 million at 31 October 2004, an amount which will gradually decrease as the capital is repaid.

Note 15- TAX AND SOCIAL SECURITY LIABILITIES

€'000 at 31 October	2004	2003
Personnel costs	3 563	3 706
Employee profit sharing	7 879	7 569
Social security	7 965	8 152
Accrued vacation	12 750	12 270
Gaming levies - Other tax	51 160	50 529
Corporate income tax	11 006	3 013
VAT	3 115	3 274
TOTAL	**97 438**	**88 513**

This increase is mainly due to the recognition of the Group tax liability of €7.2 million.

Note 16- LIABILITIES IN RESPECT OF FIXED ASSETS

€'000 at 31 October	2004	2003
Liabilities in respect of fixed assets	7 601	10 314

Note 17 - OTHER LIABILITIES

€'000 at 31 October	2004	2003
Current accounts of associates	1 684	3 065
Other	9 144	10 289
TOTAL	**10 827**	**13 354**

"Other" mainly comprises deferred charges and sundry operating liabilities of €7.760 million and €1,148 million respectively, allocated between all of the Group's companies within the scope of consolidation.

Note 18 - DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets recognised in these consolidated financial statements are offset by taxable entity.

€'000 at 31 October	2004	2003
DEFERRED TAX ASSET	**1 030**	**1 555**
DEFERRED TAX LIABILITY	**23 171**	**16 513**

TAX LOSSES AVAILABLE FOR CARRYFORWARD AND DEPRECIATION TREATED AS DEFERRED (ARD)

Tax losses available for carryforward and ARD that have not been recognised as deferred tax assets are :

€'000 at 31 October	2004
Tax losses	33 443
Depreciation treated as deferred (ARD)	18 180

Note 19 - COMMITMENTS

Capital lease commitments

Restating the value of assets financed by capital lease would not have had a material impact on financial aggregates, given that capital leases are rarely used.

Retirement benefit commitments

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

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

The Group did not use its option of recognising these commitments as provisions in the consolidated financial statements for the year ended 31 October 2004. Within the Group, retirement benefit commitments are entirely contracted in France and relate solely to retirement bonuses. The amount of the commitments at 31 October 2004 is €1.472 million.

OFF BALANCE SHEET FINANCIAL COMMITMENTS

COMMITMENTS GIVEN: Contractual obligations and commercial commitments

€'000 at 31 October 2004 Commitments	Total	Payments falling due		
		– 1 year	1 to 5 years	+ 5 years
Long term liabilities (Bank debts with guarantees)	321 140	41 284	218 935	60 921
Obligations in respect of finance leases (other than hire purchase agreements)	1 115	648	467	-
Operating leases (property leases, non-property asset rentals)	56 525	6 289	17 175	33 061
Irrevocable purchase obligations (Vendor credit)	1 776	370	1 406	-
Other long-term obligations (Guarantees and pledges)	7 751	7 751	-	-
Bills of exchange issued	1 591	1 591	-	-
Other commercial commitments	24 245	4 484	7 963	11 798
TOTAL	**414 143**	**62 417**	**245 946**	**105 780**

COMMITMENTS RECEIVED AT 31 OCTOBER 2004 (€'000)

Guarantees	610
TOTAL	610

The presentation of Off-balance sheet commitments above does not exclude any significant off-balance sheet commitment, based on accounting standards in force.

Note 20 - DIRECTORS' REMUNERATION

Total compensation (including benefits in kind) granted to members of the Executive and Supervisory Boards of Groupe Partouche SA in respect of services rendered in fiscal year 2004 for controlled entities, amounts to €2.429 million.

NOTES TO THE INCOME STATEMENT

FISCAL YEAR ENDING 31 OCTOBER 2004

Note 1 – REVERSALS OF DEPRECIATION, AMORTISATION AND PROVISIONS AND EXPENSE TRANSFERS

€'000 Years ending at 31 October	2004	2003
Reversals of depreciation, amortisation and provisions	5 793	5 281
Expense transfers	7 852	15 357
TOTAL	**13 645**	**20 638**

At 31 October 2003, Expense transfers included expenses borne by Groupe Partouche in connection with the renegotiation of one of its loans in the amount of €8 million.

Note 2 – OTHER PURCHASES AND EXTERNAL EXPENSES

€'000 Years ending at 31 October	2004	2003
Raw materials	15 493	13 991
Lease payments on current assets	108	222
Lease payments on fixed assets	-	-
Fixed assets leases	9 223	8 491
Current assets leases	3 638	3 335
Maintenance	9 127	9 960
Insurance premiums	2 293	2 330
External staff	2 927	2 603
Professional fees	12 780	11 982
Advertising	21 636	21 609
Entertainment	2 262	2 221
Post and telecoms	2 432	2 481
Banking fees	3 938	11 291
Other	11 194	10 388
TOTAL	**97 051**	**100 905**

At 31 October 2003, Banking fees included the bank fees relating to the debt refinancing operation of Groupe Partouche's holding company.

Note 3 – PERSONNEL COSTS

€'000 Years ending at 31 October	2004	2003
Wages and salaries	118 571	112 679
Social security costs	43 876	43 408
Employee profit sharing	7 351	7 108
TOTAL	**169 799**	**163 195**

The increase in Wages and salaries comprises €2.2 million and €2 million in expenses relating to the full-year full-scale operation of Meyrin and St Amand-les-Eaux.

AVERAGE WORKFORCE

At 31 October	2004	2003
France	4 906	4 718
Abroad	613	629
TOTAL AVERAGE WORKFORCE	**5 519**	**5 347**

2,378 people work in the gaming sector.

BREAKDOWN OF WORKFORCE BY SOCIAL/PROFESSIONAL CATEGORY

At 31 October	2004	2003
Executive staf	678	558
Junior executive staff	238	216
Other non-manual labourers	4 473	4 436
Manual labourers	130	137
TOTAL	**5 519**	**5 347**

Note 4 – FINANCIAL ITEMS

€'000 Years ending at 31 October	2004	2003
Income from marketable securities	12	12
Other interest income	994	810
Provision reversals, expense transfers	1 884	205
Positive foreign exchange differences	386	265
Net gain on the sale of marketable securities	154	294
Interest and equivalent expenses	(27 779)	(31 961)
Negative foreign exchange differences	(611)	(2 744)
FINANCIAL ITEMS	**(24 960)**	**(33 119)**

Note 5 – EXCEPTIONAL ITEMS

€'000 Years ending at 31 October 2004	Charges	Produits	Total
Exceptional income on management transactions		6 092	
Exceptional income on capital transactions		20 165	
Asset disposals		15 456	
Subsidies		4 709	
Provision reversals and expense transfers		8 136	
Other exceptional income		300	
TOTAL EXCEPTIONAL INCOME			**34 693**
Exceptional expenses on management transactions	(9 744)		
Fines, tax and social security re-assessments	(1 300)		
Other expenses on management transactions	(8 444)		
Exceptional expenses on capital transactions	(6 215)		
Exceptional depreciation, amortisation and provision charges	(10 521)		
Provisions for tax and social security claims	(1 008)		
Other provision charges	(9 514)		
Other exceptional expenses	(654)		
TOTAL EXCEPTIONAL EXPENSES			**(27 134)**
EXCEPTIONAL ITEMS			**7 559**

Note 6 – CORPORATE INCOME TAX AND DEFERRED TAX

ANALYSIS OF THE TAX EXPENSE

€'000 Years ending at 31 October	2004	2003
Income before tax	81 819	65 008
Current tax	22 495	16 546
Deferred tax	7 475	1 830
Total tax expense	29 970	18 376
EFFECTIVE TAX RATE	**36,63 %**	**28,27 %**

TAX PROOF

€'000 Years ending at 31 October 2004	
Net Income before tax	121 960
Total consolidation adjustments	(62 479)
Income taxable at the current rate of corporate income	**57 391**
French corporate income tax rate	**34,33 %**
Tax charge based on current corporate income tax rate (theoretical)	**(19 704)**
Temporary timing differences	946
Permanent differences	23 552
Adjustments with no tax impact	(2 192)
Other eliminations	(29 525)
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	3 646
Utilisation of tax losses carried forward and depreciation treated as deferred (ARD)	(26 039)
Tax credit and other	19 348
Group tax charge	**(29 970)**
Consolidated net income before tax and the amortisation of goodwill on acquisition	**81 819**
RECONSTITUTED GROUP TAX RATE	**36,63 %**

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

• Groupe Partouche SA (Groupe Partouche, Azur Bandol, Baratem, Bourbonnaise de casino, C.D.T.H, Cannes Balnéaires, Casino d'Evaux-les-Bains, Casino de Bourbon Lancy, Casino de Contrexéville, Casino de Gréoux-les- Bains, Casino de la Grande-Motte, Casino de Palavas, Casino de St-Cast-le-Guildo, Casino de Salies-de-Béarn, Casino de St Amand, Casino de St Nectaire, Casino du Touquet – Les Quatre Saisons, Casino le Lion Blanc, Casino municipal d'Aix Thermal, Casino municipal de Royat, Compagnie Européenne de Casinos, Développement baie de Kernic, Eden Beach Casino, European Gaming Company, Grand casino de Bandol, Grand casino de Beaulieu, Grands hôtels du Parc, Hôtel Cosmos, Jean Metz, Ludica, Numa, Plombinoise de casino, SACBM, SATHEL, SEK, Société du casino d'Arcachon, Sonecar, Sté de brasserie et casino Les Flots Bleus, Thermes de Contrexéville, Thermes de Vittel, Villa du Havre, Holding Garden Pinède, Aquabella, Lydia Investissement, Sci des Thermes, Thermpark, Centre de balnéothérapie d'Aix-en-Provence, Casino de Pornichet, Casino de Pornic, Casino d'Andernos, Casino de Cazaubon-Barbotan, Sci Leriche Rostagne, Casino Val André, Sinoca, Grand Casino du Havre, Grand Casino de la Trinité).

• SFC (Société française de Casinos, Aménagement Zone Touristique de Gruissan, Café Carmen, Casino de Port-la- Nouvelle, Centre Animation Le Phoebus, Châtel Casino, G.C.J Beaulieu, S.E.D, S.F.2.D, SIHCT).

• SEMCG (S.A. SEMCG, S.A.R.L Cie Thermale de Châtel-Guyon, SCI Foncière des Grands Hôtels, S.A. Sté hôtelière Splendid Hôtel).

• Hôtel International de Lyon (HIL, GCL).

BREAKDOWN OF CORPORATE INCOME TAX

€'000 Years ending at 31 October	2004			2003		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Income from ordinary operations	74 260	(28 283)	45 977	61 168	(14 973)	46 195
Exceptional items	7 559	5 788	13 347	3 839	(1 573)	2 266
Amortisation of goodwill on acquisition	(22 339)	-	(22 339)	(22 383)	-	(22 383)
Deferred tax	-	(7 475)	(7 475)	-	(1 830)	(1 830)
TOTAL	**59 480**	**(29 970)**	**29 510**	**42 624**	**(18 376)**	**24 248**

Note 7 – AMORTISATION OF GOODWILL

Companies consolidated by	2004	2003	2002
Full consolidation	22 306	22 361	21 695
Equity method	33	22	-
Ordinary amortisation	22 339	22 383	21 695
Exceptional amortisation	-	-	-
TOTAL AMORTISATION EXPENSE	**22 339**	**22 383**	**21 695**

INFORMATION ON THE SCOPE OF CONSOLIDATION

FISCAL YEAR ENDED 31 OCTOBER 2004

Note 1 - MAJOR CHANGES IN THE SCOPE OF CONSOLIDATION

The major changes in the scope of consolidation during the fiscal year ending 31 October 2004, are as follows:

A) First time consolidation

The consolidated financial statements for the year ending 31 October 2004 include:

• the full consolidation of Cinéma Elysée Palace SAS, Quarisma, Casino de Saxon (Switzerland) and Sluis Casino (Netherlands).

B) Purchase of minority interests

During the course of the fiscal year, Groupe Partouche SA transformed certain subsidiaries into *sociétés par actions simplifiées or sociétés par actions simplifiées unipersonnelles.* This modification means that directors no longer have to be shareholders. All of the loans of shares were cancelled and certain shares were repurchased from minorities. The changes in percentage control and ownership interest resulting from these transactions only had a very limited impact. They are presented in the table below.

C) Deconsolidation

At the end of May 2004, Groupe Partouche sold its interests in EGH Part Dieu, SNC Hôtel du Golf and SARL SIT. ARTMUSIC was liquidated in the first half of the year.

Note 2 - CHANGES IN OWNERSHIP INTERESTS

All of the companies entering the consolidation scope were acquired during the fiscal year, and were therefore not consolidated previously. The percentages of control and ownership are indicated in the table of consolidated companies presented below.

Years ended 31 October	2003		2004	
	Control	Interest	Control	Interest
CASINO DE ST AMAND-LES-EAUX	99,99	99,99	100,00	100,00
CASINO GRAND CAFÉ	61,95	61,87	61,99	61,91
CASINO DE DIEPPE	99,88	99,88	100,00	100,00
CASINO DU TOUQUET	99,48	99,48	99,53	99,53
CASINO DE CONTREXÉVILLE	99,84	99,84	100,00	100,00
GRAND CASINO DE LYON	99,98	93,98	100,00	94,00
CASINO LE LYON BLANC	99,95	99,81	100,00	99,87
CASINO LA CIOTAT	99,98	99,38	99,98	99,39
CASINO DE CHATEL	99,78	55,43	99,91	55,51
CASINO DE PORNIC	99,91	99,91	100,00	100,00
CASINO DE SALIES	99,99	99,99	100.00	100,00
CASINO DE GRÉOUX	99,99	99,99	100,00	100,00
CASINO D'ÉVAUX-LES-BAINS	99.99	99,99	100.00	100,00
CASINO DE PLOMBIÈRES	99,56	99,56	100,00	100,00
CASINO DE HYÈRES	98,80	98,80	99,90	99,90
CASINO DE PLOUESCAT	96,95	96,93	97,00	97,00
SARL AQUABELLA	99,80	99,80	99,80	99,79
SARL SINOCA	100,00	99,60	100,00	100,00
SA BARATEM	99,72	99,20	99,72	99.25
SCI LES THERMES	100,00	100,00	99,99	99,99
CBAP	100,00	100,00	100,00	99,99
SCI MIAMI	100,00	99,79	100,00	99,78
HOLDING SONÉCAR	99,98	99,98	100,00	100,00

Years ended 31 October	2003		2004	
	Control	Interest	Control	Interest
SCI JMB	100,00	99,60	100,00	100,00
CASINO DE CABOURG	99,94	99,94	100,00	100,00
CASINO DE BEAULIEU	99,90	99,90	100,00	100,00
CASINO DE BERCK	99,20	99,20	100,00	100,00
CASINO DE VICHY	99,92	91,67	99,93	91,68
CASINO DE BOULOGNE	99,78	98,78	100,00	100,00
CASINO DE ROYAT	99,91	99,78	100,00	99,87
CASINO D'AIX-EN-PROVENCE	99,48	99,40	99,49	99,41
CASINO DE PALAVAS	99,99	99,87	100,00	99,88
CASINO DE PORNICHET	99,81	99,81	100,00	100,00
CASINO D'ANDERNOS	99,79	99,79	99,78	99,78
CASINO DE LA GRANDE MOTTE	99,74	99,73	99,98	99,98
CASINO DE ST-NECTAIRE	99,96	99,96	100,00	100,00
CASINO DE ST-HONORE	95,94	95,94	97,22	97,22
CASINO D'AGON COUTAINVILLE	89.36	89,35	89,36	89,36
CASINO DE VAL ANDRÉ	99,60	99,60	100,00	100,00
CASINO DE BANDOL	99,99	99,98	100,00	100,00
GRANDS HÔTEL DU PARC	100,00	99,84	100,00	100,00
SA CHM	93,50	86,39	93,67	86,56
CASINO PORT LA NOUVELLE	99,88	55,49	99,96	55,53
SARL THERM'PARK	100,00	100,00	100,00	99,99
SCI AZUR BANDOL	100,00	99,99	100,00	100,00
SCI LES MOUETTES	100,00	99,91	100,00	100,00
HOLDING LUDICA	99,99	99,99	100,00	100,00
CASINO DE LA TRINITÉ-SUR-MER	99,84	99,84	100,00	100,00

Note 3 - LIST OF CONSOLIDATED ENTITIES

The following companies are consolidated by GROUPE PARTOUCHE SA: * Newly acquired companies

Companies	Headquarters	Percentage		Consolidation
		Control	Interest	method
CASINOS				
SA CASINO DE ST AMAND-LES-EAUX	FRANCE	100,00	100,00	FC
SA GRAND CASINO DE CABOURG	FRANCE	100,00	100,00	FC
SA CASINO DU GRAND CAFÉ	FRANCE	61,99	61,91	FC
SA GRAND CASINO DE BEAULIEU	FRANCE	100,00	100,00	FC
SA FORGES THERMAL	FRANCE	58,75	58,75	FC
SA CASINO & BAINS-DE-MER DE DIEPPE	FRANCE	100,00	100,00	FC
SA JEAN METZ	FRANCE	100,00	100,00	FC
SA LE TOUQUET'S	FRANCE	90,05	90,05	FC
SA CASINOS DU TOUQUET	FRANCE	99,53	99,53	FC
SA CASINOS DE VICHY	FRANCE	99,93	91,68	FC
CASINO DE CONTREXÉVILLE	FRANCE	100,00	100,00	FC
SA NUMA	FRANCE	100,00	100,00	FC
SA GRAND CASINO DE LYON	FRANCE	100,00	94,00	FC
SA LCL France & Cie (CASINO CARLTON)	FRANCE	100,00	99,97	FC
SA PHOEBUS CASINO GRUISSAN	FRANCE	99,89	55,49	FC
SA ECK	BELGIUM	100,00	99,90	FC
SA CASINO LE MIRAGE	MOROCCO	99,70	55,39	FC
SA LE GRAND CASINO DE DJERBA	TUNISIA	85,00	84,91	FC

Companies	Headquarters	Percentage		Consolidation
		Control	Interest	method
CASINO NUEVO DE SAN ROQUE	SPAIN	99,00	98,90	FC
SA SATHEL	FRANCE	99,87	99,87	FC
SA CASINO MUNICIPAL DE ROYAT	FRANCE	100,00	99,87	FC
SA CASINO LE LION BLANC	FRANCE	100,00	99,87	FC
SA EDEN BEACH CASINO	FRANCE	99,78	99,65	FC
SA CASINO MUNICIPAL D'AIX THERMAL	FRANCE	99,49	99,41	FC
SA CASINO DES FLOTS BLEUS	FRANCE	99,98	99,39	FC
SA CASINO DE PALAVAS	FRANCE	100,00	99,88	FC
SA CASINO DE GRASSE	FRANCE	49,96	49,73	PC
SA CASINO CHATEL GUYON	FRANCE	99,91	55,51	FC
CASINO DE PORNICHET	FRANCE	100,00	100,00	FC
CASINO DE PORNIC	FRANCE	100,00	100,00	FC
CASINO D'ANDERNOS	FRANCE	99,78	99,78	FC
CASINO D'ARCACHON	FRANCE	98,65	98,65	FC
CASINO DE CAZAUBON	FRANCE	99,65	99,65	FC
CASINO DE SALIES-DE-BÉARN	FRANCE	100,00	100,00	FC
CASINO DE LA GRANDE MOTTE	FRANCE	99,98	99,98	FC
CASINO DE GREOUX	FRANCE	100,00	100,00	FC
CASINO DE ST-NECTAIRE	FRANCE	100,00	100,00	FC
CASINO DE ÉVAUX-LES-BAINS	FRANCE	100,00	100,00	FC
CASINO DE ST-HONORÉ	FRANCE	97,22	97,22	FC
CASINO DE PLOMBIÈRES	FRANCE	100,00	100,00	FC
CASINO D'OSTENDE	BELGIUM	99,98	59,99	FC
CASINO DE CHAUDFONTAINE	BELGIUM	100,00	59,99	FC
CASINO DE LA ROCHE POSAY	FRANCE	89,70	89,70	FC
CASINO DE AGON COUTAINVILLE	FRANCE	89,36	89,36	FC
CASINO DE HYÈRES	FRANCE	99,90	99,90	FC
CASINO DE VAL-ANDRÉ	FRANCE	100,00	100,00	FC
CASINO DE PLOUESCAT	FRANCE	97,00	97,00	FC
CASINO DE BANDOL	FRANCE	100,00	100,00	FC
CASINO LAC MEYRIN	SWITZERLAND	40,00	39,76	FC
SA LYDIA	FRANCE	97,30	97,30	FC
CASINO DU HAVRE	FRANCE	100,00	100,00	FC
CASINO DE LA TRINITÉ-SUR-MER	FRANCE	100,00	100,00	FC
CASINO DU PALAIS DE LA MÉDITERRANNÉE	FRANCE	25,00	25,00	EM
INTERNATIONAL CASINO OF MADRID	EGYPT	30,00	17,63	EM

HOTELS

SA ÉLYSÉE PALACE HÔTEL	FRANCE	99,80	91,55	FC
SA HOTEL INTERNATIONAL DE LYON	FRANCE	94,00	94,00	FC
SNC GARDEN BEACH HÔTEL	FRANCE	100,00	99,66	FC
SARL AQUABELLA	FRANCE	99,80	99,79	FC
HÔTEL CASINO PHOEBUS	FRANCE	99,99	55,49	FC
IMMOBILIÈRE CANNOSTA SAVOY	FRANCE	99,97	99,94	FC
SPLENDID HÔTEL	FRANCE	99,84	33,93	FC
GRANDS HÔTELS DU PARC	FRANCE	100,00	100,00	FC
HÔTEL COSMOS	FRANCE	100,00	100,00	FC
SARL SINOCA	FRANCE	100,00	100,00	FC

OTHER COMPANIES

SA CANNES BALNÉAIRES PALM BEACH	FRANCE	99,97	99,97	FC
SA C.H.M.	FRANCE	93,67	86,56	FC
SA BARATEM	FRANCE	99,72	99,25	FC
SA HOLDING GARDEN PINÈDE	FRANCE	100,00	100,00	FC
SCI HÔTEL GARDEN PINÈDE	FRANCE	100,00	100,00	FC
SCI RUE ROYALE	FRANCE	99,99	99,99	FC
ÉLYSÉE PALACE EXPANSION	FRANCE	99,80	91,55	FC
ÉLYSÉE PALACE SA	FRANCE	99,97	91,53	FC
CASINO DE PORT LA NOUVELLE	FRANCE	99,96	55.53	FC
SA GCJB	FRANCE	99,80	55,44	FC
SARL SED	FRANCE	99,90	55,50	FC
SARL SF2D	FRANCE	99,90	55,50	FC
SAS SFC	FRANCE	55,56	55,56	FC
SARL SIHCT	FRANCE	97,54	54,19	FC
SCI PHOEBUS	FRANCE	99,98	54,18	FC
SCI AZT	FRANCE	99,00	54,94	FC
SCI LYDIA INVESTISSEMENT	FRANCE	97,00	97,00	FC
SCI LES THERMES	FRANCE	99,99	99,99	FC
SARL THERM'PARK	FRANCE	100,00	99,99	FC
SA GROUPE PARTOUCHE Belgium	BELGIUM	99,90	99,90	FC
SA SIKB	BELGIUM	100,00	99,90	FC
SPRL CASKNO	BELGIUM	70,00	69,93	FC
SARL SEK	FRANCE	100,00	99,87	FC
SCI DE L'ÉDEN BEACH CASINO	FRANCE	100,00	99,87	FC
SCI PALAVAS INVESTISSEMENT	FRANCE	100,00	99,88	FC
SC DU CASINO DE GRASSE	FRANCE	50,00	49,77	IP
SA SEMCG	FRANCE	61,22	34,01	FC
SCI FONCIÈRE GRANDS HÔTELS	FRANCE	100,00	34,08	FC
CIE THERMALE	FRANCE	96,62	33,20	FC
CAFÉ CARMEN	FRANCE	99,95	55,53	FC
CBAP Centre Balnéothérapie	FRANCE	100,00	99,99	FC
VILLA DU HAVRE	FRANCE	100,00	100,00	FC
A.D.NOR Technologie	FRANCE	100,00	69,93	FC
ÉTABLISSEMENT THERMAL VITTEL	FRANCE	100,00	100,00	FC
ÉTABLISSEMENT THERMAL CONTREXÉVILLE	FRANCE	100,00	100,00	FC
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	FRANCE	100,00	100,00	FC
EUROPÉENNE DE CASINO HOLDING	FRANCE	100,00	100,00	FC
BELCASINOS	BELGIUM	60,00	60,00	FC
SA CHAUDFONTAINE LOISIRS	BELGIUM	100,00	59,99	FC
CASINO DE MAZELKA SAXON	SWITZERLAND	100,00	100,00	FC
SCI GAFA	FRANCE	100,00	89,80	FC
SCI AZUR BANDOL	FRANCE	100,00	100,00	FC
CASINO VIRGINIAN DE RENO	USA	100,00	100,00	FC
HÔTEL DU PARC	SWITZERLAND	99,83	99,83	FC
SCI MIAMI	FRANCE	100,00	99,78	FC
SCI LES MOUETTES	FRANCE	100,00	100,00	FC
SCI LES JARRES	FRANCE	100,00	100,00	FC
HOLDING SONÉCAR	FRANCE	100,00	100,00	FC
HOLDING LUDICA	FRANCE	100,00	100,00	FC

OTHER COMPANIES

GIE EUROP, GESTION COMPANY	FRANCE	100,00	100,00	FC
SCI LERICHE ROSTAGNE	FRANCE	100,00	100,00	FC
HOLDING EUROPÉENNE GAMING COMP,	FRANCE	100,00	100,00	FC
SCI JMB	FRANCE	100,00	100,00	FC
CASINO DE LA SEYNE-SUR-MER	FRANCE	87,91	87,88	FC
VZW	BELGIUM	100,00	60,00	FC
CIE CASINO HOLDING	SWITZERLAND	99,40	99,40	FC
VISTALEASING	SWITZERLAND	100,00	99,40	FC
SANDTON	IRELAND	100,00	100,00	FC
SCI PARC DE POSAY	FRANCE	100,00	89,71	FC
SARL PARC DU CHÂTEAU	FRANCE	80,00	71,76	FC
STE FRANCAISE INVEST HÔTEL	FRANCE	25,00	25,00	EM
SAS HÔTEL DU PALAIS DE LA MÉDITERRANNÉE	FRANCE	25,00	25,00	EM
CINÉMA ÉLYSÉE VICHY*	FRANCE	96,00	88,01	FC
QUARISMA*	FRANCE	75,20	75,20	FC
CASINO DE SAXON *	SWITZERLAND	100,00	99,40	FC
CASINO SLUIS NV *	NETHERLANDS	40,00	39,96	FC

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 OCTOBER 2004

Ladies and Gentlemen,

In accordance with the terms of the assignment with which we were entrusted by your Annual General Meeting, we have audited the consolidated financial statements of Groupe Partouche SA as at 31 October 2004.

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

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of the Group as at 31 October 2004 and the results of the Group's operations included in the consolidation for the year then ended, in accordance with French accounting principles.

Without prejudice to our unqualified audit opinion, we should bring to your attention:

- the note to the consolidated financial statements relating to changes in presentation and accounting policies, which indicates that Groupe Partouche recognises pension obligations in the form of a provision as of 1 November 2003,

- the note to the financial statements entitled "Retirement benefit commitments", which presents the calculation method and details the impact of this change of policy on equity and net income for the year.

II -JUSTIFICATION OF OUR ASSESSMENT

Pursuant to the terms of Article L.225-235 of the Code of Commerce relating to the justification of our assessment, introduced by the Financial Security Act of 1 August 2003, we bring the following matters to your attention:

The note relating to accounting policies details the accounting policies applied in respect of goodwill on acquisition. As part of our assessment of the accounting principles and policies observed by your company, we have verified the appropriateness of the above accounting policies, and the information provided in the notes to the financial statements and have obtained assurance that they are correctly applied.

Our assessments were made as part of our audit approach of the consolidated financial statements, taken in their entirety, and thus contributed to the formulation of our unqualified opinion, expressed in the first section of this report.

III - SPECIFIC VERIFICATION

Moreover, we also verified the information provided in the Group's management report, in accordance with French professional standards. We have no comment to make with regard to its accuracy and consistency with the consolidated financial statements.

Saint-Cloud and Sceaux, 31 March 2005

BDO Marque Gendrot **José David**

Joël Assayah
Jean-Louis Mathieu

HOLDING COMPANY ACCOUNTS 2004

BALANCE SHEET

FISCAL YEAR ENDED 31 OCTOBER 2004

ASSETS (NET VALUES)

€'000	Notes	2004	2003	2002
FIXED ASSETS				
Intangible fixed assets	2.1 / 2.2			
Concessions and similar rights		39	51	43
Internally generated goodwill		1 743	1 761	1 837
Tangible fixed assets	2.1 / 2.2			
Land		145	145	145
Buildings		5 568	5 906	6 236
Technical equipment		-	-	-
Other tangible fixed assets		191	182	154
Assets under construction		180	222	229
Deposits and down payments		-	15	-
Financial investments				
Other investments in associates	2.3 / 2.4	529 180	529 341	472 658
Other investments	2.3	-	38	70 369
Loans	2.5	14	700	757
Other financial investments	2.4 / 2.5	85	77	75
Total fixed assets		**537 145**	**538 438**	**552 503**
Current assets				
Advances and down payments to suppliers		7	31	12
Trade receivables	2.5	104	841	125
Other receivables	2.4 / 2.5	199 384	218 868	216 881
Marketable securities		1 022	3 598	1 504
Cash and equivalents		1 028	898	617
Prepaid expenses	2.5 / 2.10	812	772	206
Total current assets		**202 357**	**225 008**	**219 345**
Regularisation accounts				
Capitalised expenses		9 581	12 129	16 761
Translation adjustment - asset		523	545	14
TOTAL ASSETS		**749 606**	**776 120**	**788 623**

SHAREHOLDERS' EQUITY AND LIABILITIES

€'000	Notes	2004	2003	2002
Share capital (o/w fully paid: 86,195) [1]	2.13	86 195	86 195	86 195
Share premium, merger and contribution reserves		54 285	54 285	54 285
Revaluation reserve [2]		-	-	-
Legal reserve		8 619	8 606	6 354
Statutory reserve [3]		5 566	5 566	5 566
Other reserves		3 054	3 054	3 054
Retained earnings		105 262	90 080	47 293
NET INCOME FOR THE YEAR		**12 718**	**15 194**	**45 039**
Shareholders' equity	**2.12**	**275 699**	**262 980**	**247 786**
Provisions for contingencies	2.4	523	462	-
Provisions for losses	2.4	407	407	407
Provisions for contingencies and losses		**930**	**869**	**407**
Bank loans [5]	2.6	402 395	442 131	467 121
Other borrowings	2.6	991	1 028	1 002
Advances and deposits on outstanding orders		-	-	-
Trade creditors	2.6	384	291	518
Tax and social security liabilities	2.6	8 621	1 212	290
Liabilities in respect of fixed assets	2.6	41	41	45
Other liabilities	2.6	60 522	67 446	71 134
Deferred income	2.6 / 2.11	19	40	29
Total [4]		**472 973**	**512 189**	**540 139**
Translation adjustment – liability		4	82	291
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**749 606**	**776 120**	**788 623**
(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		5 566	5 566	5 566
(4) Liabilities and deferred income due falling due or to be released to the income statement in less than one year		**116 927**	**111 514**	127 144
(5) Includes current account bank balances and bank overdrafts		7 840	3 721	5 142

INCOME STATEMENT

FISCAL YEAR ENDED 31 OCTOBER 2004

€'000	Notes	2004	2003	2002
Sales of goods held for resale		-	-	-
Sales of services		8 592	7 465	5 084
Net turnover	2.14	**8 592**	**7 465**	**5 084**
Reversals of depreciation, amortisation, provisions and expense transfers [9]		187	8 534	19 788
Total operating revenue [2]		**8 779**	**15 999**	**24 872**
OPERATING EXPENSES				
Purchases of goods (and customs duties)		-	-	6
Other purchases and external expenses [6a]		3 752	11 904	21 848
Tax		293	308	301
Personnel costs		3 199	2 322	1 541
Social security expenses		1 332	1 009	646
Depreciation and amortisation charges on fixed assets		3 056	13 522	3 414
Impairment of current assets		17 732	245	98
Other expenses		-	3	24
Total operating expenses		**29 364**	**29 313**	**27 878**
OPERATING INCOME		**(20 585)**	**(13 314)**	**(3 006)**
Income allocated or loss transferred		43	-	-
Loss borne or income transferred		-	-	-
Income from associates [5]	2.16	38 275	39 721	49 878
Income from other marketable securities and receivables [5]		53	1 440	1 559
Other interest income [5]		5 856	6 577	4 717
Provision reversals and expense transfers		462	75	-
Positive foreign exchange differences		-	1	197
Net gains on the disposal of marketable securities		102	228	343
Total financial income		**44 748**	**48 042**	**56 694**
Finance costs				
Depreciation, amortisation and provision charges		1 341	12 728	51
Interest expense [6]		27 275	32 393	22 579
Negative foreign exchange differences		-	1	138
Total finance costs		**28 616**	**45 122**	**22 768**
FINANCIAL ITEMS		**16 132**	**2 920**	**33 926**
INCOME ON ORDINARY ACTIVITIES BEFORE TAX		**(4 410)**	**(10 394)**	**30 920**
Exceptional income on management transactions [4]		157	583	14
Exceptional income on capital transactions		1 813	13 951	4 474
Provision reversals and expense transfers		91	-	-
Total exceptional income		**2 061**	**14 534**	**4 488**
Exceptional expense on management transactions		125	15	584
Exceptional expense on capital transactions		269	12 385	4 475
Exceptional depreciation, amortisation and provision charges		6 864	-	-
Total exceptional expense		**7 258**	**12 400**	**5 059**
EXCEPTIONAL ITEMS	2.17	**(5 197)**	**2 134**	**(571)**
Employee profit sharing				
Corporate income tax	2.18	(22 325)	(23 455)	(14 690)
Total income		**55 631**	**78 575**	**86 054**
Total expense		**42 913**	**63 380**	**41 015**
NET INCOME		**12 718**	**15 195**	**45 039**
(2) Includes property rental income		482	511	679
(2) Includes operating revenue relating to prior fiscal years		144	94	-
(4) Includes operating expenses relating to prior fiscal years		33	1	-
(5) Includes income from associated entities		43 935	47 146	55 880
(6) Includes interest from associated entities		7 285	2 701	3 342
(6 a) Includes contributions made to organisations deemed to be in the public interest		207	158	21
(9) Includes expense transfers		187	8 442	19 768

NOTES TO THE HOLDING COMPANY ACCOUNTS

Notes to the balance sheet before appropriation for the fiscal year ending 31 October 2004 which totals €749.606 million and the income statement for the fiscal year, presented in list format, showing total revenues of €55.631 million and net income of €12.718 million

The fiscal year included 12 months, covering the period from 1 November 2003 to 31 October 2004, during which the following key events occurred:

Groupe Partouche shareholders in an Extraordinary General Meeting on Monday 10 November 2003 decided to reduce the par value of their shares from €14 to €2.

Mechanically, with the number of shares being multiplied by seven, the value of the share was divided by seven.

Therefore, the share capital of €86,194,836 was divided into 43,097,418 shares of €2 each, fully paid up to the extent of their par value. The aim of this operation was to increase the liquidity of the market for Groupe Partouche shares.

In May 2004, Groupe Partouche sold its subsidiary Société Immobilière de la Tour together with its minority stake in SNC Hôtel du Golf.

There were no post balance sheet events.

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

There were no changes of accounting policy or presentation in the holding company accounts.

1 - ACCOUNTING POLICIES AND PRESENTATION

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

- The new 1999 chart of accounts adopted by the CRC on 29 April 1999 (Regulation 99-03),
- Law 83-353 of 30 April 1983,
- Decree 83-1020 of 29 November 1983.

The first-time application of CRC Regulation 2000-06 on liabilities did not have an impact on opening shareholders' equity or net income as from 1 November 2003 and at 31 October 2004.

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 3 years.

A long lease charge is written off over a period of 30 years.

1.2 Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at their historical acquisition 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.

We use a straight-line method of depreciation over the expected useful lives of the assets.

Buildings:	20 to 50 years
Equipment:	5 to 8 years
Fixtures and fittings:	5 to10 years
Vehicles:	5 years
Office and computer equipment:	2 to 5 years

1.3 Long-term investments

Long-term investments are stated in the balance sheet at acquisition cost (excluding incidental expenses) or at contribution cost.

When their inventory value falls below their gross value, a provision for impairment is established for the amount of the difference.

The inventory value of investments is based on their value-in-use or fair value.

This value can notably be determined through:

- the calculation of their net asset value in the most recent financial statements of the subsidiary that owns them, adjusted for unrealised capital gains (internally generated goodwill, buildings, deferred tax, etc.),
- forward-looking data such as profitability prospects,
- stock market prices.

The securities contributed by SIHB SA are valued at their contribution value at the time of the merger.

1.4 Receivables

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

1.5 Receivables and debts denominated in foreign currencies

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

1.6 Cash and cash equivalents

Marketable securities are recorded in the balance sheet at their acquisition cost.

Where the acquisition cost is less than their net realisable value at the end of the fiscal year, a provision for impairment is established for the amount of the difference.

1.7 Deferred charges

Deferred charges consist of costs incurred in the acquisition of shares and debt renegotiation expenses.

These charges are spread over a period of five years for the Public Cash Offer and seven years for the debt renegotiation.

1.8 Dividends

Dividends received from foreign subsidiaries are recorded at their net amounts after withholding taxes.

1.9 Contingency and loss provisions

Claims by the public authorities in respect of tax and social security re-assessments are provided for, in the amount of the estimated risk on the basis of data available at the end of the fiscal year.

1.10 Distinction between income from ordinary activities and exceptional items

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

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

2.1 Intangible and tangible fixed assets

€000 at 31 October 2004	Gross value of fixed assets at beginning of year	Increases	
		Revaluation during the year	Acquisition, creation, inter-account
Setup costs, research			
Other intangible assets	**2 424**	**-**	**80**
Land	145	-	-
Buildings on own land	7 785	-	-
Machinery and equipment	1	-	-
Other equipment, fixtures and fittings	120	-	38
Vehicles	119	-	14
Office and computer equipment, furniture	114	-	17
Fixed assets under construction	222	-	180
Advances and down payments	15	-	30
Total fixed assets	**8 521**	**-**	**279**

€000 at 31 October 2004	Decrease		Gross value of asset at end of fiscal year	Legal revaluation original value at end of fiscal year
	inter-account transfer	by sale or withdrawal		
Setup costs, research				
Other intangible assets	**-**	**-**	**2 503**	**-**
Land	-	-	145	-
Buildings on own land	-	-	7 785	-
Machinery and equipment	-	-	1	-
Other equipment, fixtures and fittings	-	-	157	-
Vehicles	-	-	133	-
Office and computer equipment, furniture	-	-	131	-
Fixed assets under construction	-	222	180	-
Advances and down payments	-	45	-	-
Total fixed assets	**-**	**267**	**8 532**	**-**

2.2 Amortisation

€000 at 31 October 2004	Positions and movements during the fiscal year			
	Beginning of the fiscal year	Appropriation during fiscal year	Decrease during fiscal year	End of fiscal year
Setup costs, research				
Other intangible assets	**612**	**110**	**-**	**722**
Land				
Buildings on own land	1 878	338	-	2 216
Buildings on other land	-	-	-	-
Fixtures and fittings - buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Other equipment, fixtures and fittings	41	19	-	60
Vehicles	59	25	-	84
Office and computer equipment, furniture	72	16	-	88
Recoverable packaging and other	-	-	-	-
Fixed assets under construction	-	-	-	-
Advances and down payments	-	-	-	-
Total	**2 050**	**398**	**-**	**2 448**
GRAND TOTAL	**2 662**	**508**	**-**	**3 170**

2.3 Investments in associates

€000 at 31 October 2004	Gross value beginning of fiscal year	Acquisition, inter-account transfer
Equity-accounted investments	-	-
Other investments in associates	542 894	22
Other long-term investment securities	38	-
Loans and other long-term investments	868	20
Total	**543 800**	**42**

€000 at 31 October 2004	Decrease		Gross value of asset at end of fiscal year	Legal revaluation. original value at end of fiscal year
	Inter-account transfer	by sale or withdrawal		
Equity-accounted investments	-	-	-	-
Other investments in associates	23	8	542 885	-
Other long-term investment securities	-	38	-	-
Loans and other long-term investments	13	108	768	-
Total	**36**	**154**	**543 653**	**-**

The main movements of the year are explained by the following factors:

The disposal in May 2004 of shares in Société Immobilière de la Tour and the Hôtel du Golf.

A significant proportion of Groupe Partouche's subsidiaries were converted into simplified joint stock companies ("SAS"). The obligation for each director to own one share was removed and therefore the corresponding loans of shares were cancelled. The share price of Société Fermière du Casino Municipal de Cannes at 31 October 2004 was €646.

2.4 Provisions

€000 at 31 October 2004	Beginning of the fiscal year	Increase Allocation	Decrease Recovery	End of the fiscal year
Provisions				
For litigation	-	-	-	-
For foreign exchange losses	462	519	462	519
For tax	407	-	-	407
Other provisions for contingencies and losses	-	4	-	4
Total	**869**	**523**	**462**	**930**
Provisions for investments in associates	13 553	153	-	13 706
Provisions for financial investments	91	669	91	669
Other provisions for impairment	1 426	24 592	-	26 018
Total	**15 070**	**25 414**	**91**	**40 393**
GRAND TOTAL	**15 939**	**25 937**	**553**	**41 323**

Including:	Operating allocations and recoveries	17 732	-
	Financial allocations and recoveries	1 341	462
	Exceptional allocations and reversals	6 864	91
	Impairment of shares in equity accounted affiliates	-	-

The tax provisions mainly concern the tax re-assessments for the years 1981 to 1984.
A provision of €4 thousand was allocated following an URSSAF (social security) inspection during the year.
Provisions for financial investments relate to our 79.80% participating interest in the Elysée Palace Hotel SA, fully provided for in the amount of €1.240 million, in light of its net worth. The same applies to our investment in SA Sandton, which is provisioned in the amount of €12.266 million. The charge for the year (€0.153 million) relates to our investment in Groupe Partouche International. A participating loan together with the related interest was fully provided in the amount of €0.669 million. An illiquid receivable of €91 thousand, which was fully provisioned, was considered to be definitively irrecoverable. Certain current account receivables were provisioned in respect of our subsidiaries: €0.136 million for Elysée Palace Hôtel, €35 thousand for Ad Nor Technologie and Groupe Partouche International for €17.662 million, in light of their net worth. The other provisions concern third party receivables, notably €6.860 million in respect of a third party that has not delivered a title to land rights that has been acquired by contract and for which a lawsuit is in progress.

2.5 Maturities of receivables

€000 at 31 October 2004	Gross amount	1 year maximum	+ 1 year
Loans	683	683	-
Other long-term investments	85	85	-
Other trade receivables	104	104	-
Employee accounts payable	18	18	-
Corporate income tax	4 315	4 315	-
VAT	316	316	-
Other taxes	-	-	-
Other receivables	13	13	-
Subsidiaries and associates	205 982	205 982	-
Sundry receivables	14 759	14 759	-
Prepaid expenses	812	812	-
GRAND TOTAL	**227 087**	**227 087**	**-**
Repayment of loans during the fiscal year	27	-	-
Loans granted during the fiscal year	10	-	-

2.6 Maturities of debts

€000 at 31 October 2004	Amount	– 1 year	1 to 5 years	+ 5 years
Bank loans and overdrafts	402 395	46 377	247 703	108 315
Sundry loans and debts	991	963	-	28
Trade accounts payable	384	384	-	-
Liabilities to personnel	161	161	-	-
Social security and other social benefits	245	245	-	-
State and other public authorities:				
Corporate income tax	7 273	7 273	-	-
VAT	843	843	-	-
Other taxes	99	99	-	-
Miscellaneous	-	-	-	-
Liabilities to fixed assets suppliers	41	41	-	-
Subsidiaries and associates	60 247	60 247	-	-
Other liabilities	275	275	-	-
Deferred income	19	19	-	-
GRAND TOTAL	**472 973**	**116 927**	**247 703**	**108 343**

Bank loans contracted during the fiscal year	
Bank loan repayments during the fiscal year	43 855

2.7 Elements related to more than one balance sheet item

MIn respect of associated undertakings (participating interests) €000 at 31 October 2004	Amount
Fixed assets	
Participating interests	517 510
Current assets	
Trade receivables	7
Other receivables	193 633
Debts	
Loans, sundry financial debts	15
Trade accounts payable	25
Other liabilities	60 072

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

2.8 Accrued income

Accrued income recognised in the following balance sheet accounts €000 at 31 October 2004	Amount
Accrued interest	5
Other long-term investments	**5**
Accrued income	5 618
Other receivables	**5 618**
Total	**5 623**

2.9 Accrued expenses included in the following balance sheet items

€000 at 31 October 2004	Amount
Bank loans and overdrafts	49
Trade notes and accounts payable	2
Tax and social charges	1 172
Other liabilities	208
Accrued interest on overdrafts	15
Total	**1 445**

2.10 Prepaid expenses

€000 at 31 October 2004	Amount
Prepaid operating expenses	812
Total	**812**

2.11 Deferred income

€000 at 31 October 2004	Amount
Deferred operating income	19
Total	**19**

2.12 Statement of changes in shareholders' equity

Equity accounts €000 at 31 October 2004	Year-end 2003	Appropriation of income 2003	Position after appropriation	Fiscal year movements	Year-end 2004
Share capital	86 195	-	86 195	-	86 195
Share premium account, merger reserve	7 881	-	7 881	-	7 881
Contribution reserve	46 404	-	46 404	-	46 404
Revaluation reserve	-	-	-	-	-
Legal reserve	8 606	13	8 619	-	8 619
Statutory reserve	5 566	-	5 566	-	5 566
Other reserves	3 054	-	3 054	-	3 054
Retained earnings	90 081	15 181	105 262	-	105 262
Net income for the year	15 194	-15 194	0	12 718	12 718
Net shareholders' equity carried forward	**262 981**	**0**	**262 981**	**12 718**	**275 699**

2.13 Breakdown of share capital

Categories of securities	Year-end	Number of shares issued during the fiscal year	Nominal value	Total
Ordinary shares	43 097 418	-	2	86 194 836

19,166 shares are self-held by the Company. These shares are presented under marketable securities.

The share price of Groupe Partouche at 31 October 2004 was €14.90.

2.14 Breakdown of net turnover

€000 at 31 October 2004	Amount France	Amount Rest of World	Amount Total
Group management fees	7 300	599	7 899
Rent	692	1	693
Total	**7 992**	**600**	**8 592**

2.15 Expense transfers

€000 at 31 October 2004	Amount
Advertising campaign	110
Sundry recharges	77
Total	**187**

2.16 Financial income from associates

€000 at 31 October 2004	Amount
Financial income from associates	38 275
Total	**38 275**

2.17 Breakdown of exceptional items

€000 at 31 October 2004	Exceptional expense	Exceptional income
Disposals of long term investments	47	1 813
Loss on fixed asset in progress	222	-
Non-recoverable receivables / prior year	91	-
Allocation and reversal of provisions for receivables	6 860	91
Allocation for URSSAF contingency provision	4	-
Other exceptional expenses and income for the year	1	13
Other regularisations from prior years	33	144
Total	**7 258**	**2 061**

2.18 Breakdown of corporate income tax

€000 at 31 October 2004	Income before tax	Tax due	Net income after tax
Income from ordinary activities	- 4 410	- 20 483	16 074
Exceptional items	- 5 197	- 1 842	- 3 356
Accounting income	**- 9 607**	**- 22 325**	**12 718**

N.B. Groupe Partouche SA is head of a tax consolidation group comprising 55 subsidiaries.

2.19 Financial commitments

€000 at 31 October 2004

Commitments given	Amount
Collateral *	19 571
Guaranteed bank debt	290 678
Total	**310 249**
* Of which, related to subsidiaries	16 418

Commitments received	Amount
Financial recovery commitments	10 563
Total	**10 563**
Of which, related to subsidiaries	10 563

2.20 Other information

At the end of the fiscal year, there were 26,848,500 outstanding Groupe Partouche shares pledged as collateral.

Groupe Partouche refinanced the syndicated loan used for the acquisition of Compagnie Européenne de Casinos. This loan now constitutes the major portion of the Group's bank debt and has the following characteristics:

Original credit amount: €330,000,000

Credit envelope for investment: €25,000,000

(unused at fiscal year-end).

Principal outstanding at fiscal year-end: €287,574,149

Remaining term: 6 years

Rate: variable rate based on 3-month Euribor, with a decreasing banking margin (25 basis points) in proportion to an improvement in the ratio of:

Consolidated financial debt net of cash / Consolidated EBITDA (Consolidated operating income plus depreciation, amortisation and operating provisions, less reversals of depreciation, amortisation and operating provisions).

Guarantees:
- Pledging of the shares of the principal subsidiaries of the Group.
- Monitoring of financial ratios relating to the Group's profitability, financial structure and investments.

The syndicated loan also includes certain financial ratios that evolve over time, based on the Group's consolidated data, non-compliance with which would constitute a mandatory early repayment event:
- The ratio of consolidated EBITDA / finance costs must be greater or equal to 4 at 31/10/2005.
- The ratio of consolidated available cash flow / Debt servicing costs must be greater or equal to 1 at 31/10/2005.
- The ratio of consolidated Financial debt net of cash / consolidated EBITDA must be less than or equal to 3.25 at 31/10/2005.
- Investments net of disposals are limited to €21.5 million, excluding the investment credit envelope.

For fiscal year 2004, the banking pool authorised the amount of investments net of disposals to €41.9 million.

2.21 Average workforce

At 31 October 2004	Staff
Executives	28
Non-executives	19
Total	**47**

2.22 Management remuneration

Management remuneration amounted to €1,525,571.

2.23 Commitments for pensions and other retirement costs

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

2.24 Sundry information

At the end of the fiscal year, outstanding variable rate borrowings represent 98.73% of total borrowings. Accordingly, partial coverage against the risk associated with variable rate borrowings has been established.

One swap contract fixing the interest rate on variable rate debt at 5.145% covers a total debt amount of €1.524 million at the balance sheet date. Various zero-premium collars are used to hedge the syndicated loan for a residual period of two years, and to limit any rise in the reference rate (3-month Euribor) to a maximum of 4.50% and 5.25%.

The total amount of the syndicated loan that is hedged at 31 October 2004 is €191.6 million. This amount will be reduced as the loan is repaid.

2.25 Deferred tax

€000 at 31 October 2004	Amount
Tax to be paid on: Pre-deducted expenses	3 423
Prepaid tax on: Temporarily non-deductible expenses (to be deducted on the following fiscal year)	191
Taxed income to be deducted at a later date	42
Net deferred tax	**3 656**

3 - SUBSIDIARIES AND ASSOCIATED ENTITIES AT 31/10/2004

€'000

Name	Head office	Share capital	Equity
Subsidiaries (more than 50% of share capital)			
Centre Formation Professionnel Casinos	Forges-les-eaux	8	Nc
Cie Européenne de Casinos	Paris	24 813	139 621
Holding Garden Pinède	Paris	15 417	13 489
Hotel Cosmos	Contrexéville	50	(867)
Sandton trading limited	Dublin	0	69
Soc exploit° casino et hôtels Contrexéville	Contrexéville	75	872
Thermes de Contrexéville	Contrexéville	50	(875)
Thermes de Vittel	Vittel	50	(1 047)
Villa du Havre	Le Havre	40	(865)
Société du casino de St Amand-les-eaux	St Amand-les-eaux	17 786	35 686
Société du grand casino de Cabourg	Cabourg	300	201
Grand casino de la Trinité-sur-mer	La Trinité-sur-mer	75	(514)
Grand casino de Beaulieu	Beaulieu	150	(177)
Jean Metz	Berck-sur-mer	80	1 807
Numa	Boulogne-sur-mer	80	1 711
Sa du casino et des Bains-de-mer	Dieppe	396	859
Sci les thermes	Aix-en-Provence	150	(2 328)
Société foncière de Vittel et Contrexéville	Contrexéville	50	(115)
Grand casino du Havre	Le Havre	150	(1 425)
Sci de la rue royale	Paris	134	160
Société Cannes balnèaire	Cannes	10 202	(9 559)
Groupe PARTOUCHE International	Bruxelles	144	(17 679)
Sathel	La Tour Salvagny	323	53 429
Casino de la Tremblade	Paris	38	13
Casino des 4 saisons	Le Touquet	392	2 989
Sa Lydia Invest	Le Barcarès	40	(1 550)
Sci Lydia Investissement	Le Barcarès	2	(323)
Hôtel international de Lyon	Lyon	300	4 201
Le Touquet's	Calais	92	1 615
Casinos de Vichy	Vichy	240	526
Élysee Palace expansion	Vichy	40	(307)
Élysee Palace hôtel	Vichy	40	(173)
Soc chemins fer et hôtels montagne pyrénées	Vichy	701	899
Sarl Quarisma	Paris	8	(38)
Forges thermal	Forges-les-eaux	15 600	43 090
Société Française de Casinos	Paris	2 304	8 887
Associated entities (10 to 50% of share capital)			
Société du casino municipal d'Aix thermal	Aix-en-Provence	2 160	27 361
Societat de l'oci dels pyreneus	Escaldes engordany	38	Nc
Bastide II Rich Tavern	Montpellier	46	Nc
Palavas investissement	Palavas-les-flots	8	(952)
Other interests			
Casino de Palavas	Palavas-les-flots	330	3 311
Fermière du casino municipal de Cannes (2003)	Cannes	2 157	31 683
Casino municipal de Royat	Royat	240	4 745
Eden beach casino	Juan-les-pins	1 056	10 345
Semtee	Escaldes engordany	25 242	Nc
Casino d'Agon Coutainville	Agon Coutainville	51	5 569
Société thermale de Plombières-les-bains	Plombières-les-bains	38	Nc
Casino d'Arcachon	Arcachon	60	4 595

% capital held	Dividends received	Value of investments gross	net	Loans, Advances	Guarantees	Turnover	Net income
100,00%	-	8	8	35	-	Nc	Nc
100,00%	-	316 504	316 504	23 339	-	0	12 593
100,00%	-	336	336	2 999	-	0	(23)
100,00%	-	50	50	957	-	2 070	(214)
100,00%	-	12 348	82	66	-	50	20
100,00%	648	6 833	6 833	474	-	4 064	687
100,00%	-	50	50	894	-	1 466	(325)
100,00%	-	50	50	1 244	-	3 643	(417)
100,00%	-	40	40	1 073	-	771	(289)
100,00%	7 555	18 371	18 371	2 226	-	22 879	5 542
100,00%	-	564	564	323	-	3 586	(354)
100,00%	-	76	76	2 301	-	131	(392)
100,00%	-	152	152	1 410	-	4 959	(335)
100,00%	992	3 025	3 025	-	-	4 722	1 191
100,00%	1 247	3 458	3 458	-	-	3 815	1 350
100,00%	448	4 611	4 611	-	-	6 679	421
99,99%	-	0	0	10 475	-	952	800
99,99%	-	50	50	3 122	-	367	(17)
99,99%	-	150	150	3 498	-	251	(1 565)
99,99%	-	534	534	-	-	61	28
99,97%	-	35 673	35 673	19 572	-	1 039	(15 595)
99,90%	-	153	0	43 926	-	0	(12 599)
99,87%	19 328	93 537	93 537	-	-	35 332	28 927
99,76%	-	53	53	38	-	0	0
99,53%	1 219	5 593	5 593	-	-	4 841	1 271
97,30%	-	443	443	1 657	-	303	(995)
97,00%	-	991	991	914	-	115	32
94,00%	4 230	287	287	15 988	-	11 571	3 789
90,05%	1 008	4 668	4 668	-	-	5 813	1 464
79,93%	-	371	371	10 825	-	3 588	(306)
79,80%	-	1 309	1 309	3 830	-	0	(63)
79,80%	-	1 240	0	136	-	0	(54)
76,43%	-	601	601	-	-	55	15
75,20%	-	6	6	-	-	0	(45)
58,75%	1 199	11 207	11 207	-	-	28 870	5 285
55,56%	-	4 573	4 573	-	-	219	1 403
38,63%	-	2 780	2 780	7 359	-	32 209	5 970
33,00%	-	13	13	-	-	Nc	Nc
25,00%	-	46	0	-	-	Nc	Nc
10,00%	-	122	122	870	-	166	152
9,09%	339	183	183	-	-	9 104	1 824
5,17%	-	11 415	11 415	-	-	29 729	1 329
1,91%	42	73	73	-	-	8 942	2 894
1,44%	-	155	155	-	-	12 365	630
0,71%	13	181	181	-	-	nc	Nc
0,05%	-	2	2	-	-	2 775	760
0,04%	-	2	0	-	-	Nc	Nc
0,02%	-	1	1	-	-	6 624	1 221

3 - SUBSIDIARIES AND ASSOCIATED ENTITIES AT 31/10/2004

€'000

Name	Head office	Share capital	Equity
Other interests (cont'd)			
Casino le Lyon Blanc	St-Galmier	240	2 682
Casino les Flots bleus	La Ciotat	200	1 396
Casino le Miami	Andernos	757	2 401
Casino de Cazaubon Barbotan	Cazaubon	2 737	3 029
Casino de La Roche Posay	La Roche Posay	177	15 246
Casino du Palais de la Méditerrannée	Nice	(40)	(4 409)
Sci du Casino de la Tremblade	Paris	1	(1)
SNC Exploitation Charbonnière	Lyon	1	NC

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 General Meeting of 29 July 1994 which authorised the merger with retroactive effect as of 1 November 1993

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

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

Investments in associates	Number of shares	Tax and book value	Contribution value	Capital gains for which tax is deferred
SA Casino des 4 Saisons 26, rue St-Jean - 62520 Le Touquet	22 050	1 210	5 488	4 278
SA Eden Beach Casino Bd Edouard Baudouin - 06160 Juan-les-Pins	924	305	155	-150
SA Forges Thermal Av. des Sources - 76440 Forges-les-Eaux	6 210	2 310	9 072	6 762
SA Jean Metz Av. Du Général de Gaulle - 62600 Berck-sur-Mer	992	27	3 025	2 998
SA Numa 37, rue Félix Adam - 62200 Boulogne -sur-Mer	4 930	113	3 457	3 344
SA Casino et Bains de Mer Dieppe Bd. de Verdun - 76200 Dieppe	4 600	991	3 825	2 834
SA Sathel 200, av. du Casino - 69890 Tour de Salvagny	10 008	10 965	29 104	18 139
SA Le Touquet's 59, rue Royale - 62100 Calais	1 801	210	4 668	4 458
Subtotal	**-**	**16 131**	**58 794**	**42 663**

% capital held	Dividends received	Value of investments gross	net	Loans, Advances	Guarantees	Turnover	Net income
0,16%	-	0	0	-	-	7 807	1 474
0,02%	-	0	0	-	-	4 314	901
0,00%	-	0	0	-	-	4 391	1 099
0,00%	-	0	0	-	-	3 016	750
0,00%	-	0	0	27	-	8 880	2 667
0,03%	-	0	0	3	-	1 284	(4 442)
1,00%	-	0	0	78	-	0	(2)
0,10%	-	0	0	38	-	NC	NC

Receivable	Tax and book value	Contribution value	Capital gains for which tax is deferred
Jatek	778	778	0

CAPITAL GAINS ON DEPRECIABLE ASSETS (*)

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

(*) Capital gains on depreciable assets have been recognised

5 - EARNINGS FOR THE LAST FIVE YEARS (€'000)

	Year ended 31/10/2000 (12 months)	Year ended 31/10/2001 (12 months)	Year ended 31/10/2002 (12 months)	Year ended 31/10/2003 (12 months)	Year ended 31/10/04 (12 months) before AGM approval
I- Share capital at the end of the fiscal year					
Share capital	85 412 067	85 412 067	86 194 836	86 194 836	86 194 836
Number of existing ordinary shares	6 156 774	6 156 774	6 156 774	6 156 774	43 097 418
Number of shares carrying priority dividends (without voting rights)	-	-	-	-	-
Maximum number of shares that may be created in the future	-	-	-	-	-
By conversion of bonds	-	-	-	-	-
By exercising share subscription options	-	-	-	-	-
II- Results for the fiscal year					
Turnover excluding tax	5 458 286	6 389 823	5 083 989	7 465 090	8 591 972
Income before tax, employee profit-sharing, depreciation, amortisation and regulated provisions	28 568 608	27 050 690	33 890 441	18 067 330	18 832 413
Corporate income tax	-1 917 269	-2 258 379	-14 690 152	-23 455 020	-22 325 358
Employee profit-sharing for the fiscal year	-	-	-	-	-
Net income	29 106 885	27 778 435	45 039 480	15 194 134	12 718 223
Distributed income	10 324 536	4 925 419	0	0	
III- Earnings per share					
Income after tax and employee profit sharing, but before depreciation, amortisation and regulated provisions	4,95	4,76	7,89	6,74	0,95
Income after tax, employee profit sharing, depreciation, amortisation and regulated provisions	4,73	4,51	7,32	2,47	0,30
Dividend per share	1,68	0,80	0,00	0,00	0,00
IV- Personnel costs					
Average workforce during the fiscal year	23	29	29	43	48
Payroll for the fiscal year	957 194	1 255 243	1 541 005	2 322 073	3 199 275
Social benefits paid for the fiscal year	391 610	526 781	645 656	1 009 590	1 331 673

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

FISCAL YEAR ENDED 31 OCTOBER 2004

Ladies and Gentlemen,

In accordance with the terms of the assignment with which we were entrusted by your Annual General Meeting, we submit to you our report for the fiscal year ended 31 October 2004 on:

- our audit of the annual financial statements of Groupe Partouche SA, as attached to this report;
- the justification of our assessments;
- specific legally-required verifications and information disclosures.

The financial statements are prepared under the responsibility of your Executive Board. Our responsibility is to express an opinion on these accounts based on our audit.

I - OUR OPINION ON THE ANNUAL FINANCIAL STATEMENTS

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

In our opinion, the annual financial statements present fairly, in all material aspects, the financial position of the Group as at 31 October 2004 and the results of the Company's operations included in the consolidation for the year then ended, in accordance with French accounting principles.

II -JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to Article L.225-235 of the Code of Commerce relating to the justification of our assessments, as introduced by the Financial Security Act of 1 August 2003 we draw to your attention the following issues:

Note 1.3 of the notes to the financial statements details the accounting policies relating to long-term investments, notably the assessment criteria for book value versus value-in-use or market value of securities. In the course of our assessment of the accounting policies adopted by your company, we verified the above-mentioned accounting policies and the information provided in the notes and we obtained assurance that they were correctly applied. Our assessments were made in the course of our audit of the annual financial statements, taken in their entirety, and therefore contributed to the formulation of our unqualified audit opinion, expressed in the first section of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION DISCLOSURES

We have also carried out, in accordance with the professional standards that are applicable in France, specific legally-required verifications.

We have no comment to make as to their good faith and their consistency with the annual financial statements, of the information provided in the Executive Board's Management Report and in the documents addressed to the shareholders in respect of the Company's financial position and annual financial statements.

As provided by the law, we ensured that the various information related to the acquisition of investments in associates and subsidiaries and to takeover agreements as well as those related to shareholder identification, have been included in the Management Report.

Saint-Cloud and Sceaux, 31 March 2005

BDO Marque Gendrot **José David**

Joël Assayah

Jean-Louis Mathieu

SPECIAL STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

FISCAL YEAR ENDED 31 OCTOBER 2004

Ladies and Gentlemen,

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

According to the provisions of Article L. 225-88 of the Code of Commerce, we have been informed about agreements that have been authorised by your Supervisory Board.

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

We performed our work in accordance with professional standards; these standards require that we take the necessary measures to verify the consistency of the information with which we have been provided and the source documents from which it has been extracted.

1. AGREEMENTS MADE DURING THE FISCAL YEAR THAT WERE AUTHORISED BEFORE BECOMING BINDING

1.1 Debt forgiveness in favour of SA Lydia Invest

During the fiscal year ended 31 October 2004, your company granted SA Lydia Invest a write-off in the amount of €582,572. This agreement includes a financial recovery clause and was recorded in the current account that your company holds on SA Lydia Invest.

Agreement authorised by your Supervisory Board on 15 January 2004.

Member of the Supervisory Board and/or Executive Board concerned:
- Isidore Partouche
- Hubert Benhamou
- Patrick Partouche

1.2 Debt forgiveness in favour of SA Casino de la Tremblade

During the fiscal year ended 31 October 2004, your company granted SA Casino de la Tremblade a write-off in the amount of €26,000. This agreement includes a financial recovery clause and was recorded in the current account that your company holds on SA Casino de la Tremblade.

Agreement authorised by your Supervisory Board on 30 April 2004.

Member of the Supervisory Board and/or Executive Board concerned:
- Ari Sebag

1.3 Debt forgiveness in favour of SA Grand Casino de la Trinité-sur-Mer

During the fiscal year ended 31 October 2004, your company granted SA Grand Casino de la Trinité-sur-Mer a write-off in the amount of €517,000. This agreement includes a financial recovery clause and was recorded in the current account that your company holds on SA Grand Casino de la Trinité-sur-Mer.

Agreement authorised by your Supervisory Board on 3 May 2004.

Members of the Supervisory Board and/or Executive Board concerned:
- Richard Partouche
- Ari Sebag

1.4 Sale of shares in SARL Société Immobilière de la Tour (S.I.T) to SA Européenne de Gestion Hôtelière (E.G.H)

Your company sold the shares that it held in SARL Société Immobilière de la Tour (S.I.T) to SA Européenne de Gestion Hôtelière. The sale was performed on 12 May 2004 and covered 490 shares (representing 98% of the share capital of SARL Société Immobilière de la Tour). The shares were sold for €1,764,000.

Agreement authorised by your Supervisory Board on 12 May 2004.

Members of the Supervisory Board and/or Executive Board concerned:
- Richard Partouche
- Hubert Benhamou
- Patrick Partouche

1.5 Sale of shares in SNC Hôtel du Golf to SA Européenne de Gestion Hôtelière (E.G.H)

Your company sold to SA Européenne de Gestion Hôtelière the shares that it owned in SNC Hôtel du Golf. This sale was concluded on 12 May 2004 and related to one share (representing 1% of the share capital of SNC Hôtel du Golf). The share was sold for €18 000.

Agreement authorised by your Supervisory Board on 12 May 2004.

Members of the Supervisory Board and/or Executive Board concerned:
- Richard Partouche
- Hubert Benhamou
- Patrick Partouche

Moreover, pursuant to the Ministerial Order of 23 March 1967, we have been informed that the execution of the following agreements continued in the fiscal year under review.

2. AGREEMENTS MADE DURING PREVIOUS YEARS WHOSE EXECUTION CONTINUED DURING THE FISCAL YEAR

2.1 Tax consolidation agreement

Your Company resolved to incorporate the following 40 companies in the tax consolidation group that it heads: SA Sathel, SA Société du Casino Municipal d'Aix Thermal, SA Eden Beach Casino, SA Société du Casino Municipal de Royat, SA Casino de Palavas, SA Casino Le Lion Blanc, SA Société Anonyme du Casino et des Bains de Mers, SA Grand Casino de Beaulieu, SA Jean Metz, SA Numa, SA Société de Brasseries et Casinos "Les Flots Bleus", SARL Sek, SA Casino du Touquet, Baratem SA, SA Société du Casino de St Amand-les-Eaux, Cannes Balnéaire S.A, Société d'exploitation du casino et d'Hôtels de Contrexéville, Hôtel Cosmos, Grands Hôtels du Parc SARL, Les Thermes de Contrexéville, Les Thermes de Vittel, la Villa du Havre, Compagnie Européenne de Casinos, European Gaming Company, Ludica SA, Société du Grand Casino de Bandol, Casino de la Grande Motte, Compagnie pour le développement du tourisme Hyérois, Azur Bandol, Société du Casino d'Arcachon, Casino de Saint Nectaire, Société du Casino de Salies de Béarn, Société du Grand Casino de Gréoux Les Bains, SA du Casino d'Évaux les Bains, Plombinoise de Casino SA, Société Nouvelle du Casino de Cabourg- SONECAR, Développement de la Baie de Kernic, Société du Casino de Bourbon Lancy, SA Bourbonnaise de Casino, SA du Casino de Saint Cast Le Guildo, société civile immobilière les thermes, Hôtel Aquabella, Therm'Park, Centre de Balnéothérapie d'Aix-en-Provence, Holding Garden Pinède, Lydia Invest SA, Grand Casino de la Trinité-sur-Mer, Grand Casino du Havre, Le Miami, Casino de Cazaubon Barbotan, Casino du Mole, Casino de Pornichet, SINOCA, Société d'exploitation du Casino de la Rotonde and Société civile immobilière Leriche Rostagne.

During the fiscal year ended 31 October 2004, this tax consolidation agreement was extended to the following two companies which will be integrated as of 1 November 2004: Socatest – Société Casino Teste Buch, société du Casino de Saint-Honoré les Bains.

This tax consolidation agreement is performed as provided by the Article 223 A of the General Tax Code.

Under the terms of this agreement, your Company generated tax savings of €22,285,657.

2.2. Partners' current accounts

Several natural person partners maintained or increased their current account deposits. These amounts were not remunerated during the fiscal year.

2.3 Debt forgiveness - SA Casino de la Tremblade

During the fiscal year ended 31 October 2003, your company granted the company Casino de la Tremblade SA a write-off in the amount of €130,000. This agreement included a financial recovery clause and was recorded in the current account that your company holds in SA Casino de la Tremblade.

In respect of the fiscal year under review, since the necessary conditions for the application of the clause were met, financial income was recognised in the amount of €23,154 which meant that the current account could be reconstituted for the same amount. As a result, the total of the repayments made under this agreement came to €23,154 at 31 October 2004.

2.4 With SA Financière Partouche

Financière Partouche SA has been authorised to enter into the centralised cash pooling agreement of Group companies with Groupe Partouche SA, under the same terms and conditions as your Company's subsidiaries. Pursuant to this agreement, your Company recognised a finance cost of €5,638 relating to the current account interest for Financière Partouche SA. This interest is calculated at the rate of 3.6% per year.

Furthermore, during the fiscal year ended 31 October 1998, your Company entered into a lease agreement with Financière Partouche SA. This lease covers the letting of your company's head office that is located 141 bis, rue de Saussure – 75017 Paris. An endorsement to this agreement was signed on 1 August 2002 in consideration of the enlargement of the surface area occupied by Groupe Partouche SA. This lease agreement is valid for a period of nine years, commencing on 1 August 2002 and ending on 31 July 2011. The annual rent for these premises is set at €160,000 excluding taxes

2.5 Shareholder advance agreement with S.A. Financière Partouche

On 26 August 2003, your Company signed a shareholder advance agreement with SA FINANCIÈRE PARTOUCHE. Under the terms of this agreement, SA FINANCIÈRE PARTOUCHE granted your company an advance in the amount of €100,000,000 for a period of 7 years and 3 months, commencing on 29 August 2003.

Pursuant to this agreement, your Company recognised a financial expense of €5,067,664 including interest (€4,193,514) and interest rate hedging instruments (€874,150).

Saint-Cloud and Sceaux, 31 March 2005

BDO Marque Gendrot **José David**

Joël Assayah

Jean-Louis Mathieu

DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING

HELD ON TUESDAY 26 APRIL 2005 AT 10 A.M.

1. WITHIN THE JURISDICTION OF THE ORDINARY GENERAL MEETING

FIRST RESOLUTION: Approval of the financial statements – Final discharge

The General Meeting, having examined the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, approves the annual financial statements, namely the balance sheet, the income statement and the notes to the accounts for the year ended 31 October 2004, as submitted to them, as well as the transactions reflected in these statements and summarised in these reports. The General Meeting therefore grants final discharge to the members of the Executive Board in respect of the performance of their duties for the said fiscal year.

SECOND RESOLUTION: Appropriation of earnings

The General Meeting resolves that the net income for the fiscal year of €12,718,223 be appropriated as follows:

Net income for the year	12.718.223 euros
To the reserve for long-term capital gains	6.082.104 euros
Balance is appropriated in full to Retained earnings, which thus amounts to 111,897,753 euros..	6.636.119 euros
Representing total net income for the year:	12.718.223 euros

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

Year ended	Number of shares	NET DIVIDEND in euros	(1) TAX CREDIT in euros
31 October 2001	6.156.774	4.925.419,00	2.462.709,50
31 October 2002	6.156.774	0,00	0,00
31 October 2003	6.156.774	0,00	0,00

(1) the *avoir fiscal* (tax credit) has been systematically calculated at the rate 50%

THIRD RESOLUTION: Appropriation of special reserves for long-term capital gains to an ordinary reserve account

In order to take into account the reform of the taxation of capital gains introduced by Article 39-IV of the amended 2004 Finance Act, the General Meeting decides that the amounts included in the special reserve for long-term capital gains, amounting to 11,647,765 euros be transferred to an ordinary reserve account (other reserves), after deducting the exceptional 2.5% tax charge of 278,694.13 euros, after which the amount net of tax allocated is 11,369,070.90 euros.

FOURTH RESOLUTION: Approval of the consolidated financial statements

The General Meeting, having examined the report of the Executive Board and the Statutory Auditors approves the consolidated financial statements, i.e. the balance sheet, the income statement and the notes for the year ended 31 October 2004, as well as the transactions stated in these statements and summarised in these reports.

FIFTH RESOLUTION: Agreements referred to in Article L. 225-86 of the Code of Commerce

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

SIXTH RESOLUTION: Establishment of a procedure enabling the company to repurchase its own shares pursuant to Article L. 225-209 of the Code of Commerce

The General Meeting having heard the report of the Executive Board in accordance with Article L. 225-209 of the Code of Commerce, of the General Regulations of the Autorité des Marchés Financiers and EC regulation 2273/2003 dated 22 December 2003:

1. authorises the Executive Board to carry out a programme to repurchase its own shares under the following conditions:

• the Company may perform transactions in its own shares to buy and sell shares in accordance with market conditions, to deliver shares by way of exchange or payment, particularly for external growth operations, to enable share purchase options to be granted to company officers and employees, or within the scope of a financial or asset management strategy:

• the number of shares that the Company may buy under the share buyback programme may not cause the number of such shares held by the Company to exceed 10% of its share capital;

• the Company may purchase such shares at a maximum price of €30 per share and sell them at a minimum price of €10 per share. These prices are fixed subject to any adjustments relating to the Company's capital;

• shares may be bought and sold under this programme by any means on a regulated or over-the-counter market (including a simple purchase, recourse to any financial instrument or derivatives, or options); the maximum portion of share capital that may be purchased or sold in the form of a bloc of shares is equal to the total permitted by the share buyback programme;

2. sets the period of validity of this authorisation at 18 months commencing on the date of this General Meeting;

3. grants all necessary powers to the Executive Board to decide, as stipulated by the legal and regulatory dispositions in force, together with those stipulated in this resolution, to implement a share repurchase programme and set its terms and conditions (with a sub delegation facility for general operations) and, notably, to set the hierarchy of the programme's objectives, execute any stock market transaction, conclude any agreement, maintain registers of the purchase and sale of shares, carry out any declaration required by regulations to any authority, carry out any formality and, in general, do anything deemed necessary. The Executive Board will inform the shareholders subject to conditions stipulated by legal and regulatory provisions of the use of the authorisation covered by this resolution and notably any purchases and sales that have been carried out. Pursuant to COB regulation 98-02, the Executive Board, after taking the decision to implement this authorisation, establishes the information memorandum subject to the visa of the Autorité des Marchés Financiers (AMF);

4. terminates the authorisation to carry out transactions in shares in the Company given to the Executive Board under the terms of the fifth resolution of the Ordinary General Meeting of 23 April 2004.

SEVENTH RESOLUTION: Appointment of a new member to the Supervisory Board

The General Meeting decides to appoint Hubert Benhamou as a new member of the Supervisory Board, in addition to the current members, for a period of six fiscal years ending on completion of the Ordinary Annual General Meeting of Shareholders called to approve the financial statements for the year ending 31 October 2010.

EIGHTH RESOLUTION: Setting of directors' fees

The General Meeting sets the total amount of directors' fees allocated to the Supervisory Board at 66,000 euros.

This decision applies for the fiscal year in progress and for future years until a decision to amend it is delivered by the General Meeting.

2. WITHIN THE JURISDICTION OF THE EXTRAORDINARY GENERAL MEETING

NINTH RESOLUTION: Delegation to increase share capital by issuing ordinary shares or any other securities granting access to the Company's capital, with pre-emptive subscription rights

The General Meeting, having fulfilled the conditions of quorum and majority for Extraordinary General Meetings, on the basis of the Report of the Executive Board and the Special Report of the statutory auditors and pursuant to Articles L. 225-129-2, L 228-92 of the Code of Commerce:

1. Delegates the necessary powers to the Executive Board to increase the share capital, in one or several stages, in amounts and times it decides, on the French and/or international market, through the issue in euros of ordinary shares or any securities conferring immediate or future entitlement to shares in the Company.

The period of validity of this delegation is set at 26 months commencing on the date of this General Meeting.

2. Decides that the total amount of increases in share capital that may be carried out immediately and/or in the future may not exceed €500,000,000 at par value. This ceiling excludes the total par value of any additional shares which may be issued to preserve the rights of holders of securities conferring entitlement to shares in accordance with the law.

3. Decides that securities issued by virtue of this resolution shall be reserved in preference to shareholders subscribing in proportion to their existing shareholding.

4. Decides that where subscriptions in proportion to existing shareholdings, and where applicable, secondary priority rights, do not absorb the entire issue of shares or other securities as defined above, the Executive Board may distribute freely all or a part of the issued securities not subscribed.

5. Decides that the Executive Board may charge the securities issuance costs against the related premium and deduct from this amount the sums required to adjust the legal reserve to one tenth of the new share capital after each capital increase.

6. This delegation terminates any corresponding delegation granted, notably the delegation granted by the Extraordinary General Meeting of 23 April 2004 (Tenth resolution)

TENTH RESOLUTION: Delegation granted to the Executive Board to increase the share capital by issuing ordinary shares in the Company or any other securities conferring access to the Company's share capital with or without pre-emptive subscription rights being maintained

The General Meeting, having fulfilled the conditions of quorum and majority for Extraordinary General Meetings, on the basis of the Report of the Executive Board and the Special Report of the statutory auditors and pursuant to Articles L. 225-129-2, L 225.-135, L 228-92 of the Code of Commerce:

1. Delegates the necessary powers to the Executive Board to increase the share capital, in one or several stages, on the French and/or international market, through the issue in euros of ordinary shares or any securities conferring immediate or future entitlement to shares in the Company.

The period of validity of this delegation is set at 26 months, commencing on the date of this General Meeting.

2. Decides that the total amount of increases in share capital that may be be carried out immediately and/or in the future may not exceed €500,000,000 at par value.

3. Decides to rescind the pre-emptive subscription rights of shareholders to securities covered by this resolution to be issued in accordance with the law and delegates the power to the Executive Board to grant shareholders a pre-emptive right to subscribe pursuant to the provisions of Article L 225-135 of the Code of Commerce.

4. Decides that the issue price of the shares shall be greater than or equal to weighted average of the opening share price of the three trading days (on the Paris stock exchange) preceding the date on which it is set, after deducting any discount required by law.

5. Takes due note that this delegation terminates any corresponding delegation granted previously, notably the delegation granted by the Extraordinary General Meeting of 23 April 2004 (Eleventh resolution).

6. The General Meeting authorises the Executive Board for the same 26 month period, to decide, based on the report of the contribution assessors and pursuant to the provisions of Article L 225-136 of the Code of Commerce, to carry out capital increases, in one or several stages, subject to the ceiling of 10% of the share capital, in order to remunerate contributions in kind made to the Company consisting of shares or any other securities conferring access to the Company's capital, insofar as the provisions of Article L 225-148 of the Code of Commerce do not apply.

7. The General Meeting decides that these delegations granted to the Executive Board may be used to carry out a capital increase with a view to remunerate shares contributed to a public exchange offer for shares that meets the conditions imposed by Article L. 225-148 of the Code of Commerce.

8. Decides that the Executive Board may, where applicable, charge the securities issuance costs against the related premium and deduct from this amount the sums required to adjust the legal reserve to one tenth of the new share capital after each capital increase.

In any event, the amount of capital increases carried out under this resolution is deducted from the ceiling imposed by the ninth resolution.

ELEVENTH RESOLUTION: Delegation granted to the Executive Board to increase share capital via the capitalisation of share premium accounts, reserves, earnings or other items

The General Meeting, having fulfilled the conditions of quorum and majority stipulated by Article L. 225-130 of the Code of Commerce, on the basis of the Report of the Executive Board and the Special Report of the statutory auditors and pursuant to Articles L. 225-129, L. 225-129-2, L 225-130 of the Code of Commerce:

1. Delegates to the Executive Board, for a period of 26 months commencing on the date of this General Meeting, the power to decide to increase the Company's share capital, in one or several stages, via the capitalisation of share premium accounts, reserves, earnings or other items which may be capitalised according to the law and statutory regulations, by awarding bonus shares or increasing the par value of existing shares.

2. Decides that the total amount of any resulting immediate of future capital increase may not exceed the amount of the available share premium accounts, reserves and available earnings.

3. Decides that the total amount of any resulting capital increase may be increased by the amount required to maintain the rights of holders of securities in accordance with the law, independently of the ceiling fixed by point 2 above.

4. If the Executive Board uses this delegation, decides in compliance with the provisions of Article L.225-130 of the Code of Commerce, that fractional rights shall not be negotiable and that the corresponding shares shall be sold, with the resulting proceeds to be distributed to the holders of these rights within the legal deadline.

5. Takes due note that this delegation supersedes any corresponding delegation granted previously, notably the delegation granted by the General Meeting of 23 April 2004 (Tenth resolution)

In any event, the amount of capital increases carried out under this resolution is deducted from the ceiling imposed by the ninth resolution.

TWELFTH RESOLUTION: Authorisation empowering the Executive Board to carry out the bonus issue of shares in favour of employees or directors of the Company and its subsidiaries

The General Meeting, on the basis of the Report of the Executive Board and the Special Report of the statutory auditors and pursuant to Articles L. 225-197-1 and L. 225-197-2 et seq. of the Code of Commerce:

• authorises the Executive Board to carry out, in one or several stages, the bonus issue of existing shares or shares to be issued in the Company;

• decides that the beneficiaries of such shares may be employees of the Company and/or the Company's direct or indirect subsidiaries and affiliates subject to the conditions of Article L. 225-197-2 of the Code of Commerce;

• decides that the beneficiaries of such shares may be members of the Executive Board (or management bodies) of the Company and/or directly or indirectly related subsidiaries and affiliates, as defined under Article L. 225-197-2 of the Code of Commerce;

• decides that the Executive Board will determine the identity of the beneficiaries thereof as well as the conditions and where applicable the allotment conditions for such shares;

• decides that the total number of bonus shares issued by virtue of this resolution may not exceed 0.5% of the share capital on the date of the corresponding decision of the Executive Board, and that the allotment of shares to their beneficiaries shall be definitive on completion of a minimum acquisition period of two years, with the minimum obligatory holding period of shares by beneficiaries being fixed at two years as of the date of definitive granting of the shares, and

• takes due note that this decision constitutes an automatic and express waiver by shareholders to the portion of reserves which may be used to issue new shares.

This authorisation is provided for a period of 38 months commencing on the date of this General Meeting.

The General Meeting grants full powers to the Executive Board (with the option to delegate these powers to its Chairman or another member of the Board with the Chairman's consent), in accordance with applicable laws and regulations, to implement this delegation, and notably to determine the dates and other terms and conditions of share allocations and, in general, do whatever may be necessary and conclude any agreements to complete the desired share allotments, to recognise the capital increase(s) resulting from any share allotment that is carried out under this delegation and modify the Company's Articles of Association accordingly.

THIRTEENTH RESOLUTION: Powers

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

SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE ISSUE OF SECURITIES WITH DELEGATION TO THE EXECUTIVE BOARD

COMBINED GENERAL MEETING OF 26 APRIL 2005

Ladies and Gentlemen,

In our capacity of statutory auditors of Groupe Partouche SA and in execution of the terms of our engagement specified by Articles L. 225-197-1, L.225-135, L.225-148, and L.228-92 of the Code of Commerce, we hereby present to you our report on the proposed issue securities, which may or may not be reserved for existing shareholders, which may lead to one or more subsequent capital increases, including notably the remuneration of securities contributed under the terms of a public exchange offer initiated by your Company in favour of employees and directors of the Company and its subsidiaries, transactions that you are invited to authorise.

If your Executive Board receives the appropriate authorisation, it may issue such shares, for a maximum period of 26 months or 38 months in the case of shares being awarded to employees, carry out in one or several stages, subject to an aggregate maximum nominal amount of:

- 500,000,000 euros, as provided by the ninth and tenth resolutions proposed to the Extraordinary General Meeting today, it being understood that, where applicable, this amount excludes the nominal amount of additional shares that would be issued to preserve the rights of holders of securities conferring access to these shares, and

- 0.5% of the Company's share capital on the date of the Executive Board's decision, as specified by the twelfth resolution proposed to today's Extraordinary General Meeting.

Your Executive Board proposes, on the basis of its report, that you delegate to it the right to set the terms and conditions of these transactions and proposes that your pre-emptive rights to subscribe to securities be removed by virtue of the tenth resolution.

We performed our work in accordance with professional standards applicable in France. These standards require that we perform work to verify the issue price determination conditions.

Subject to a future assessment of the conditions of the proposed capital increase, we have no comments to make on the issue price determination conditions provided in the Management Report.

Since the issue price of the shares to be issued has not been fixed, we do not express an opinion on the final conditions under which the issue will be performed and consequently on the proposal that you waive your pre-emptive subscription rights which is made to you, the principle of which nevertheless is part of the rationale for the operation presented for your approval.

Pursuant to Article 155-2 of the Ministerial Order of 23 March 1967, we shall issue an additional report when the issue is performed by your Executive Board.

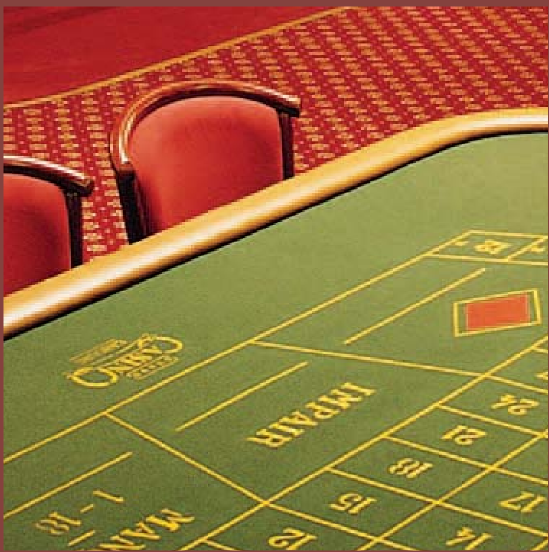
Saint-Cloud and Sceaux, 31 March 2005

BDO Marque Gendrot **José David**

Joël Assayah
Jean-Louis Mathieu


PAIR
PASSE
19-36

GENERAL INFORMATION ON THE COMPANY AND ITS CAPITAL



CORPORATE GOVERNANCE

Identification of the Executive and Supervisory Boards

MEMBERS OF THE EXECUTIVE BOARD

Executive Board member	Positions held	Date of birth	Date of first appointment
Mr. Patrick PARTOUCHE	Chairman of the Executive Board	13 June 1964 in Oran (Algeria)	Supervisory Board of 20 June 1996
Mr. Hubert BENHAMOU	Member of the Executive Board General Manager	15 December 1948 in Tiaret (Algeria)	Supervisory Board of 20 June 1996
Mrs Katy ZENOU	Member of the Executive Board General Manager	6 August 1961 in Tiaret (Algeria)	Supervisory Board of 20 June 1996
Mr. Ari SEBAG	Member of the Executive Board General Manager	25 September 1961 in Tiaret (Algeria)	Supervisory Board of 20 June 1996
Mr. Richard PARTOUCHE	Member of the Executive Board General Manager	7 December 1946 in Tiaret (Algeria)	Supervisory Board of 20 June 1996

(*) on completion of the AGM called to approve the financial statements for the year ending 31 October 2007.

LIST OF COMPANY OFFICES HELD BY THE MEMBERS OF THE EXECUTIVE BOARD

Patrick Partouche, Chairman of the Executive Board of Groupe PARTOUCHE SA also serves as Chairman and General Manager of SA Financière Partouche and SA Eden Beach Casino. He is Deputy general manager and director of SA Cannes Balnéaire – Palm Beach Casino (Cannes) and serves as a director within the following companies: SAS COMPAGNIE EUROPÉENNE DE CASINOS, CEC (Paris), SAS HOLDING GARDEN PINÈDE, SAS CASINO DE ST-AMAND-LES-EAUX, SAS LE TOUQUET'S (Calais), SAS DU CASINO ET DES BAINS-DE-MER (Dieppe), SAS GRAND CASINO DE CABOURG, SAS GRAND CASINO DE LA TRINITÉ-SUR-MER, SAS SOCIÉTÉ D'EXPLOITATION DU CASINO DE CONTREXÉVILLE, SAS GRAND CASINO DE LYON, SAS HÔTEL INTERNATIONAL DE LYON, SAS GRAND CASINO DE BEAULIEU, SAS CASINO DE PALAVAS, SAS LUDICA, SAS SONÉCAR, SAS CASINO DE ST-CAST LE GUILDO, SAS CASINO DES PALMIERS (Hyères), SA FORGES THERMAL, SA SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL, SA GRAND CASINO DU HAVRE, SA CASINO DE GRASSE, SA LYDIA INVEST, SA ÉLYSÉE PALACE EXPANSION, SA BOURBONNAISE DE CASINO, SA BARATEM. He is the Corporation Manager of SARL SOGIMAGE (Paris) and SARL SEK (Cannes) and is the permanent representative of SA CANNES BALNÉAIRE, and general partner of SCS LCLP (France) SA et Cie. He is also permanent representative of SAS COMPAGNIE EUROPÉENNE DE CASINOS, director of SA SOCIÉTÉ DU CASINO DU PALAIS DE LA MÉDITERRANÉE, permanent representative of Groupe PARTOUCHE SA, director of SA Groupe PARTOUCHE INTERNATIONAL (Brussels), Managing Director of SA GRAND CASINO DE DJERBA (Djerba) and Chairman of Groupe PARTOUCHE BAHAMAS LIMITED.

Ari Sebag, member of the Executive Board, Deputy General Manager of Groupe Partouche SA is also Managing Director of SA FORGES THERMAL. He is Chairman of SAS CASINO ET BAINS DE MER DE DIEPPE and SAS LA VILLA DU HAVRE (Le Havre). He is a director and Deputy General Manager of SA FINANCIÈRE PARTOUCHE and SA GRAND CASINO DU HAVRE. He serves as a director within the following companies: SAS HOLDING GARDEN PINÈDE (Juan les Pins), SAS HÔTEL INTERNATIONAL DE LYON (Lyon), SAS SOCIÉTÉ DU GRAND CASINO DE CABOURG (Cabourg), SAS CASINO DE LA TREMBLADE (La Tremblade), SA CANNES BALNÉAIRE (Cannes), SA BARATEM (Le Touquet), SA SOCIÉTÉ DU CASINO DU PALAIS DE LA MÉDITERRANÉE (Nice) and GIE EUROPÉENNE CASINOS GESTIONS COMMUNICATION (Paris). He is Corporation Manager of SARL NOA and permament representative of SA Groupe PARTOUCHE INTERNATIONAL, director of SA GRAND CASINO DE DJERBA (Djerba –Tunisia) and finally, Chairman of SA GRAND CASINO NUEVO SAN ROQUE (Spain).

Date of last renewed appointment	Expiration of appointment*	Number of shares held	Other functions held outside the Group
Supervisory Board of 1 Nov. 2001	31 October 2007	27 986 shares	none
Supervisory Board of 1 Nov. 2001	31 October 2007	19 950 shares	none
Supervisory Board of 1 Nov. 2001	31 October 2007	35 469 shares	none
Supervisory Board of 1 Nov. 2001	31 October 2007	22 300 shares	none
Supervisory Board of 1 Nov. 2001	31 October 2007	16 800 shares	none

Hubert Benhamou, member of the Executive Board, General Manager of Groupe PARTOUCHE SA also serves as Chairman of Casino Le Lion Blanc SA (Saint-Galmier) and of Hôtel International de Lyon (Lyon). He is a Member of the Executive Committee of Société Française de Casinos SAS. He serves also as a director and Deputy General Manager of Financière Partouche SA, and Grand Casino Du Havre SA (Le Havre). Finally, he serves as a director within the following companies: SAS COMPAGNIE EUROPÉENNE DE CASINOS, SAS GRAND CASINO DE LYON (Lyon), SAS SOCIÉTÉ D'EXPLOITATION DU CASINO DE CONTREXÉVILLE, SAS JEAN METZ (Berck sur Mer), SAS LE TOUQUET'S (Calais), SAS DU CASINO ET DES BAINS DE MERS (Dieppe), SAS CASINOS DE VICHY (Vichy), SAS CASINO DE PALAVAS, SAS HOLDING GAR- DEN PINÈDE (Juan les Pins), SA SOCIÉTÉ DU CASINO DU PALAIS DE LA MÉDITERRANÉE (Nice), SA CANNES BALNEAIRE – PALM BEACH CASINO (Cannes), SA FORGES THERMAL (Forges les Eaux), SA SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL, SA BOURBONNAISE DE CASINOS, SA CASINO DE GRASSE, SA BARATEM (Le Touquet), SA SOCIÉTÉ DE L'ÉLYSÉE PALACE. He is a director of GIE EUROPÉENNE CASINOS GESTIONS COMMUNICATION and serves as the permanent representative of Groupe PARTOUCHE SA within SA SOCIÉTÉ POUR LE DÉVELOPPEMENT DU TOURISME HYÉROIS. He also serves as director at SA Groupe PARTOUCHE INTERNATIONAL (Brussels) and SA GRAND CASINO DE DJERBA (Djerba).

Katy Zenou, Member of the Executive Board, General Manager of Groupe PARTOUCHE SA also serves as Managing Director of SA ÉLYSÉE PALACE EXPANSION. She serves also as Deputy General Manager and Director of Financière Partouche SA and of SAS CASINOS DU TOUQUET. Finally, she is a director within the following companies: SAS NUMA (Boulogne-sur-Mer), SAS GRAND CASINO DE LA TRINITÉ-SUR-MER (La Trinité-sur-Mer), SAS HÔTEL INTERNATIONAL DE LYON (Lyon), SA BARATEM (Le Touquet), SA Groupe PARTOUCHE INTERNATIONAL (Brussels)

Richard Partouche, Member of the Executive Board, General Manager of Groupe Partouche SA also serves as Chairman of SAS CASINO DE ST-AMAND-LES-EAUX. He is Director – Deputy General Manager of Financière Partouche SA. He is a Member of the Executive Committee of Société Française De Casinos SAS. Finally, he serves as a director within the following companies: SAS GRAND CASINO DE LYON, SAS GRAND CASINO DE CABOURG, SAS GRAND CASINO DE LA TRINITÉ-SUR-MER, SAS SOCIÉTÉ DU CASINO MUNICIPAL DE ROYAT, SAS HÔTEL INTERNATIONAL DE LYON. Hie is the Corporation Manager of SNC EXPLOITATION HÔTELIÈRE DE CHARBONNIÈRE – EHC. Finally, he serves as director at SA Groupe PARTOUCHE INTERNATIONAL (Brussels) and SA GRAND CASINO DE DJERBA (Djerba – Tunisia).

CORPORATE GOVERNANCE

MEMBERS OF THE SUPERVISORY BOARD

Supervisory Board member	Position held	Date of birth	Date of first appointment
Mr. Isidore PARTOUCHE	Chairman of the Supervisory Board	21 April 1931 in Trezel (Algeria)	AGM of 20 June 1996
Mr. Marcel PARTOUCHE	Vice-Chairman of the Supervisory Board	24 February 1920 in Tiaret (Algeria)	AGM of 20 June 1996
Mr. Maurice SEBAG	Member of the Supervisory Board	1 December 1926 in Tiaret (Algeria)	AGM of 20 June 1996
Mr. Gaston GHRENASSIA Aka Enrico MACIAS	Member of the Supervisory Board	11 December 1938 in Constantine (Algéria)	Co-opted to replace Jacques BENHAMOU by decision of the Supervisory Board of 11/12/1998

(*) on completion of the AGM called to approve the financial statements for the year ending 31 October 2007.

LIST OF COMPANY OFFICES HELD BY THE MEMBERS OF THE SUPERVISORY BOARD

Isidore Partouche, Chairman of the Supervisory Board of Groupe Partouche SA also serves as Chairman of SAS COMPAGNIE EUROPÉENNE DE CASINOS – CEC and of SAS SOCIÉTÉ D'EXPLOITATION DU CASINO DE CONTREXÉVILLE. He is a Member of the Executive Committee of SAS SOCIÉTÉ FRANCAISE DE CASINOS. He also serves as a director within the following companies: SAS SOCIÉTÉ DU CASINO DE ST-AMAND-LES-EAUX (St-Amand-les-eaux), SAS CASINOS DU TOUQUET (Touquet), SAS DU GRAND CASINO ET DES BAINS DE MER (Dieppe), SAS GRAND CASINO DE CABOURG (Cabourg), SAS GRAND CASINO DE LA TRINITÉ-SUR-MER (La-Trinité- sur-Mer), SAS HÔTEL INTERNATIONAL DE LYON (Lyon), SAS SOCIÉTÉ DU CASINO MUNICIPAL DE ROYAT (Royat), la SAS CASINOS DE VICHY (Vichy), SAS GRAND CASINO DE BEAULIEU (Beaulieu), SAS CASINO DE PALAVAS (Palavas), SA LYDIA INVEST (Port Barcarès), SA BOURBONNAISE DE CASINO (Bourbonne les Bains), SA SOCIÉTÉ FRANCAISE D'INVESTISSEMENT D'HÔTELS ET DE CASINOS (Nice), SA SOCIÉTÉ EUROPÉENNE DES GRANDS RESTAURANTS (Paris), SA SOCLE (Lille), SA LOSC LILLE MÉTROPOLE – SASP (Lille), SA FINANCIÈRE PARTOUCHE, SA FORGES THERMAL (Forges-les-Eaux), SA SATHEL (La Tour de Salvagny), SA SOCIÉTÉ DE BRASSERIE ET CASINOS «LES FLOTS BLEUS» (La Ciotat), SA SOCIÉTÉ CANNES BALNÉAIRE – Palm Beach Casino (Cannes), SA SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL (Aix-en-Provence), SA L'EDEN BEACH CASINO (Juan les Pins), permanent representative of SAS COMPAGNIE EUROPÉENNE DE CASINOS and director of SA BOURBONNAISE DE CASINO. He is director of GIE EUROPÉENNE CASINOS GESTION CONSEIL COMMUNICATION (Paris). He also serves as Corporation Manager of the following companies: SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE, SARL THERM' PARK, SPRL ARTMUSIC. Finally, he serves as Deputy Director within the following companies: SA Groupe PARTOUCHE INTERNATIONAL (Brussels), SA SIKB (Knokke le Zoute), SA ECK (Knokke le Zoute).

Date of last renewed appointment	Expiration of appointment*	Number of shares held	Other functions held outside the Group
AGM of 9 April 2002	31 October 2007	1 160 915 shares	none
AGM of 9 April 2002	31 October 2007	7 shares	none
AGM of 9 April 2002	31 October 2007	5 100 shares	none
AGM of 9 April 2002	31 October 2007	70 shares	Artist Singer Actor Member of Unesco

Marcel Partouche, Vice-Chairman of the Supervisory Board of Groupe Partouche SA also serves as Chairman of SAS CASINO D'ÉVAUX-LES-BAINS (Évaux-les-Bains) and SAS CASINO DU VAL ANDRÉ (Val André). He is Deputy General Manager and director of SAS JEAN METZ. He also serves as a director within the following companies: SAS NUMA (Boulogne-sur-Mer), SAS CASINOS DU TOUQUET (Le Touquet), SAS PLOMBINOISE DE CASINO (Plombières-les-bains), SA BARATEM (Le Touquet).

Maurice Sebag, Member of the Supervisory Board of Groupe Partouche SA also serves as Chairman of SAS NUMA (Boulogne-sur-Mer) and SAS CASINO DE PORNICHET (Pornichet). He is Chairman of the Board of Directors of SA GRAND CASINO DU HAVRE and permanent representative of SA Groupe PARTOUCHE, and director of SAS PLOMBINOISE DE CASINO (Plombières-les-Bains). Finally, he serves as a director within the following companies: SAS CASINOS DU TOUQUET (Le Touquet), SAS JEAN METZ (Berck sur Mer), SA SOCIÉTÉ DU CASINO MUNICIPAL DE ROYAT (Royat), SA CASINO NUEVO SAN ROQUE (Spain).

Gaston Ghrenassia, Member of the Supervisory Board of Groupe Partouche SA also serves as Managing Director of SA CASINO D'ARCACHON; he is Deputy General Manager and director of SA SOCIÉTÉ EUROPÉENNE DES GRANDS RESTAURANTS.

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

The total remuneration paid to the Executive and Supervisory bodies during the fiscal year ended 31 October 2004 amounted to 1,525,571 euros.

REMUNERATION OF COMPANY OFFICERS

Pursuant to the provisions of Article L.225-102-1 of the Code of Commerce, all of the company officers' remuneration that is received during the fiscal year ended 31 October 2004 from Groupe Partouche, is summarised in the table below on an individual basis:

LIST OF COMPANY OFFICERS OF GROUPE PARTOUCHE SA

	Total remuneration in euros	Benefits in kind in euros
Hubert Benhamou	320 784	-
Patrick Partouche	317 085	6 915
Ari Sebag	342 583	5 867
Richard Partouche	257 640	-
Katy Zenou	233 924	-
Isidore Partouche	560 000	-
Marcel Partouche	204 522	-
Maurice Partouche	40 920	-
Maurice Sebag	108 444	-
Gaston Ghrenassia	30 000	-

SHARE SUBSCRIPTION OPTIONS ALLOCATED TO EMPLOYEES AND/OR COMPANY OFFICERS

None

DISCLOSURE OF AUDIT AND CONSULTING FEES

	BDO MARQUE GENDROT Amount (€'000)		%		José DAVID Amount (€'000)		%	
	2003-04*	2002-03	2003-04*	2002-03	2003-04*	2002-03	2003-04*	2002-03
Audit								
Statutory audit of annual accounts and consolidated financial statements								
Parent company	55	-	18 %	-	55	46	24 %	26 %
French subsidiaries	227	-	75 %	-	172	130	76 %	74 %
Spanish subsidiary	10	-	3 %	-	-	-	-	-
Moroccan subsidiary	9	-	3 %	-	-	-	-	-
Other engagements	-	-	-	-	-	-	-	-
Subtotal	**301**	**-**	**100 %**	**100 %**	**227**	**176**	**100 %**	**100 %**
Other services **Legal, tax, employee audit,** **Information technology,** **Internal audit** **Other**								
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**301**	**-**	**100 %**	**100 %**	**227**	**176**	**100 %**	**100 %**

* BDO Gendrot was appointed as principal statutory auditor at the AGM of 23 April 2004.

RISK ANALYSIS

1- Liquidity risk

DEBT

LIABILITIES €'000s	31/10/2004	- 1 year Fixed rate	- 1 year Variable rate	1 to 5 years Fixed rate	1 to 5 years Variable rate	+ 5 years Fixed rate	+ 5 years Variable rate
Syndicated Loan	287 574	-	33 927	-	200 333	-	53 314
Other bank borrowings	46 766	4 779	9 846	7 205	17 102	1 343	6 491
TOTAL	**334 340**	**4 779**	**43 773**	**7 205**	**217 435**	**1 343**	**59 805**

ASSETS €'000s	31/10/2004	- 1 year Fixed rate	- 1 year Variable rate	1 to 5 years Fixed rate	1 to 5 years Variable rate	+ 5 years Fixed rate	+ 5 years Variable rate
Investment securities	2 986	-	2 986	-	-	-	-
Net provision before hedging	331 354	4 779	40 787	7 205	217 435	1 343	59 805
Interest rate hedging	-	62 616	(62 616)	130 508	(130 508)	-	-
Net provision after hedging	331 354	67 395	(21 829)	137 713	86 927	1 343	59 805

Cash and cash equivalents have not been included in this table.

Principal characteristics of the syndicated loan:

Original loan amount: €330,000,000.

Credit envelope for investment: €25,000,000 unused at fiscal year-end.

Principal outstanding at the year-end: €287,574,149

Remaining term: 6 years

Rate: variable rate based on 3-month Euribor, with a decreasing banking margin in proportion to an improved ratio of Consolidated financial debt net of cash / Consolidated operating income plus depreciation, amortisation and operating provisions, less reversals of depreciation, amortisation and operating provisions.

Guarantees: pledging of the shares of the principal subsidiaries of the Group.

The syndicated loan also includes certain financial ratios that evolve over time, based on the Group's consolidated data, non-compliance with which would constitute a mandatory early repayment event:
The ratio of Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals / Finance costs must be greater or equal to 4 at 31/10/2005. The ratio of Available cash flow after tax and exceptional items before debt servicing costs / Debt servicing costs must be greater or equal to 1 at 31/10/2005.

The ratio of Financial debt net of cash / Operating income plus depreciation, amortisation and operating provisions, less depreciation, amortisation and operating provision reversals must be less than or equal to 3.25 at 31/10/2005. Apart from the investment credit envelope of €25 million that Is available under the syndicated loan facility, there are no other unused authorised credit facilities.

2-Interest rate risk

The Company had the following exposure to interest rate risk (excluding in respect of cash balances). The total amount of short and medium term bank borrowings excluding bank overdrafts comes to €334.34 million. The portion on which interest is charged at a variable rate is €321.01 million; after interest rate hedging transactions, the amount of borrowing exposed to the fluctuation of variable interest rates comes to €124.90 million, or 37.4% of total bank debt.

A 1% increase in the interest rate applied to the portion falling due in less than one year of the total amount exposed to potential fluctuations in the variable interest rate, namely €124.9 million, would have an effect on consolidated financial items of €1,249,000.

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

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

3- Exchange risk

In order to measure the Group's exposure to exchange rate risk, we should point out that Groupe Partouche's overseas' activities are performed by subsidiaries which operate in the country in which they are located; the consolidated financial statements thus include 22 companies outside France, 10 of which are located in the eurozone. Some foreign exchange risk exposure remains, however, given the Group's operations in the US, Tunisia, Morocco, Switzerland and Egypt. The total of these activities represents only 6.1% of total consolidated turnover.

Turnover generated outside France is not hedged.

Given the Group's low exposure to foreign exchange risk, no specific procedures are applied to monitor such risks.

4-Equity risk

The Group's treasury department does not invested in quoted shares and only conducts transactions in highly liquid money market products.

The amount of treasury shares recognised in the Company's balance sheet at an mount of €169 thousand, breaks down into:

- Self-owned Groupe Partouche SA shares totalling 168,767 euros.

GROUPE PARTOUCHE SA SHARES

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

Number of shares (before split)	Book value	Market value (share price at 31.10.04)	Potential capital gain (share price at 31.10.04)
19,166	€168,767	€285,573	€116,806

A 10% drop in the share price of Groupe Partouche would not have an impact on the consolidated financial statements.

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

5-Transaction risk

As explained above, the purchases and sales performed in the course of Groupe Partouche's business are made primarily in euros. Similarly, the risk related to the ownership of financial assets and liabilities denominated in foreign currencies is not very significant. Therefore, no exchange risk is attached to transaction risk.

6-Translation risk

Consolidating the financial statements of foreign subsidiaries entails the translation of the financial statements into euros (assets, liabilities, income and expenses) denominated in foreign currencies. This translation at the applicable year-end exchange rate, may, if exchange rates change, generate a financial gain or loss. Given the long-term nature of these investments, Groupe Partouche does hedge this exposure.

7-Legal risk

Legal risk

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

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.

Lawsuits

- Following a revised judgment on appeal delivered by the Court of Appeal of Aix-en-Provence, dated 20 February 2003, under which Syndicat des Propriétaires de la Pointe Croisette had remained owner since its formation in 1858 of land in which SA Cannes Balnéaire is lessee until 2027 the city of Cannes, which cited a donation in its favour in 1927, appealed.

The consequence of this judgment was a substantial consolidation of the rights of Cannes Balnéaire to occupy the premises, which are today sublet to LCLP France SA et Cie the Palm Beach casino operator.

- Outstanding tax claims are estimated based on available information at the balance sheet date.

- An amicable solution has been found to the lawsuit, brought before the Paris court, between the CEC subsidiary and Birlen Finance Inc. relating to a commission for the purchase of the Le Virginian casino in Reno (USA).

- The claim between CDTH and the original owner of the casino remains pending. A decision to postpone the final judgment was delivered in July 2002. The Group has confirmed its decision not to set aside any provision in respect of the claims which it considers to be totally unfounded.

The receivable relating to the assets of Casino Riviéra in Cannes, held against its former owners, ROUCH and NOGA, has been provided for in light of their financial position.

8-Insurance

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

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

To the best of our knowledge, there are no significant uninsured risks other than the absence of coverage for operating losses concerning certain casinos.

Synopsis of risks insured from 1 November 2003 to 31 October 2004.

a - CASINOS

Premiums	
1. Civil liability	**0.20 °/°° of Turnover + taxes**
2. Casino multirisk	**€1.235.568**
3. Hotel multirisk	**€3.026**
4. Art	**€24.487**
5. Vehicles	**€33.399**
6. Executives' civil liability	**€19.402**

Guarantees and excesses	
1. Civil liability	
• Civil liability - operations	
Physical, material and non-material damages of which material and non-material damages	€15m per year and €8m per claim €1,525,000 per claim
Consigned assets	250,000 per year without exceeding €100,000 per year for the valet parking civil liability guarantee
Non consecutive non-material damages	€160,000 per claim
Pollution due to accident	€350,000 per claim
Excess	between €1,000 and €2,000 based on the risks
• Civil liability post delivery Physical, material and non-material damages (consecutive or non-consecutive)	€3m per claim and per year
Excess	between €1,000 and €5,000 based on the risks
2. Executives civil liability	€8,000,000 per claim and per year
3. Casino multirisk	Fire €410,410,968, Flooding €410,410,968, Theft €750,000 per site.

b - HOTELS

• Hôtel du Golf, Hôtel Continental, Golf de ST Saens, Hôtel Aquabella, Hôtel Casino Le Phoebus, Hôtel La Souveraine, Hôtel Cosmos.

Total Hotel Premium (DA + OCL)	**€39,012.22 inc. VAT**
Damage to assets (DA)	Guarantee amount: LCI per hotel: €6,000,000
Excess:	
• Direct damage	0.023 x RI ind.
• Operating losses	3 business days
Operating civil liability (OCL)	
Physical damage	1,738.221 x RI ind.
Material and non-material damage	347.340 x RI ind.
Excess:	0.152 x RI ind.
• Non-material, non-consecutive damages	104.281 x RI ind.
• Pollution due to accident	231.738 x RI ind.

Professional civil liability		
Physical, material and immaterial damages (consecutive and non-consecutive)		
Assets consigned to the hotelier:		Excess
• In safe	23.174 x RI ind.	0.046 x RI ind.
• Not in safe	5.799 x RI ind.	0.152 x RI ind.
Assets not consigned to the hotelier	€7,500 per claim And €150,000 per insurance year	€617

RI index= 4,402 at 01.11.04

• Pullman Part Dieu, Garden Beach, Savoy Park Hôtel, Hôtel International de Lyon, Hôtel La Folie du bois des fontaines, Hôtel Savoy ,Grand Hôtel du Parc (Club Med), EGH les Américains, Le Grand Hôtel, Hôtel Le Splendid

Civil liability	**€24,320.00 inc. VAT**
Physical, material and non-material damages	€7,622,000.00 Per claim
of which consecutive material and non-material damages	€1,525,000.00 Per claim
Excess	**0.152 x RI ind.**
Non consecutive non-material damages	None
Pollution due to accident	€1,525
Professional civil liability	
Physical, material and non-material damages (consecutive or non-consecutive)	€7,622,000.00
Industrial multirisk	€135,854.55 ex. VAT
Guarantee amount: Max LCI:	€33,613,455.38
General excesses	
Direct damages	€1,547
Operating losses	3 business days.

9- Pledges

As a guarantee of payment and reimbursement of all amounts due by Groupe Partouche to the banks in respect of the loan contract in principal, interest, commission, fees and other expenses, Groupe Partouche pledged the shares that it held in the following subsidiary to the banks:

For all of the following subsidiaries:

- **Beneficiary:** the banking pool led by Natexis Banques Populaires comprises the following banks: BRED Banque Populaire, CCF, Commerzbank AG – Paris branch, Compagnie Financière du Crédit Mutuel, Crédit Lyonnais, KBC Bank, Lloyds TSB Bank PLC, Lyonnaise de Banque, Natexis Banques Populaires, The Governor and Company of the Bank of Scotland, Scotiabank Europe PLC, WEST LB AG.
- **Condition for removal of the pledge:** repayment of the loan.

a - COMMENCEMENT DATE OF THE PLEDGE: 17 DECEMBER 2003 AND TERMINATION DATE OF THE PLEDGE: 31 OCTOBER 2010

Subsidiary	Number of shares pledged	% of capital pledged of subsidiary
GROUPE PARTOUCHE INTERNATIONAL SA	5 990	99,83 %
SARL HÔTEL COSMOS	49 950	99,90 %
SARL THERMES DE CONTREXÉVILLE	49 950	99,90 %
SARL THERMES DE VITTEL	49 950	99,90 %
SOCIÉTÉ CIVILE IMMOBILIÈRE DE LA RUE ROYALE	8 867	99,40 %
SOCIÉTÉ CIVILE IMMOBILIÈRE LES THERMES	9 950	99,90 %
SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	49 950	99,90 %
CASINO DE VICHY SAS	11 978	79,85 %
CASINO DU TOUQUET SAS	24 322	99,27 %
ÉLYSÉE PALACE EXPANSION SA	1 985	79,40 %
ÉLYSÉE PALACE HÔTEL SA	1 110	44,40 %
LA VILLA DU HAVRE SAS	3 950	98,75 %
NUMA SAS	4 939	98,78 %
SOCIÉTÉ DES CHEMINS DE FER ET HÔTELS DE MONTAGNE AUX PYRÉNÉES SA	178 000	76,17 %

b - COMMENCEMENT DATE OF THE PLEDGE: 29 AUGUST 2003 AND TERMINATION DATE OF THE PLEDGE: 31 OCTOBER 2010

Subsidiary	Number of shares pledged	% of capital pledged of subsidiary
COMPAGNIE EUROPÉENNE DE CASINOS SAS	4 962 566	99,99 %
SOCIÉTÉ D'EXPLOITATION DU CASINO ET HÔTELS DE CONTREXÉVILLE SAS	4 950	99,00 %
SOCIÉTÉ DU CASINO DE ST AMAND-LES-EAUX SAS	116 200	99,96 %
CANNES BALNEAIRE PALM BEACH SA	5 099 366	99,97 %
FORGES THERMAL SA	7 000	58,33 %
SOCIÉTÉ FRANCAISE DE CASINO SAS	320 000	58,18 %
HÔTEL INTERNATIONAL DE LYON SA	18 500	92,50 %
SOCIÉTÉ DU CASINO ET BAINS DE MER SAS	6 500	98,48 %
SATHEL SA	20 080	99,60 %
JEAN METZ SAS	980	98,00 %
LE TOUQUET'S SAS	1 800	90,00 %

GENERAL INFORMATION ON THE COMPANY

Description of the Group

Groupe Partouche, via its directly or indirectly owned subsidiaries operated 53 casinos at 31 March 2005; 46 of these are located in France and seven in other countries.

75.8% of the Group's turnover is generated from gaming which remains the dominant business sector. Groupe Partouche's 53 casinos are spread throughout France and abroad as follows:

France Region	Town or resort
NORD/PAS-DE-CALAIS	ST-AMAND-LES-EAUX, CALAIS, BOULOGNE-SUR-MER, LE TOUQUET PARIS PLAGE, BERCK-SUR-MER
HAUTE-NORMANDIE	FORGES-LES-EAUX, DIEPPE, LE HAVRE
BASSE-NORMANDIE	CABOURG, AGON-COUTAINVILLE
BRETAGNE	PLENEUF-VAL ANDRÉ, PLOUESCAT, LA TRINITÉ-SUR-MER
PAYS DE LA LOIRE	PORNICHET, PORNIC
POITOU-CHARENTES	LA ROCHE POSAY
BOURGOGNE	ST-HONORÉ-LES-BAINS
LORRAINE	CONTREXÉVILLE, PLOMBIÈRES-LES-BAINS
RHÔNE-ALPES	LYON, LA TOUR DE SALVAGNY, ST-GALMIER
AUVERGNE	ÉVAUX-LES-BAINS, VICHY (LES 4 CHEMINS ET GRAND CAFÉ), CHÂTEL-GUYON, ROYAT, ST-NECTAIRE
AQUITAINE (1)	ANDERNOS, ARCACHON, SALIES-DE-BÉARN
LANGUEDOC-ROUSSILLON	GRUISSAN, PALAVAS-LES-FLOTS, LA GRANDE-MOTTE, PORT-BARCARÈS, PORT-LA NOUVELLE (2)
PROVENCE-ALPES-CÔTE D'AZUR	GRÉOUX-LES-BAINS, AIX-EN-PROVENCE, LA CIOTAT, BANDOL, HYÈRES, GRASSE, CANNES, JUAN-LES-PINS, BEAULIEU-SUR-MER, NICE

Abroad – country	Town or resort
BELGIQUE	KNOKKE LE ZOUTE, OOSTENDE, CHAUDFONTAINE
TUNISIE	DJERBA
ESPAGNE	SAN ROQUE
MAROC	AGADIR
SUISSE	MEYRIN

(1) On 22 March 2005, Groupe Partouche sold the Cazaubon-Barbotan casino.
(2) On 26 February 2005 the Port-la Nouvelle casino was opened.

The Group's internal organisation

Groupe Partouche SA is a holding company for all the companies whose activity is primarily directed towards leisure, casinos, hotels, restaurants, dancehalls and bars. It is the parent company quoted on the Premier Marché of the Paris Stock Exchange (ISIN code FR0000053548).

Groupe Partouche assumes the role of directing the group as a whole, granting it the benefit of its knowledge and skills, particularly in terms of human and technical resources; It provides its subsidiaries with a package of services defined under a head office services agreement. These services include, among others: strategic planning, marketing, communication, commercial services, administration, legal and financial services and IT. The remuneration paid by each of Groupe Partouche's subsidiaries is calculated based on an allocation of the expenses borne by them, in terms of human and technical resources, which is allocated on the basis of turnover of the subsidiaries bound by the head office services contract.

For the fiscal year ended 31/10/2004, the total amount received in this regard came to €7.899 million net of VAT.

Casino operating concessions

A casino operating concession never exceeds 18 years in France. At 1 March 2005, Groupe Partouche had 47 casinos in France with a concession contract and a ministerial authorisation for gaming operation.

Requests have been filed with the Ministry for two concessions regarding the creation of the casino at Saint-Cast-le-Guildo and La Tremblade.

Existence of assets used by the Company belonging to the directors or their family

Any significant assets that are used by the Company and which belong to the directors or their families are held within the companies SOGESIC and FINANCIÈRE PARTOUCHE:

- SOGESIC assets: all real estate assets used by Le Touquet Casino
- FINANCIÈRE PARTOUCHE assets:
  - A 3% investment in SCI Lydia Invest, the owner of a moored boat in Port-Barcarès, which houses the casino.
  - The office in a building on Rue de Saussure, Paris (17th precinct) which is the registered office of Groupe Partouche SA and several other Group companies.

Description of the business environment

Description of the competitive environment in 2004

In fiscal year 2003/2004 the French casino sector generated total GGR of €2,613.2 million, rising 2.6% year-on-year. Slot machines accounted for 93.4% of total GGR, up 3.2%, while table gaming revenue fell 4.4% from the prior year.

Levies represent in total 57.4% of GGR for fiscal year 2003/2004.

The casinos sector in France has shown a relatively recent move towards concentration. Of the 188 licensed casinos in France (eight more than the previous year), more than two-thirds are operated by groups. The main groups are as follows:

Name of Group	Number of casinos operated in France	2004 real gross gaming revenue (€M)
GROUPE PARTOUCHE	46	708,1
GROUPE BARRIÈRE	14	464,4
ACCOR CASINOS	18	347,0
GROUPE MOLIFLOR LOISIRS	20	243,1
GROUPE TRANCHANT	18	219,1
GROUPE DIDOT BOTTIN	4	94,2
GROUPE COGIT	8	75,7
GROUPE ÉMERAUDE	7	51,2

Source: Syndicat des Casinos Modernes de France (figures at 31/10/04).

Description of main clients

In the early 1990s, casinos in France experienced a real revolution when permission was granted by the authorities to operate slot machines. Their potential clientele, which traditionally consisted of the happy few among the high income population, including tradesmen, self-employed individuals, and people with independent means ready to play high stakes, now includes the entire working population who previously would have bet on the horses or played the Lottery. Consequently, casino attendance figures have seen exponential growth and the vast majority of clients have an average monthly gaming budget of around 50 to 100 euros.

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

Suppliers

The casino business is very heavily regulated.

All suppliers of gaming equipment and fittings are subject to an approval by the Minister of the Interior, ensuring that the draconian standards of compliance are met.

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

Breakdown of human resources by category (average workforce)

Category at 31 October	2004	2003	2002
Management and Executives	678	558	465
Supervisors and technicians	238	216	182
Other non-manual workers	4 473	4 437	4 524
Manual workers	130	136	166
Total	5 519	5 347	5 337

Profit sharing

SA Groupe Partouche, does not currently have any employee profit share scheme.

GENERAL INFORMATION ON THE GROUP AND ITS SHARE CAPITAL

1 - General information on the Group

Company name (Article 2 of the Articles of Association)
The name of the company is Groupe Partouche SA - Ticker "G.P."

Head office (Article 4 of the Articles of Association)
The head office is located at 141 bis, rue de Saussure, 75017 Paris, France

Applicable legislation
The company is governed by the French legislation.

Legal form
The company is a Société Anonyme company with an Executive Board and a Supervisory Board. Its legal and accounting documents may be consulted at the registered office of Groupe Partouche.

Term (Article 5 of the Articles of Association)
The term of the company was initially fixed at 31 October 2008. The Extraordinary General Meeting held on 27 April 1994 extended it by 50 years. It will expire in year 2058, except in the case of early dissolution or extension as provided by the Articles of Association.

Purpose (Article 3 of the Articles of Association)
The purpose of the company in France and all other countries is:
•The administrative, financial and accounting management of all the present or future companies operating mainly in the entertainment, hotels and gaming sectors.
• The acquisition of equity stakes of all types in such companies.
• Assisting these companies in improving their growth by providing all types of services.
• All transactions in shares in French and foreign markets.
• Acquisition and sale of real estate fixed assets and current assets. And in general all types of industrial and commercial operations related to:
• The creation, acquisition, rental, lease or operation of all types of business in any of the abovementioned sectors of activity.
• The acquisition, operation or sale of any process or patent related to these activities,
• The direct or indirect participation in any type of financial, real estate or personal property operations or commercial enterprise transaction related to the abovementioned purpose or any other connected purpose.

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

APE code
741 J.

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

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

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

II/ Net earnings are appropriated as follows:
• A deduction of 5% is taken from net income for the year after the offset of any prior year losses carried forward, for the purpose of creating the legally required "legal reserves", until these reserves equal one-tenth of the company's share capital.
• Net earnings to be appropriated are constituted by the net income for the fiscal year, less prior-year losses and legally required reserves, plus retained earnings carried forward.

The General Meeting then allocates the amounts it deems appropriate to the optional, ordinary and/or extraordinary reserves, and to retained earnings.

The resulting balance, if any, is allocated among all shareholders proportionately to their paid-in outstanding shareholdings.

However, except in the case of capital reduction, no payment to shareholders is carried out, if the resulting amount of net assets is or would otherwise become less than the combined amount of the share capital and reserves that may be distributed as provided by the Law or by the Articles of Association.

The General Meeting may resolve to allocate amounts deducted from the optional reserves either in order to provide or supplement a dividend or for the purpose of allocating exceptional provisions; in this case the resolution shall expressly indicate the reserve categories from which these deductions are to be made.

Losses (if any) are, after the approval of the financial statements by the General Meeting, recorded in a special account for offset against future years' profits until the expiry of their availability for carry-forward.

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

General regulations for General Meetings

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

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

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

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

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

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

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

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

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

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

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

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

- in advance of an Annual General Meetings, the income statement, the balance sheet and the special report of the statutory auditors,
- in advance of a Extraordinary General Meeting, the report of the statutory auditors, if applicable.

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

V/ Voting by correspondence.

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

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

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

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

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

Multiple voting rights
None.

2 - General information on the capital

Share capital – (Article 7 of the Articles of Association)
The issued share capital is €86,194,836 (eighty six million one hundred and ninety four thousand eight hundred and thirty six euros).

It is divided into 43,097,418 shares (forty three million ninety seven thousand four hundred and eighteen) with a nominal value of 2 euros (two) each, the nominal values of which are all fully paid.

Crossing of statutory thresholds and penalties in the event of non-compliance with disclosure requirements (Article 12 of the Articles of Association)
Pursuant to Article L. 233-7 § 5 of the Code of Commerce, 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. the event of non-compliance with this disclosure obligation, shares exceeding the non-disclosed fraction will be deprived of their voting rights at the request, recorded in the minutes of the General Meeting, of one or more shareholders, holding 5% at least of the capital of the company, when the shares of the company are officially listed on a stock exchange.

Authorisation for the company to buy back its own shares
By a decision of the Annual General Meeting of 24 April 1998, we granted ourselves the authorisation each year to buy back the Company's own shares pursuant to the provisions of Article 225-209 of the Company Act.

The Extraordinary General Meeting of 23 April 2004 renewed the authorisation of the Executive Board to buy back its own shares on the stock exchange in accordance with the provisions of Article L.225-209 of the Code of Commerce for the primary purpose of stabilising the share price and using the shares as consideration to make acquisitions, or with a view to the allocation of share purchase options to the group's employees and directors, or in the scope of a financial or asset management policy.

The maximum purchase price was fixed at €30 per share with a minimum sale price of €10. This authorisation which carries a maximum term of 18 months and which is set to expire on 23 October 2005, was not used.

Capital authorised but not issued
The Executive Board has the following authorisations granted by the Extraordinary General Meeting of 23 April 2004, which could lead to the issue of equity securities. These authorisations are summarised as follows:

Nature of transaction authorised by EGM of 23 April 2004	Expiration of authorisation (1)	Maximum amount	Terms
Capital increase			
• In cash	22 June 2006	500,000,000 euros	• With preferential right of subscription • Without preferential right of subscription
• By capitalisation of reserves, premiums or net income	22 June 2006	500,000,000 euros	
• By issue of debt securities	22 June 2006	500,000,000 euros	• With preferential right of subscription • Without preferential right of subscription

(1) For a period of twenty-six months following the Extraordinary General Meeting of 23 April 2004.

No authorisations were followed by an increase.

Issue of bonds or similar securities

Authorisation date	15 April 2003
Expiry date	14 April 2008
Authorisation amount	500,000,000 euros
Amount used	-

Employee saving plans

The General Meeting of 23 April 2004, in compliance with a) the Code of Commerce, and notably, its Articles L.225-129 VII and L.225-138, and b) Articles L.443-1 and subsequent of the Labour Code, in its thirteenth resolution, delegated to the Executive Board, for a period of five year commencing on the date of this Meeting, full powers to increase the share capital, at its sole discretion, in one or several stages and based on the terms and conditions which it shall determine, via the issue of shares to be subscribed in cash, the subscription of which shall be reserved for the employees of the Company and of companies deemed to be related to it, as defined by Article L.225-180 of the Code of Commerce, members of Company Savings Plan (PEE) or a voluntary employee savings plan (PPESV) run by the Company. The capital increase may not exceed 5,860,000 euros. This amount is fixed independently of the maximum ceilings for capital increases resulting from issues of shares or securities authorised by the preceding delegations.

Changes in share capital over the five preceding fiscal years

Year (1 November 1999-31 October 2004)		Amount of change in share capital (in F.F. and euros)		Successive amounts of share capital (in F.F. and euros)	Cumulative number of share
		Nominal	Share Premium		
2000				560 266 434 F	6 156 774
2001	EGM of 2 April 2001 Conversion of the share capital into euros via the conversion of the nominal value of shares from €13.87 to €14 via the capitalisation of reserves	782 768,75 €		86 194 836 €	6 156 774
2002				86 194 836 €	6 156 774
2003	EGM of 10 November 2003 Division by 7 (seven) of the nominal value of shares and the total number of shares was therefore multiplied by 7 (seven)			86 194 836 €	43 097 418
2004				86 194 836 €	43 097 418

Ownership of share capital and voting rights

Principal shareholders, March 2005	[1] Number of shares and voting rights	% of capital
FINANCIÈRE PARTOUCHE SA [2]	26 848 500	62,30 %
SOGESIC SARL[3]	1 991 500	4,62 %
PARTOUCHE Family	1 544 777	3,58 %
Subtotal	**30 384 777**	**70,50 %**
Public [4]	12 712 641	29,50 %
TOTAL	**43 097 418**	**100,00 %**

(1) There are no double-voting rights.
(2) SA FINANCIÈRE PARTOUCHE is a family holding company.
(3) SARL SOGESIC is the Group's central procurement company owned by members of the family.
(4) Including the following identified parties: JP Morgan Chase Investor Services acting as a registered intermediary owning 5.62% of the share capital via a notification of having crossed the shareholding threshold dated 8 April 2003 and Schroder Investment Management Limited owning 8.31% of the share capital via notification of having crossed the shareholding threshold dated 5 March 2004 and E.E.M. (Belgium), owning 5.44% of the share capital.

Groupe Partouche requested Euroclear France to perform a survey on 9 February 2005 of intermediaries holding at least 11,000 shares. This survey enabled us to identify 5,699 shareholders, representing 20.73% of the share capital. Taking into account the 139 shareholders holding registered shares at this date, we have thereby established that at this date 99.92% of the share capital of Groupe Partouche was owned by 5,838 shareholders.
A very substantial proportion of the shareholders identified by the Euroclear France survey – some 80% - were institutional investors.
To the best of the company's knowledge, no shareholders own 5% or more of the share capital or voting rights other than those listed above. No securities are owned by employees under a dedicated share ownership programme. At the balance sheet date, the Company held 19,166 self-owned shares.

Changes in the ownership structure during the three preceding fiscal years

Identity of the principal shareholder groups at 31 October	2004	2003	2002
FINANCIÈRE PARTOUCHE SA	62,30 %	62,30 %	62,30 %
SOGESIC SARL	4,62 %	4,62 %	4,62 %
PARTOUCHE Family	3,58 %	3,73 %	3,71 %
Subtotal	**70,50 %**	**70,65 %**	**70,62 %**
Public	29,50 %	29,35 %	29,38 %
TOTAL	**100,00 %**	**100,00 %**	**100,00 %**

Shareholder pact
To the best of the company's knowledge, there are no shareholder pacts.

Potential share capital
There are no other securities other than those listed above.

Options
To date, there are no share option, purchase or subscription plans.

Pledged Groupe Partouche SA's registered shares and shares of its subsidiaries

Name of the registered shareholder	Beneficiary	Start date of pledge	Termination date of pledge	Condition for removing pledge	Number of shares pledged	% of issuer's capital pledged
FINANCIÈRE PARTOUCHE SA	[1] Banking pool led by Natexis	29 Aug. 2003	31 oct. 2010	Repayment of loan	26,848,500*	62.30 %

(1) The banking pool led by Natexis Banques Populaires comprises the following banks: CCF, Crédit Lyonnais, Lyonnaise de Banque, Natexis Banques Populaires.
* The number of shares takes into account the multiplication of shares decided by the Extraordinary General Meeting dated 10 November 2003.

STOCK EXCHANGE INFORMATION

Groupe Partouche SA shares were admitted to the "Premier Marché" of the Euronext Paris stock exchange (code ISIN FR0000053548) on 2 November 1998 and are included in the SBF 250 and Next 150 indices.

Institution providing financial services for the company

Share transfers and payments of dividends are handled by Lyonnaise de Banque - Direction des Traitements Administratifs - Division titres émetteurs, Chemin Antoine Pardon - 69160 Tassin-la-Demi-Lune.

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

Period	Share price (in euros) High	Share price (in euros) Low	Number of shares traded	Share capital (in € MILLION)
2003				
September	11,51	8,86	520 506	5,10
October	11,13	9,46	382 991	3,94
November	11,14	9,92	287 431	3,14
December	11,64	10,80	211 190	2,35
2004				
January	12,62	11,02	422 345	5,10
February	11,92	11,75	381 881	4,48
March	18,50	12,01	3 473 864	50,86
April	19,40	16,45	889 006	15,62
May	20,50	16,75	2 630 972	48,76
June	17,99	15,27	993 964	16,04
July	16,00	13,40	558 694	8,31
August	15,00	12,90	964 556	13,21
September	15,19	13,65	1 035 600	14,80
October	15,25	14,39	1 051 185	15,70
November	14,95	13,42	965 663	13,86
December	14,70	13,70	491 677	6,99
2005				
January	16,88	11,30	1 085 138	17,10
February	17,26	16,01	1 060 875	17,71

DIVIDENDS

No dividend was proposed for the fiscal year ended 31 October 2004.

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

In F.F. and euros	Year ended 31.10.1999	Year ended 31.10.2000	Year ended 31.10.2001	Year ended 31.10.2002	Year ended le 31.10.2003
Total dividend amount	67 724 514 F 10 324 535,60 €	67 724 514 F 10 324 535,60 €	4 925 419 €	no distribution	no distribution
Net dividend per share	11,00 F	11,00 F	0,80 euros		
Tax paid	5,50 F	5,50 F	0,40 euros		
Total income per share	16,50 F	16,50 F	1,20 euros		

During the fiscal year ended 31 October 2004, no down payments on dividends were paid.

Any dividend that is not claimed within five years as from its due date will be prescribed by the State, as provided by law (payment to the Service des Domaines).

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND STATUTORY AUDITORS

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Patrick PARTOUCHE

Chairman of the Executive Board

Testimonial of the person responsible for the reference document:

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

Patrick Partouche

Persons responsible for auditing the financial statements

Statutory Auditors	Date of last renewal of appointment	Date of first appointment	Expiration of appointment
PRINCIPAL			
BDO MARQUE GENDROT 25, Quai Carnot 92000 SAINT CLOUD	AGM of 23 April 2004	AGM of 23 April 2004	AGM convened to approve the financial statements for the year ended 31 October 2009
PRINCIPAL			
José DAVID 47, Av. du Pt F. Roosevelt - 92330 Sceaux	AGM of 23 April 2004	AGM of 4 February 1995	AGM convened to approve the financial statements for the year ended 31 October 2009
SUPPLÉANT			
Société FIDUCIAIRE MCR 232 Av. du Prado – 13000 MARSEILLE	AGM of 23 April 2004	AGM of 23 April 2004	AGM convened to approve the financial statements for the year ended 31 October 2009
SUPPLÉANT			
Monsieur Emmanuel QUINIOU 62, rue de la Faisanderie - 75116 Paris	AGM of 23 April 2004	AGM of 8 March 1996	AGM convened to approve the financial statements for the year ended 31 October 2009

INFORMATION OFFICER

Alain Cens

Chief Financial Officer

Tel. +33 (0)1 47 64 33 45

STATUTORY AUDITORS' OPINION ON THE REFERENCE DOCUMENT DATED 5 APRIL 2005

As the Statutory Auditors of Groupe Partouche SA and as provided by the regulations of Article 211-5-2 of the AMF general regulations, we have audited, in accordance with professional standards applicable in France, the information pertaining to the Company's financial situation and the historical accounts as provided in this reference document.

This reference document was drawn up under the supervision of the Executive Board. It is our responsibility to express an opinion as to the true view of the information it gives in respect of the financial position and financial statements.

The work we performed, in accordance with French professional standards, consisted of assessing the accuracy of the information contained therein in respect of the financial statements and assessing their consistency with the financial position and financial statements. We also reviewed the other information included in the reference document, in order to identify any significant inconsistencies with the information on the financial position and financial statements, and to indicate any information that we deem manifestly erroneous, based on the general knowledge of the company's business that we gained during our assignment. This reference document does not include any isolated forward-looking data resulting from a structured process of preparation.

The holding company financial statements for the fiscal year ended 31 October 2002 as drawn up by the Executive Board were audited by KPMG Audit – a business unit of KPMG S.A. and José David, in accordance with French professional standards, and were certified without qualification or comment.

The consolidated financial statements for the fiscal year ended 31 October 2002 as drawn up by the Executive Board were audited by KPMG Audit – a business unit of KPMG S.A. and José David, in accordance with French professional standards, and were certified without qualification; a comment was included on the changes in presentation of employee profit sharing in the income statement and deferred tax liabilities in the balance sheet and on the change in accounting policy relating to finance lease contracts.

The consolidated and holding company financial statements for the fiscal year ended 31 October 2003 as drawn up by the Executive Board were audited by KPMG Audit – a business unit of KPMG S.A. and José David, in accordance with French professional standards, and were certified without qualification; a comment was included on the change in accounting policy relating to the first-time application of CRC Regulation 2000-06 relating to liabilities dated 7 December 2000 and its consequences on the income statement and opening shareholders' equity.

We audited, in accordance with French professional standards, the holding company financial statements for the fiscal year ended 31 October 2004 as drawn up by the Executive Board, which were certified without qualification or comment.

We audited, in accordance with French professional standards, the consolidated financial statements for the fiscal year ended 31 October 2004 as drawn up by the Executive Board, which were certified without qualification; a comment was included on the change in presentation and accounting policies relating to the recognition of pension obligations in the form of provisions and their impact on shareholders' equity and net income for the year.

Our reports on the holding company accounts and the consolidated financial statements for the fiscal year 2004 comprise, pursuant to the provisions of Article L.225-235 of the Code of Commerce on the justification of our assessments the following matters:

Holding company accounts:

Note 1.3 of the notes to the financial statements details the accounting policies applied to long term investment, notably assessment criteria for book value versus value-in-use or market value of investments in securities. In the course of our assessment of the accounting policies applied by your company, we verified the appropriateness of the above-mentioned accounting policies and the information provided in the notes to the financial statements, and we obtained assurance that they were correctly applied.

Consolidated financial statements:

The note on accounting policies details the accounting policies with respect to goodwill on acquisition. In the course of our assessment of the accounting policies applied by your company, we verified the appropriateness of the above-mentioned accounting policies and the information provided in the notes to the financial statements and obtained assurance that they were correctly applied.

Our assessments were made as part of our audit approach of the holding company accounts and consolidated financial statements, taken in their entirety, and thus contributed to the formulation of our unqualified opinion, expressed in the first section of our reports.

On the basis of the work that we performed, we have no comment to make with regard to the accuracy of information dealing with the financial position and financial statements presented in this reference document.

Saint-Cloud and Sceaux, 4 April 2005

BDO Marque Gendrot — José David

Joël Assayah

Jean-Louis Mathieu

Note:

In accordance with legal obligations, the reference document includes:

- the general report on the holding company financial statements (page 89 of the reference document) in which the statutory auditors justify their assessments.
- the report on the consolidated financial statements (page 68 of the reference document) in which the statutory auditors also justify their assessments.
- the report prepared in compliance with Article L.225-235 of the Code of Commerce (page 37 of the reference document) on the report of the chairman of the Supervisory Board with regard to internal control procedures applied in the preparation and processing of accounting and financial information.

REFERENCE DOCUMENT CONCORDANCE TABLE

The original French language version of this reference document was filed with the Autorité
des Marchés Financiers on 5 April 2005, pursuant to Article 211-6 of the AMF's general regulations.
The original French language version of this reference document may be used as supporting document
for a financial transaction if supplemented by a prospectus duly granted a visa by the
Autorité des Marchés Financiers.

Design & Production: Agence Ferrari
Tel.: +33 (0)1 42 96 05 50 — email: ferrari@easynet.fr

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