GROUPE PARTOUCHE

AN
NUAL
RE
PORT
2011

MESSAGE FROM THE FOUNDER

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

FINANCIAL REPORT 2011

MESSAGE FROM THE FOUNDER

Dear shareholders, dear friends,

This year, I have decided to resign from my position as Chairman of the Supervisory Board of our company. I have thus proposed that my son Patrick hold that position from now on.

This decision was greatly encouraged by the fact that Walter Butler and his investment fund Butler Capital Partners joined us, and I am delighted about it.

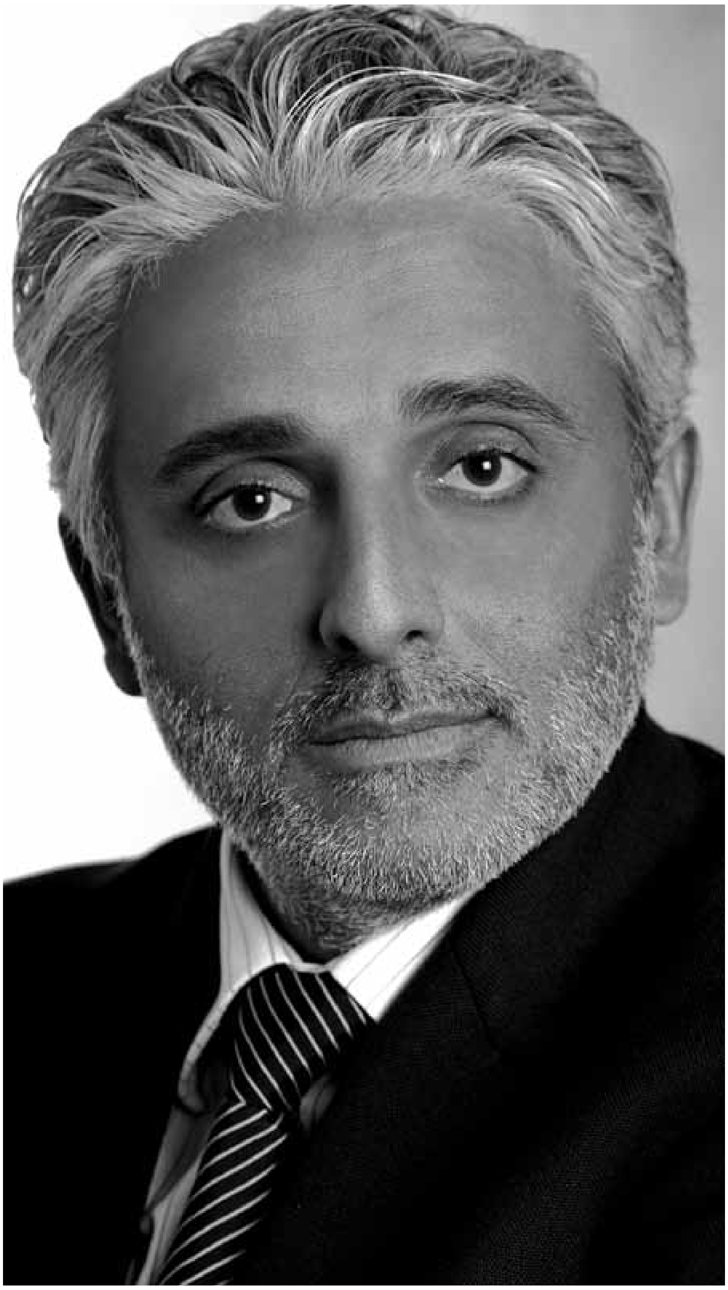
New era, new senior management…

Of course I shall still express my opinions and my decisions as I remain a member of the board and I hope, if I may say so, that my voice shall always be heard and followed!

I wish success to our two new Chairmen, Fabrice Paire, who has replaced Patrick Partouche as the Chairman of the Executive Board.

After three eventful years which saw our revenue fall, I am convinced that the work carried out (renegotiation of our commitments to banks and rigorous management) will enable us to return to growth.

Isidore Partouche



MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

At the turn of one's life… you need to turn the page!

Our Chairman Fabrice Paire and his team have managed to this and I congratulate them, in the name of all our shareholders…

Over the past few years, the gaming industry has, to a considerable degree, been ill-treated by public authorities and each one of the many economic and regulatory challenges we had to take up mortgaged the future of our company...

They had to negotiate very strictly an extremely complicated syndicated loan, in the midst of a global crisis, they had to face the up-rise of many opportunists who, with their short-lived offers, thought the gaming industry was similar to the telephony industry but they will step down one of these days, having caused quite a stir but gained not much money!

The difference between prior 2008 casinos and post 2008 casinos shall be made!

Those who will have built a gaming platform serving any kind of terminal, any kind of game to all customers and who will have perpetuated values ever devoted to customer and friend satisfaction…

I am sure Groupe Partouche will belong to that kind of casino, I have never doubted about it.

The journey ahead will still have its fair share of bumps and scrapes, but the road is almost straight and now is the right time to put our foot down and drive!

I wish the Group, and all of you, a great journey ahead.

Patrick Partouche

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

During these still rather contrasted times, with upheavals in attendance figures and volatile business conditions, I have been given the honour of being appointed Chairman of the Executive Board of our company.

I believe that the most difficult years our industry has faced now belong to the past. However, just like the world in which we wake up every morning, the outlook remains somewhat difficult to define and there are still many constraints around which we are evolving.

The managers of all of our establishments and their teams have fought hard throughout the period and I wish to pay tribute to their professionalism and their motivation which enabled them to secure the future of their companies.

Our banking partners have re-affirmed their trust by looking beyond the current context and restructuring our syndicated loan, and our new financial partner, Butler Capital Partners, has taken a stake in the share capital of the Group, thus providing its specific expertise which we believe should bear fruit.

As things stand today, we can really be satisfied to have made our way through such a turbulent period, while protecting the essentials:

- Our current operating profitability remained stable;
- Our net profit became positive again;
- Our net debt was reduced by €50m.

Alongside all of the Group's teams, we are continuing our efforts to consign to the past all the lean years our industry has been through.

We can rest assured that day in day out, the Group's employees open up the doors to our establishments with a sense of ambition and determination, in order to offer our customers all the facets of entertainment, emotion and pleasure they seek at Groupe Partouche.

A passion for gaming has always guided the life of our Group and this remains our abiding ambition.

In 2012, welcoming our clientele at our establishments shall remain a paramount value, the emotions will remain intact and innovation will continue.

Fabrice Paire

CONTENT

01 PERSONS RESPONSIBLE

1.1 Person responsible for the registration document

Mr. Fabrice Paire, Chairman of the Executive Board.

1.2 Certifying statement by the person responsible for the registration document

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

To the best of my knowledge, I certify that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the company's assets, financial position and profit or loss, as well as those of all consolidated companies, and that the information in the management report (see Reconciliation Table on page 214 of this document) presents a true and fair view of the development of the business, results and financial position and those of all consolidated companies, as well as describing the main risks and uncertainties to which they are exposed.

I have obtained a letter from the statutory auditors certifying that they have completed their tasks, indicating that they have verified the information concerning the financial position and financial statements set out in this registration document and that they have read the registration document in full.

The statutory auditors issued a report on the Group's consolidated financial statements for the financial period ended 31 October 2011, set out on page 196 of the registration document, and containing an observation:

«Without qualifying our opinion, we draw your attention to Note 2 of the notes to the consolidated financial statements (paragraph "Description of the accounting policies and valuation methods applied by the Group"), which reports as follows in paragraph "Accounting estimates and assumptions":

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

- Change in the accounting estimate of goodwill impairment recorded in 2010.»

The statutory auditors issued a report on the Group's parent-company financial statements for the period ended 31 October 2011, as set out on page 197 of the registration document

The statutory auditors issued a report on the Group's consolidated financial statements for the period ended 31 October 2010 set out on page 194 of the registration document filed with the AMF on 25th February 2011 - reference number D11-0081; this report contains an observation.»

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

The statutory auditors issued a report on the Group parent-company financial statements for the period ended 31 October 2010, set out on page 195 of the registration document.

The statutory auditors issued a report on the Group's consolidated financial statements for the period ended 31 October

2009 set out on page 178 of the registration document filed with the AMF on 26th February 2010 - reference number 10-0069; this report contains an observation.»

> *«Without qualifying the opinion given above, we wish to draw your attention to Note 17 «Current and non-current financial borrowings» in the Notes to the financial statements, setting out the reclassification of the current and noncurrent financial borrowings of the syndicated loan' at 31 October 2008 and 2009 pursuant to IAS 1 and as provided in the restructuring of the debt signed with the banking pool at 31 October 2009.»*

The statutory auditors issued a report on the Group's parent-company financial statements for the period ended 31 October 2009, as set out on page 179 of the registration document; this report contains an observation :

> *«Without qualifying the opinion given above, we wish to draw your attention to Note 2.6 in the Notes to the financial statements, setting out the change in the breakdown of the expiration date of the debt between the shares of less than one year and more than one year, following the syndicated loan signed with the banking pool on October 2009.»*

Fabrice Paire
Chairman of the executive Board

02 AUDITORS

2.1 Statutory auditors

IDENTITY OF THE STATUTORY AUDITORS	PROFESSIONAL BODY	DATE OF THE LAST RENEWAL	DATE OF FIRST APPOINTMENT	END OF TERM
PRINCIPAL				
MCR Baker Tilly 232 avenue du Prado 13008 Marseille	Independant member of Baker Tilly France	AGM 20 April 2010	AGM 24 April 2007	AGM called to approve the financial statements for the year ending 31 October 2015
PRINCIPAL				
France Audit Expertise 148 boulevard Malesherbes 75017 Paris			AGM 20 April 2010	AGM called to approve the financial statements for the year ending 31 October 2015
SECONDARY				
Orfis Le Palais d'Hiver 149 boulevard de Stalingrad 69100 Villeurbanne	Independant member of Baker Tilly France	AGM 20 April 2010	AGM 24 April 2007	AGM called to approve the financial statements for the year ending 31 October 2015
SECONDARY				
M. José David 47 avenue du Président Franklin Roosevelt 92330 Sceaux			AGM 20 April 2010	AGM called to approve the financial statements for the year ending 31 October 2015

SELECTED FINANCIAL INFORMATION

03

The tables below present extracts of the Group's balance sheet and income statement for the financial year ended 31 October 2009, 2010 and 2011 prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

BUSINESS ACTIVITY

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Casinos	417 710	431 557	406 071
Hotels	34 593	31 917	32 594
Interactive Division	6 932	7 529	7 498
Other	5 070	7 123	6 831
TOTAL TURNOVER	**464 304**	**478 126**	**452 993**

CASINOS €000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
GGR of table games	79 777	88 226	81 973
GGR slot machine (real)	616 577	613 531	634 667
TOTAL GGR	**696 354**	**701 757**	**716 640**
Levies	356 863	360 216	382 040
In % of GGR	51,2 %	51,3 %	53,3 %
NET GAMING REVENUE	**339 491**	**341 542**	**334 600**
Number of slot machine in France	5 607	5 743	5 543

HOTELS AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Number of hotels	19	19	19
Number of rooms	1 245	1251	1251
Occupancy rate	58,27 %	54,36 %	48,36 %

PROFITABILITY

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT DATA PER SHARE)	2011	2010 RESTATED (*)	2009
Turnover	464 304	478 126	452 993
Current operating profit	40 076	50 731	29 036
Operating profit	28 942	(23 036)	21 230
Total net profit	**2 036**	**(52 385)**	**(6 816)**
Of which, Group share	(6 953)	(60 398)	(16 679)
Net earnings per share attributable to the Group	(0,078)	(1,173)	(0,387)
Dividend distributed per share	-	-	-

EBITDA €000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Consolidated Ebitda	**88 566**	**98 395**	**76 992**
% of Turnover	19,08 %	20,57 %	17,00 %

BALANCE SHEET AND FINANCIAL STRUCTURE

ASSETS €000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Non-current assets	696 030	727 459	830 350
Current assets	176 579	152 542	131 596
Assets held for sale	2 768	1 245	-
TOTAL ASSETS	**875 376**	**881 246**	**961 946**

LIABILITIES €000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Equity attributable to the Group	335 466	312 558	297 377
Minority interests	32 128	29 961	28 917
Total equity	367 594	342 519	326 294
Total non-current liabilities	338 819	250 816	467 805
Total current liabilities	166 304	287 003	167 847
Liabilities held for sale	2 660	907	-
TOTAL LIABILITIES AND EQUITY	**875 376**	**881 246**	**961 946**

CASH LESS GAMING LEVIES

€000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Cash and cash equivalents	132 029	107 611	78 866
- Gaming levies	(34 157)	(32 929)	(36 104)
= CASH LESS GAMING LEVIES	**97 872**	**74 682**	**42 762**

DEBT AND RATIOS

€000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Equity	367 594	342 519	326 294
Consolidated Ebitda	88 566	98 395	76 992
Gross debt	303 188	329 569	421 920
Cash less gaming levies	97 872	74 682	42 762
Net debt	205 316	254 887	379 158
Ratio net debt to equity ("gearing")	0,56	0,74	1,16
Ratio net debt to consolidated Ebitda ("leverage")	2,3x	2,6x	4,9x

CASH FLOW

CASH FLOW STATEMENT €000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Cash flow from operating activities	57 384	66 522	34 951
Cash flow from investing activities	(26 505)	(24 825)	(13 463)
Cash flow from financing activities	(7 594)	(13 857)	(11 062)
CLOSING CASH POSITION	**131 970**	**107 596**	**78 856**

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

04 RISK FACTORS

The company carried out a risk review. As of the date of this Reference Document, these risks represent those whose realisation the company deems would have a significant adverse effect on the company, its activity, its financial position, profit, outlook or ability to achieve its objectives. The company draws investors' attention to the fact that the list of risks included in Chapter 4 of the Reference Document is not exhaustive and that other risks, currently unidentified or considered to be non-significant by the company, may also have a significantly adverse effect if they occurred.

The company specifically analysed the liquidity risk related to the repayment of the syndicated loan, to the financial ratios and to the investment programmes of the La Ciotat, Bandol and La Grande Motte Pasinos (refer to Chapter 5.2.3) which have been scaled down. Also considering the restructuring of the syndicated loan under the terms of the riders signed on 25 January and 19 December 2011, the company considers that, after completion of the review, it will be able to deal with the upcoming instalments over the next twelve months.

The means implemented to assure risk management and control are explained in Chapter 16.5.

4.1 Financial risks

The data analyzed in this paragraph have been audited.

4.1.1 LIQUIDITY RISK

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

A breakdown of financial debt by type and maturity date can be found in Note 17 §20.2.1 of the notes to the consolidated financial statements for the financial year ended 31 October 2011. Readers may also refer to Note 13 §20.2.1 Cash and cash equivalents in the notes to the consolidated financial statements for the financial year ended 31 October 2011.

SYNDICATED LOAN

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

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

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

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

The discussion led to the signing of a new rider on 19 December 2011, modifying the contract as follows:

QUARTERLY FINANCIAL INDICATORS

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

FINANCIAL RATIOS

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

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

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

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

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

1. Repayment terms

Original loan amount: 431,000,000 euros

Principal amount outstanding at period-end: 267,168,000 euros

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

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

REPAYMENT DATE	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2012	1 940 000	20 000 000	-	21 940 000
31/10/2013	15 000 000	20 000 000	-	35 000 000
31/10/2014	25 000 000	20 000 000	-	45 000 000
31/10/2015	55 083 000	20 000 000	90 145 000	165 228 000
TOTAL	97 023 000	80 000 000	90 145 000	267 168 000

The annual interest rates by tranche are as follows:

Tranche A: Euribor for the period plus the bank interest margin, equal to 4.0% per year, falling to 3.0% once €30m has been amortised, and to 2.5% once €60m has been amortised;

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

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

2. COVENANTS

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

DEFINITIONS

R1 FINANCIAL EXPENSE COVERAGE:

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

- 3.8x at 31 October 1011
- 3.8x at 30 April 2012
- 3.8x at 31 October 2012

R2 FIXED COST COVERAGE:

This ratio was softened and its numerator was changed, the restated cashflow replacing the consolidated available cash flow.

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

- 1x at 31 October 2011
- 1x at 30 April 2012
- 1x at 31 October 2012

R3 GEARING:

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

- 3.2x at 31 October 2011
- 3.2x at 30 April 2012
- 3.1x at 31 October 2012

CALCULATION OF RATIOS AT 31 OCTOBER 2011

R1 CALCULATION:

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

	Group Ebitda	Forges Minority Inte-rests	Meyrin Minority Inte-rests	Crans Minority Inte-rests	Res-tated Ebitda
% Minority interests		40,51 %	60,00 %	43,00 %	
€ Millions	88,6	1,1	9,0	3,0	75,5

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

Cost of debt -€16.0m

+ Cost of interest rate hedging -€3.0m

+ Investment income €1.1m

= Net financial expenses -€17.9m

R1: 75.5 / 17.9 = 4.22

R2 CALCULATION:

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

Net financial income (expenses): €17.9m

Bank debt 2011: €270.5m

- Bank debt 2010: €298.9m

= Change in debt: €28.5m

Debt servicing cost: €46.4m

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

Net Cash at the beginning of the period (30 April 2011): €69.3m

Net Cash of Swiss casinos at the beginning of the half-year period (30 April 2011): €12.3m

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

Change in cash position in the consolidated cash flow statement: €24.4m

+ Consolidated debt servicing costs: €46.4m

+ Net Cash at the beginning of the half-year period: €69.3m

+ Net Cash of Swiss casinos at the beginning of the half-year period: €12.3m

= Restated Cash Flow = €127.7m

R2: 127.7 / 46.4 = 2.76

R3 CALCULATION:

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

Bank borrowings: €270.5m

- Bank borrowings attributable to minority shareholders: €0m

= Group debt: €270.5m

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

Cash and cash equivalents: €132.0m

- Gaming levies: €34.2m

= Net cash: €97.9m

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

Net cash: €97.9m

- Net cash from Casino Lac Meyrin and Casino Crans-Montana: €17.0m

- Physical cash held: €10.7m

= Restated net cash: €70.1m

Consolidated Net Debt represents the Group's debt after offsetting its adjusted net cash flow.

Debt: €270.5m

- Restated Net Cash: €70.1m

= Consolidated Net Debt: €200.4m

R3: 200.4 / 75.5 = 2.65

As of 31 October 2011, all financial indicator commitments were met and had the following values:

R1: financial expense coverage was 4.22, with the requirement of being greater or equal to 3.8;

R2: fixed cost coverage was 2.76, with the requirement of being greater or equal to 1.0;

R3: gearing was 2.65, with the requirement of being less or equal to 3.2.

3. INVESTMENT LIMITS

The upper limit for self-financed annual investments, without the exceptional allowance as defined in Chapter 4.1.1, Note 5.1, is €30m.

With an amount of €29.5 m, this limit was observed for financial year 2011.

4. DEBT LIMITS

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

- €294m on 31 October 2011
- €283m on 30 April 2012
- €267m on 31 October 2012

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

5. REPAYMENT OF SURPLUS CASH FLOW

In order to reduce its debt more quickly, Group Partouche has to allocate part of its Consolidated Surplus Cash Flow to reimbursing its debt.

5.1 DEFINITION

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

Consolidated Surplus Cash Flow is broken down as follows:

A specific proportion, i.e. 30% in 2011, then 20% over subsequent years is retained by Groupe Partouche.

The balance is allocated as follows:

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

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

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

5.2 CALCULATION FOR FINANCIAL YEAR 2011

Restated net cash	€70.1m
- Bank overdrafts	-€0.1m
- Contractual threshold	€15.0m
- Unused amount:	
- Investor contribution	-€30.6m
- Exceptional allowance	-€25.0m
Representing a balance of	-€0.5m

For this financial year, there is no surplus cash flow.

5.3 INTEREST OWED TO FINANCIÈRE PARTOUCHE

At 31 October 2011, the amount of interest owed to Financière Partouche amounted to €5,095,627.

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

Only the surplus cash flow can be used to pay the interest owed to Financière Partouche, which does not expect to be reimbursed quickly.

LINES OF CREDIT

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

4.1.2 INTEREST RATE RISK

The interest rates applying to the various syndicated loan tranches, which make up the major part of the Group's financial debt, comprise a reference variable rate (Euribor 1 month, 2 months or 3 months) plus a margin. The attendant risk of changing rates to which the Group is exposed leads it to use interest rate hedges, with the aim of reducing its exposure. At financial year 2011 closing, the net position is as follows :

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

ASSETS €000 AT 31 OCTOBER 2011	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Cash (net of gaming levies)	55 223	-	55 223	-	-	-	-
Investments	42 649	40 000	2 649	-	-	-	-
TOTAL	97 872	40 000	57 872	-	-	-	-
NET POSITION BEFORE HEDGING	**203 114**	**(39 969)**	**(34 250)**	**-**	**277 333**	**-**	**-**
Interest rate hedging	-	160 000	(160 000)	-	-	-	-
NET POSITION AFTER HEDGING	**203 114**	**120 031**	**(194 250)**	**-**	**277 333**	**-**	**-**

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

A 1% change in the interest rate applied to the net amount exposed to potential fluctuations in the variable interest rate, namely €83m, would have an effect on consolidated financial items of €830k.

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

LIABILITIES €000 AT 31 OCTOBER 2010	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Syndicated loan	293 083	-	22 855 (*)	-	270 228 (*)	-	-
Bank borrowings	5 830	311 (*)	2 257 (*)	31 (*)	3 231 (*)	-	-
Overdrafts	26	-	26	-	-	-	-
Financière Partouche current account	25 408	-	-	-	-	-	25 408
TOTAL	324 347	311	25 138	31	273 459	-	25 408

ASSETS €000 AT 31 OCTOBER 2010	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Cash (net of gaming levies)	71 885	-	71 885	-	-	-	-
Investments	2 797	-	2 797	-	-	-	-
TOTAL	74 682	-	74 682	-	-	-	-
NET POSITION BEFORE HEDGING	**249 665**	**311**	**(49 544)**	**31**	**273 459**	**-**	**25 408**
Interest rate hedging	-	-	-	100 000	(100 000)	-	-
NET POSITION AFTER HEDGING	**249 665**	**311**	**(49 544)**	**100 031**	**173 459**	**-**	**25 408**

(*) These positions take into account the impact of the Group's debt restructuring as detailed in note 32 of the consolidated financial statement (chapter 20.2.1).

4.1.3 FOREIGN EXCHANGE RISK

In order to measure the Group's exposure to exchange rate risk, we should point out that Groupe Partouche's activities outside France are performed by subsidiaries which operate in the country in which they are located; the consolidated financial statements thus include 22 companies outside France, seven of which are located outside the euro zone. Some foreign exchange risk exposure remains, however, given the Group's operations in the US, Tunisia, Switzerland, and Egypt. It has to be noted, however, that since 1 November 2009, Gibraltar-based companies are recognised in euros. The total of these activities represents less than 10% of total consolidated turnover. Transactions carried out outside the euro zone are denominated in the local currency. Given the Group's low exposure to foreign exchange risk, no specific procedures are applied to monitor such risks.

The table below sets out the impact of the change in 1% of each exchange parity on the Group's turnover and its operating profit at 31 October 2011 :

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

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

The table below sets out the impact of the change in 1% of each exchange parity on the Group's turnover and its operating profit at 31 October 2010 :

€M AT 31 OCTOBER 2010	ON TURNOVER	% GROUP'S TOTAL	ON OPERATING INCOME	% GROUP'S TOTAL
GBP	0,00	0,00 %	-0,00	-0,00 %
CHF	0,37	0,08 %	0,18	0,70 %
USD	0,00	0,00 %	-0,00	-0,00 %
TND	0,02	0,00 %	0,01	0,03 %
EGP (equity method)	NA	NA	NA	NA

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

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP	K USD USA	K TND TUNISIA	K EGP EGYPT
ASSETS	1 884,2	1,9	16,9	1474,0	Equity method
LIABILITIES	9 787,9	6,3	4,3	1201,8	Equity method
Net position before hedging	-7 903,7	-4,4	12,6	272,2	Equity method
Hedging position	-	-	-	-	Equity method
Net position after hedging	-7 903,7	-4,4	12,6	272,2	Equity method

The table below presents the local currency positions of receivables and payables denominated in foreign currency at 31 October 2010 :

CURRENCY BY COUNTRY	K CHF SWITZERLAND	K GBP	K USD USA	K TND TUNISIA	K EGP EGYPT
ASSETS	865,8	3,2	11,1	1 290,1	Equity method
LIABILITIES	6 225,2	6,2	-532,4	1 834,6	Equity method
Net position before hedging	-5 359,4	-3,0	543,5	- 544,5	Equity method
Hedging position	-	-	-	-	Equity method
Net position after hedging	-5 359,4	-3,0	543,5	- 544,5	Equity method

4.1.4 TRANSLATION RISK

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

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

4.1.5 EQUITY RISK

The Group's cash investments do not include any listed shares and money-market products are used exclusively.

Given that the investment policy for cash excludes investments in share-based products, no specific measures are used to monitor this risk.

The purchase of self-owned treasury shares recognised in the Company's balance sheet at an amount of €169k was part of the share purchase programmes authorised by the assemblies *(see §21.1.3 Acquisition by the company of its own shares).*

NUMBER OF SHARES	CARRYING AMOUNT	MARKET VALUE (PRICE AT 31.10.11)	POTENTIAL CAPITAL LOSS (PRICE AT 31.10.11)
19 166	168 767 euros	33 732,16 euros	135 034,84 euros

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

Such drop would lead to a depreciation of approximately 3.373,22 € in the parent company financial statements.

4.1.6 GOODWILL DEPRECIATION RISK

In accordance with the information presented in the 2010 Reference Document *(cf. specifically in paragraph 9.1.2 "Position and trends for the Group activity in the financial year ended 31 October 2010" and in Note 2 "Description of the accounting policies and valuation methods applied by the Group", of this Reference Document)*, the company has decided to no longer base its goodwill impairment tests on the fair value method (which uses comparable multiples) but instead only to use the value in use method, which is based on discounted cash flows, except where justified. The effect of this change in the accounting estimate represented an additional goodwill impairment of €46.8m in 2010, which was included in the total impairment of €71.2m that was booked in respect of the 2010 financial year; the continuing use of the method used up until now accounted for the remainder. Additional goodwill impairment in the amount of €7,843k was booked in respect of the financial year ended 31 October 2011.

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

However, considering, on the one hand, the total net amount of goodwill (€328,859) with regard to the company's consolidated shareholders' equity (€367,594) and, on the other hand, the difficulties with which the Group's business sector has been confronted over the last few years, it cannot be ruled out that, if there should be another adverse context in the future, the company may have to carry out more impairments of goodwill. Such impairments could have a significant negative impact on the Group's business, its financial position, its results or outlook.

4.1.7 PLEDGES

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

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

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

- **Beneficiary** : the banking pool led by Natixis comprises the following banks: The Governor and Company of the Bank of Ireland, Bank of Scotland PLC, Banque Commerciale pour le Marché de l'Entreprise (BCME), Banque Populaire Loire et Lyonnais, Bred Banque Populaire, CIC Lyonnaise de Banque, Commerzbank International SA, Caisse Régionale de Crédit Agricole Mutuel de Normandie Seine, HSBC France, Deutsche Bank London Branch, IKB Deutsche Industriebank, Lloyds TBS, Natixis, Scotiabank Europe PLC, West LB AG ;
- **Condition for the removal of the pledge:** repayment of the loan
- **Commencement date of the pledge**: 30 September 2005; pursuant to the agreement on 21 October 2009, the maturity date of the pledge was deferred from 30 September 2012 to 31 October 2015.

SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED	SUBSIDIARY	NUMBER OF SHARES PLEDGED	% OF SUBSIDIARY'S CAPITAL PLEDGED
COMPAGNIE EUROPÉENNE DE CASINOS SAS	4 962 577	100,00 %	FORGES THERMAL SA	7 000	58,33 %
SOCIÉTÉ DU CASINO DE SAINT-AMAND SAS	116 250	100,00 %	HÔTEL INTERNATIONAL DE LYON SA	18 500	92,50 %
GROUPE PARTOUCHE INTERNATIONAL SA	5 990	99,83 %	CASINO DU TOUQUET SAS	24 384	99,52 %
SARL HÔTEL COSMOS	49 950	99,90 %	ELYSÉE PALACE EXPANSION SA	1 895	75,80 %
SOCIÉTÉ CIVILE IMMOBILIÈRE DE LA RUE ROYALE	8 917	99,98 %	SATHEL	20 080	99,60 %
SOCIÉTÉ CIVILE IMMOBILIÈRE LES THERMES	9 950	99,90 %	NUMA SAS	5 000	100,00 %
SCI SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	49 950	99,90 %	SOCIÉTÉ DES CHEMINS DE FER ET HÔTELS DE MONTAGNE AUX PYRÉNÉES SA	178 000	76,17 %
SOCIÉTÉ DU CASINO ET BAINS DE MER SAS	6 600	100,00 %	SOCIÉTÉ D'EXPLOITATION DU CASINO ET HÔTELS DE CONTREXÉVILLE SAS	4 950	99,00 %
LE TOUQUET'S SAS	1 801	90,05 %	JEAN METZ SAS	1 000	100,00 %
GRAND CASINO DU HAVRE	149 993	99,99 %	CANNES BALNÉAIRE PALM BEACH SA	5 099 366	99,97 %
SCI LYDIA INVESTISSEMENT	97	97,00 %	LYDIA INVEST	973	97,30 %
CASINOS DE VICHY SAS	11 978	79,85 %			

It is further stated that Financière Partouche, which on 30 September 2005 had pledged its 26,848,500 shares in Groupe Partouche to its banking pool, made a further pledge, in accordance with the memorandum of understanding of 21 October 2009, of an additional 1,991,500 shares arising from the merger with Sogesic that occurred subsequently to the signature of the initial loan agreement. Following Groupe Partouche's capital increase, Financière Partouche assigned the 37,295,843 new shares it had subscribed, as part of the capital increase, to the pool of banks as collateral against the syndicated loan. On 19 September 2011, Financière Partouche gave up 1,800,000 shares to ISPAR SA.

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

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

4.2 OPERATING RISKS

4.2.1 GAMING ADDICTION

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

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

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

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

4.2.2 ETHICAL AND BEHAVIOURAL RISKS

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

The casino industry must be able to deal with the risks of embezzlement and cheating.

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

4.2.3 FOOD SAFETY

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

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

4.2.4 HEALTH AND SAFETY

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

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

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

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

4.2.5 SECURITY

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

Some of the security measures taken are listed below:

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

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

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

4.2.6 RISKS RELATING TO KEY INDIVIDUALS

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

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

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

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

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

4.2.7 LABOUR DISPUTES

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

4.2.8 CUSTOMER RISK

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

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

4.2.9 COUNTERPARTY RISK

Table games account for around 11% of the Group's total gross gaming revenue (GGR), which represents a significant risk of losses for the establishments concerned. This is in particular the case of Palm Beach in Cannes, which plays host to high-rolling clients and so can run the risk of losing amounts of several million euros for such clients, which would severely affect the establishment's financial position, or even that of the Group.

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

4.2.10 CASINO PUBLIC SERVICE CONCESSIONS AND GAMING LICENCES

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

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

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

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

The casinos operated by the Group are subject to these public service concessions and gaming licences being renewed.

Pursuant to the Sapin Law, the local authority must extend an invitation to tender to more than one company, when the concession comes up for renewal. The companies thus invited to tender submit competing proposals and, if successful take over the operation of the casino.

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

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

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

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

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

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

Thus, a breach of the provisions of the specifications or of the gaming regulations can lead to sanctions, starting with a partial and temporary suspension of the operator's gaming licence, going up to its being permanently withdrawn. Operators may, if required, have to pay penalties. The greatest risk an operator has therefore to face is the sudden loss of its business, on account of losing its gaming licence.

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

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

4.2.11 COMPETITOR RISK

The Group competes directly with other companies' offers of a gaming nature (such as Française des Jeux's lottery & sports betting, horse race betting), online gaming (please refer to chapter 4.2.13), with destination competition (Monte Carlo, Las Vegas) and establishment competition, insofar as slot machine clients are generally local residents.

Moreover, in certain areas, the Group competes directly with other casinos; this is notably the case in coastal areas, where there are a number of casinos. The Group's casinos most exposed to this competition include the casinos of Cannes, Juan-les-Pins, Nice, Hyères, La Ciotat, Cabourg and Le Havre.

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

4.2.12 REGULATORY RISK

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

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

The gaming industry and the Group's casinos in particular, play host to a large number of smokers. The application of Order n° 2006--1386 of 15 November 2006, and of Law n° 91-32 of 10 January 1991 (known as the "Evin" Law), from 1 January 2008, in the Group's casinos, led to a change in clients' attendance habits. The Group invested in creating smoking areas, in the form of booths equipped with extractor fans, for players wishing to smoke in its casinos.

In addition, the publication of Law n° 2010-476 of 12 May 2010 on the remote gaming industry's opening to competition and the industry's regulation, which legalised online gaming, including remote betting and lotteries and remote games of chance (sports, horse racing and poker), could have an adverse effect on casinos' client numbers, due to clients switching to online gaming (see Section 4.2.13 below for specific risks related to online poker).

4.2.13 ONLINE GAMING LEGISLATION RISK

In April 2006, Groupe Partouche set up a new subsidiary, Partouche Interactive, to develop gaming business through the use of remote communication, such as television, mobile phones and the internet. The potential for growth of Partouche Interactive, in which the Group has invested heavily in conducting research into online gaming, is still conditional on the growth of the online gaming industry. Law n° 2010-476 of 12 May 2010 on the opening of the online gaming industry to competition and its regulation, legalised online betting and gaming (sports, horse racing and poker).

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

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

Generally speaking, a growth in the number of the different forms of competition could have a significant adverse effect on the numbers of clients of the Group's casinos and, consequently, on its business, results, financial position or its future prospects.

4.2.14 CLIMATE RISK

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

4.2.15 ECONOMIC RISKS

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

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

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

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

4.2.16 GLOBAL HEALTH RISKS

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

4.3 Environmental information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

None of Groupe Partouche's current or formerly-owned establishments had to make provisions or guarantees for environmental risks during 2011.

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

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

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

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

4.4 Risk management and insurance

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

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

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

Synopsis of risks insured from 1 November 2010 to 31 October 2011

CASINOS	COVERAGE	AMOUNT OF GUARANTEES	PREMIUMS (INCLUDING CLAIMS MANAGEMENT EXPENSES)
CASINO MULTI-RISK	Damages to assets and operating losses	Limit of liability €65m	973 968 €
CIVIL LIABILITY INCLUDING ONLINE GAMES			
Civil liability operations:			
	Physical, material and non-material damages	€15m per year o/w €8m per claim	99 476 €
	Goods consigned to the hotels	€250,000 per year	
	Valet parking guarantee	€100,000 per year	
	Non consecutive non-material damages	€300,000 per claim	
	Pollution due to accident	€350,000 per claim and per year	
Civil liability after delivery:			
	Physical, material and non-material damages consecutive or non-consecutive	€3m per claim and per year	
EXECUTIVES' CIVIL LIABILITY		€8m per claim and per year	14 226 €
ALL RISKS' EXPOSURE			2 045 €
POLICIES FOR WORKS OF ART			15 024 €
VEHICLES	Vehicle fleet	All risks	68 668 €
	Staff missions		9 630 €
	Transportation of goods	Self-insured	1 433 €

HOTELS	COVERAGE	AMOUNT OF GUARANTEES	PREMIUMS (INCLUDING CLAIMS ANAGEMENT EXPENSES)
Hotel multi-risk	Damage to assets and operating losses	Limit of liability €6m to €39m	111 018 €
Hotel civil liability	Included in the Group's civil liability policy		

05 INFORMATION ABOUT THE ISSUER

5.1 History and development of the company

5.1.1 HISTORY

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

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

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

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

1991 - 1995 INCREASED PROFITS AND STOCK EXCHANGE LISTING

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

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

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

1995 - 2005 DIVERSIFICATION AND EXTERNAL GROWTH

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

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

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

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

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

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

At the same time as opening new establishments - Meyrin in Switzerland in 2003 and the Palais de la Méditerranée in Nice in 2004 – changes were made concerning its existing establishments.

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

2006 – 2011 NEW TECHNOLOGIES AND A DIFFICULT CONTEXT

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

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

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

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

2011's edition confirmed the great success of this tournament.

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

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

5.1.1 COMPANY NAME

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

5.1.2 COMMERCIAL REGISTER

The company is registered in the Paris register of commerce and companies under number 588 801 464. Its NAF code is 7010 Z.

5.1.3 DATE OF INCORPORATION AND LENGTH OF LIFE OF THE COMPANY

Groupe Partouche, which was initially called SA COMPAGNIE FERMIERE DES EAUX ET BOUES DE SAINT-AMAND, was formed, by a deed received by Maître Cartigny, Notary at Valenciennes, on 18 March 1903.

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

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

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

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

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

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

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

5.2 Investments

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

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

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

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

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

- a halt to the establishment of new casinos with the sole aim of increasing territorial coverage;
- maintenance and adaptation of the existing assets within the limits of a gross annual amount of €30m (a commitment under the syndicated loan agreement);
- limiting the development of new "Pasinos" to just three: La Ciotat, Bandol and La Grande Motte.

INVESTMENTS 2009:

In financial year 2009, in line with a difficult period, cash flow from investing activities was considerably diminished, representing a net cash outflow of €13.5m, compared with €38.3m in 2008. This cash was used for the following three main reasons:

- acquisition of tangible fixed assets for €20.2m, comprising maintenance investments in the various subsidiaries of the Group,
- €7.0m from the sale of assets, and
- €0.5m from receipt of part of a receivable owed by the company La Tête dans les Nuages.

INVESTMENTS 2010:

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

- €21.4m for the acquisition of property and equipment. These investments constituted essentially maintenance costs and were apportioned across the entire Group. By way of illustration, the biggest payment concerned the work to extend Casino de Val André for €1.9m and work carried out at Meyrin for €1.2m;
- For the remainder, that is, €1.8m, the acquisition of intangible assets: these investments concern the interactive division for €1.2m (in particular the development of websites and the games proposed on them);
- €2.6m of the stake of minorities interests (of which mainly €2.5m for Djerba Casino).

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

INVESTMENTS 2011:

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

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

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

5.2.2 MAJOR INVESTMENTS IN PROGRESS

Assets in progress which had a net value of €7.6m at the end of the financial year mainly relate to work apportioned over Partouche Immobilier for €5.5m (the La Ciotat and La Grande Motte projects) and €1.2m for the Royat casino.

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

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

A) INVESTMENT PROGRAMME FOR PASINOS:

This programme, initially estimated at €56m, has been downsized with the following changes for various sites:

- The building of the La Grande Motte Pasino, totalling an estimated floor space of 8,600 square metres on an 11,000 square metre plot of land, should be completed before the summer, at an estimated cost of €18m (building, fixtures and fittings);
- The future La Ciotat Pasino is subject to a request for another building permit; the estimated building amount (3,870 square metres estimated floor space on a 13,653 square metre plot of land) shall therefore be reduced and its estimated costs will be known at a later date; the works are expected to start end of 2012;
- The Bandol Pasino project has been abandoned as the land was declared unsuitable for development; the current casino will undergo renovations which should not exceed €10m and should also start end of 2012.

B) RENOVATION OF THE PALM BEACH CASINO IN CANNES FOR €17.6M. Considering the forthcoming expiry date of the long lease (2028) and the economic difficulties encountered by the establishment, the works are no longer programmed and discussions have taken place with the town council and the condominium association in order to determine the future of the site which should offer interested operators long-term visibility enabling them to amortise their investment.

The significant investments planned by the Group relate to the existing casinos and hotels and mainly concern the Casino in Crans-Montana, with the building of an underground car park, at the cost of €5.5m. Part of the works shall be undertaken during the 2012 financial year and they will be spread over at least two financial years.

5.2.4 DIVESTMENT PROGRAMME

Following the riders to the syndicated loan dated 25 January 2011 and 19 December 2011, the subject of disposal of assets is not so significant given the revocation of the early repayment clause in the event that the divestment programme initially planned is not implemented. The divestment programme remains nevertheless relevant but it will be implemented in better conditions. If satisfactory offers are received, the programme may concern casinos. The company, which has always sought to own the buildings in order to render its business sustainable in compliance with its policy, may however consider disposing the building and the business goodwill of a casino. It may also concern hotels and business goodwill which represent a much more highly sought after asset than a casino.

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

5.2.5 RELATIONS BETWEEN INVESTMENTS AND FINANCING ACTIVITIES

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

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

Nevertheless, the company does not exclude having recourse to external property financing, such as property leasing, which would take the place of the bank debt in order to financially optimise the duration of the loan and the level of the margins applied.

BUSINESS OVERVIEW 06

6.1 Principal activities

PRINCIPAL ACTIVITIES

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

BREAKDOWN OF TURNOVER BY ACTIVITY

TURNOVER €000 AT 31ST OCTOBER	2011	%	2010 RESTATED	%	2009	%
Casinos	417 710	89,9 %	431 557	90,3 %	406 071	89,6 %
Hotels	34 593	7,5 %	31 917	6,7 %	32 594	7,2 %
Interactive Division	6 932	1,5 %	7 529	1,6 %	7 498	1,6 %
Other	5 070	1,1 %	7 123	1,5 %	6 831	1,5 %
TOTAL	**464 304**	**100,0 %**	**478 126**	**100,0 %**	**452 993**	**100,0 %**

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

BREAKDOWN OF TURNOVER BY GEOGRAPHIC AREAS

TURNOVER €000 AT 31ST OCTOBER	2011	%	2010 RESTATED	%	2009	%
France	393 682	84,8 %	406 204	85,0 %	382 290	84,4 %
Europe (Excluding France)	69 114	14,9 %	69 505	14,5 %	68 530	15,1 %
Outside Europe	1 508	0,3 %	2 417	0,5 %	2 172	0,5 %
TOTAL	**464 304**	**100,0 %**	**478 126**	**100,0 %**	**452 993**	**100,0 %**

The activities and their markets are developed in the following chapters.

NOTABLE CHANGES OVER THE FINANCIAL YEAR

This year, Groupe Partouche positioned itself once again as a dynamic market participant, oriented towards the future and close to its clientele.

Financial year 2011 witnessed the deployment of the Pcash solution (Partouche Cashless), a proprietary system which will eventually bring to an end the use of chips in slot machines. This solution, which was necessary as regards recent technical changes, offers two advantages. It simplifies and secures transactions but also reduces the number of technical interventions most often related to the electromechanical components of the devices which manage chip circulation. We have chosen a chip card system which is more reliable than and not as restrictive as the ticket system chosen by our competitors and we have therefore undoubtedly acquired a technical advance.

Customer relationship is at the heart of the large-scale project launched by the Group in 2011: the complete overhaul of its "Players Plus" customer relationship management, by optimising the processes and tools, which, among other things, will enable the Group to be even closer to its clientele and thus, to meet its requirements better.

The past year has also confirmed Megapot's success. In three years, the jackpot, which connects 207 slots machines all over France, has seen 23 winners gain no less than €31m and 14 of them became millionaires. This success encouraged the Group to continue its innovations. That's why it has created a version of the game La Bataille, licensed by the Ministry of the Interior. By launching a new table game, the Group is investing in innovation and renewal, essential components in order to strengthen the casino market in France. La Bataille is now offered at the Aix-en-Provence Pasino and at the Grand Casino du Domaine de Forges.

Boosted by its development in the French market and as it already owns four casinos in Belgium, this year the Group has firmly positioned itself in the market for online gaming in Belgium. This has resulted in the creation of the gaming website www.partouche.be. Groupe Partouche, acknowledged for its seriousness and expertise, is the first actor licensed by the Belgian Games of Chance Commission.

In addition, having sponsored the LOSC football club for over ten years, the Group was very pleased to see the outsider of French football win both the French Championship and the Coupe de France which has not happened since 1946. At the same time, like every year, Groupe Partouche was a generous patron of the French cultural scene with over €10m granted to hundreds of events.

Optimising processes, innovation, developing in new markets, involvement in cultural and sporting life… In 2011, Groupe Partouche proved to be very dynamic. The Group's willingness to renew itself also materialised in a new creative expression: communication based on the democratisation of the Group's product with very colourful adverts and highly typographical codes, slightly different from the traditional casino world, and a new baseline: "Partouche, pour l'amour du jeu" (for the love of the game).

6.1.1 CASINOS

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

TABLE GAMES:

- Boule;
- English roulette;
- Blackjack, Casino Stud Poker, Casino Hold'em Poker (cards).
- Texas Hold'em Poker.
- Omaha Poker 4 high

SLOT MACHINES:

Slot machines are legally defined as automatic machines incorporating games of chance and comprise "roll machines" and "video games". Groupe Partouche has 5,607 machines installed in France and 1,129 machines installed abroad at 31 October 2011.

A) REGULATORY FRAMEWORK

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

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

The Commission Supérieure des Jeux (French Betting and Gaming Commission) set up at the Interior Ministry was overhauled in March 2009. Its composition was slimmed from 20 to 12 members (8 senior civil servants and 5 elected officials). Its remit is now confined to primary applications for gaming authorisation renewals, applications to increase the number of gaming tables authorised and applications to increase the number of authorised slot machines only where they exceed the threshold of 500 machines. A Decree and an Order dated 29 July 2009 have radically altered the authorisation criteria for slot machines. The number of slot machines authorised in a casino is now determined by reference to a ratio of the number of machines to the number of gaming tables, which is laid down by the casino gaming regulations. The first gaming table gives entitlement to 50 slot machines and each of the subsequent tables gives entitlement to 25 additional machines.

This reform is a major advance for casinos in giving them greater control over the definition of their gaming offer. By this means, the gaming supply can now be adapted to the specific features of the local market and customers' wishes without having to embark on an unwieldy administrative procedure requiring notification by the betting and gaming commission at the elapse of a 4- or 5-month application processing period. These adaptations are now implemented by the Interior

Ministry under applicant-initiated declaration procedures with a short processing period, affording better responsiveness to market changes. In the same spirit of reform, additional improvements were made to the regulation through amending orders and resolutions dated 29 July 2010. Significant features of these texts include the addition of a new form of poker called Omaha High 4 poker to the list of authorised table games, as well as the raising of the threshold under which employee multi-tasking is accepted from 50 to 78 slot machines. The management of employees in the establishments of this category has thus been optimised The gaming licence, which is formalised by an order made by the Interior Minister, sets the number and type of authorised games (roulette, black jack, etc.), the minimum bet, as well as the opening and closing times of gaming rooms.

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

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

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

The administration and operation of casinos are subject to a very detailed set of regulations, as is each type of gaming activity, which was reaffirmed by the decree of 13 December 2006 and the ministerial order of 14 May 2007, updated by the decree of 24 December 2008 and by the decrees and order of 29 October 2010.

Furthermore, the industry's representative bodies are currently in talks with the ministries that govern the industry, with the aim of having distinct opening and closing time limits for table games and slot machines. Such a reform would free casinos from rigid regulation, which prejudices the gaming industry, enabling them to optimise their table game businesses. This move includes, moreover, an analysis of the technical and legal conditions of a possible change in regulation that would allow a new generation of slot machines, known as multi-game and multi-name machines, to be introduced into France, thus allowing the industry to meet the needs of a new generation of gaming clients.

Lastly, ministerial approval is expected for a new electronic money system called «Money Plus», which should give significant productivity gains through electronic payment of slot machine bets and winnings.

B) TAX LEVIES

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

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

GROSS GAMING REVENUE

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

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

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

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

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

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

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

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

The ministerial Order of 12 April 2002 (enacted on 1 May 2002), abandoned the notion of theoretical receipts and based the various tax levies on actual receipts, subject to a 15% maximum rebate coefficient (with the exception that theoretical receipts should remain higher than the receipts post-rebate).

The ministerial Order of 28 October 2008 cancels the provisions concerning the 15% rebate coefficient set out in the ministerial Order of 12 April 2002.

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

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

C) CASINO OPERATIONS

Groupe Partouche, via its directly or indirectly owned subsidiaries, operated 50 casinos at 31 October 2011; 42 of these establishments are located in France and eight in other countries.

The Group generated 74% of its turnover from gaming, which remains the dominant business sector. Groupe Partouche's 50 casinos are spread throughout France and abroad as follows:

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

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

D) CASINO OPERATING CONCESSIONS

A casino operating concession never exceeds 20 years in France. At 31 October 2011, Groupe Partouche had 42 casinos in France with a concession contract and a ministerial authorization for gaming operations.

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

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

E) DUE DATES OF THE OPERATING CONCESSIONS

YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2012	2
2013	2
2014	0
2015	5
2016	6
2017	6
2018	2
2019	1
2020	3
2021	3
2022	4
2023	2
2024	1
2025	0
2026	0
2027	0
2028	2
2029	2
2030	0
2031	0
2032	1

F) ANCILLARY ACTIVITIES OF CASINOS

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

At 31 October 2011, the Group operates:

- **12 hotels from 3* to 4*L** with a total of 530 rooms
- **128 restaurants:** diners, gourmet restaurants, themes restaurants.
- **4 Health spas and 2 Golf courses**

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

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

6.1.2 HOTELS

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

These independent hotels are the following:

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

6.1.3 THE INTERACTIVE DIVISION

On 27 April 2006, Groupe Partouche created Partouche Interactive, a subsidiary specialising in the development of gaming on new technology platforms such as interactive television, mobile telephones and the Internet.

A) REGULATORY FRAMEWORK

In France

With the advent of the Internet, followed by mobile telephones and interactive television, the gaming sector has access to new distribution channels. To meet the requests of the European Commission to widen access to the French market for European operators, a law on the opening of the gambling and online gaming sector to competitors and on the regulation of these sectors has been adopted by the French National Assembly and the Senat on 12 Mai 2010.

The legislation provides for admission of operators authorised by a new authority called ARJEL (Autorité de réglementation des jeux en ligne - on-line betting and gaming regulatory authority) solely in the following activity sectors: bets on horse racing, sports betting, poker.

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

ONLINE GAMING TAXATION

Operators are liable for taxation of:

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

The GGR of poker online is the sum cashed from each cash game played hand (average levy of 4.35%) or of each tournament (average levy of 10% of the buy in). Levies amounted to 33.9 % of GGR for fiscal year 2011.

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

At 3 February 2012, the number of operators authorised by ARJEL was 35, of which 23 were authorised for poker.

B) COMPANIES

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

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

Partouche Images is a television channel devoted to interactive gaming;

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

Partouche Tournois organises logistical arrangement for poker tournaments;

Quarisma is an interactive platform dedicated to the real-time management of quality services between customers and casino operators; in 2011, it generated a consolidated turnover in the amount of zero.

FairPlayers certifies gaming operators as well as payment and gaming processes; this subsidiary has been sold.

Appolonia manages casino information systems as well as data exchange equipment and networks.

Partouche Interactive Holdings is the entity that controls Partouche Interactive Gibraltar, which holds a gaming licence and conducts gaming operations based in Gibraltar. This licence authorises it to target territories other than France.

Partouche Betting holds a gaming licence in Malta and offers online betting; the company had been dormant pending the adoption of the Act in France and publication of the subsequent measures to be applied. The question of whether to reactivate this subsidiary will be examined subsequently, both for the French market, where an application for a licence could be submitted to ARJEL, and for the foreign market, in respect of which the company can be based in Malta, where it holds a licence.

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

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

C) STRATEGY

The Group's strategy is based on three underlying principles:

1/ Technical autonomy

For the technical aspects of its business, the Group is not dependent on any third party technology service provider and can operate totally autonomously.

2/ New generation of clients

The internet has enabled the Group to find a new generation for its «bricks and mortar» casinos. The Group's websites are a source of new clients for the network of «bricks and mortar» casinos. By way of illustration, 3,000 new casino clients came by way of the internet. Moreover, this is a new, younger generation of clients that are discovering our traditional casinos.

3/ International communication

The website is a portal to the world. The site and its gaming content have been translated into Spanish, English and Dutch. It will also be translated into Italian and German.

The global reach of the internet affords the Partouche brand a global appeal, which enables the Group to reach a new clientele, including countries where it does not have any establishments.

The restructuring of Gibraltar and Malta licenses are under study, in order to reinforce the international position of the trademark.

With the opening of the online gaming industry to competition in France, Groupe Partouche has decided not to undertake extensive marketing communications, so as to keep its client-acquisition costs to a minimum and to retain its originality and standing as a major player the French poker market.

Groupe Partouche has also positioned its online poker offer so as to win new clients in its casinos, by organising the Partouche Poker Tour, and promoting it, as well as other initiatives, on its website.

The Partouche Poker Tour, has gained an international reputation that proves beneficial to the mark Partouche, this being reinforced by Partouche Productions television shows.

6.1.4 OTHER ACTIVITIES

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

6.2 Main markets

6.2.1 FRENCH GAMING MARKET

In the financial year ended 31 October 2011, gross gaming revenue (GGR) for the entire French casino sector totalled €2,316.8m, up 0.96%. GGR from slot machines accounted for €2,106.9m, i.e. 90.94% of the total, up 0.9%. GGR from table games was up 1.53% on the previous year.

Gaming levies on GGR represented 54.16% for the 2010/2011 financial year.

At 31 October 2011, there are 195 licensed casinos in France (-1 compared with the previous financial year), more than two thirds of their number operated by groups. The market's main players are as follows:

GROUPS IN FRANCE	NUMBER OF LICENSED CASINOS	ACTUAL 2011 GROSS GAMING REVENUE (€M)
GROUPE PARTOUCHE SA	42	583,2
GROUPE BARRIERE SAS	34	738,8
GROUPE JOA (ex MOLIFLOR)	20	185,3
GROUPE TRANCHANT	16	197,3
GROUPE COGIT	9	83,3
GROUPE ÉMERAUDE	8	67,0
SMCFC	2	52,5

Source: Service Central des Courses et Jeux's survey 2010-2011. At 31/10/2011.

The opening of the online gaming in France and their regulatory framework allow a clear view on the economic reality of this sector. 2.3 millions Active accounts were opened in 2011. An active account is one that necessitates valid identification documents and provides a personal code provided to the client by post to its home address.

The online gaming industry generated total bets of 10.4 billion euros in 2011 (horse races and sports betting together with poker games)

Poker generated 7.6 billion euros of cash-games and 1.2 billion euros of buy in.

Online poker in France represents 1.2 million Active accounts generating a GGR of €314m.

12% of the players access to the sites through their mobile phones or I pads.

(Figures provided by ARJEL)

6.2.2 SWISS GAMING MARKET

There are 19 licensed casinos in Switzerland. Seven of them are operated under a type-A concession (type-A or large casinos); the remaining twelve have a type-B concession (type-B casinos).

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

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

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

IN 000 CHF	2010	2009	CHANGE
Gross gaming revenue	868 689	936 317	-7,2 %
Tax levies on casinos	449 761	478 990	-6,1 %
Net gaming revenue	418 928	457 327	-8,4 %

(Information provided by CFMJ, report 2010)

In 2010, for the second consecutive year, the Swiss casino sector sustained a fall in Gross Gaming Revenue of 7.2% (decrease of 5.6% in 2009). This fall was mainly due to the smoking ban, which came into force in all cantons of Switzerland from May 2010. The economic downturn also adversely affected the industry. It is important to note that in 2011, GGR of casinos located on the Swiss border suffered from the strength of the Swiss franc compared with that of the euro.

The Federal Council has licensed two new concessions, a type-B in Neuchâtel and a type-A in Zurich.. These two casinos should open in 2012.

The new order relative to gaming activities entered into effect on 1 January 2011 thus allowing type-B casinos to operate a maximum of 250 slot machines, instead of 150. They can now also offer several Progressive or Mystery Jackpots for a total amount of CHF 200,000.

6.2.3 BELGIAN GAMING MARKET

The regulatory authority in Belgium is the Belgian Games of Chance Commission (CJH), which reports to the ministry of justice.

The licensed games comprise Roulette, Blackjack, Poker in all its forms and slot machines.

The Belgium market comprises 9 casinos.

In preparation for the upcoming opening of the online gaming market, the Belgian government and the Games of Chance Commission have chosen to grant exclusive provisional licence to the Dinant Casino to open an online gaming website.

Since 1 November 2010, the Dinant Casino, which is owned by Belcasinos, a subsidiary of Groupe Partouche, and the international company Gaming System, a provider of technical and logistics resources have operated an online game platform offering slot machines, traditional and poker games at www.partouche.be.

The definitive licence of the Partouche.be website, called Licence A+, should be granted to the Dinant Casino during the first quarter of 2012.

Meanwhile, the gaming platform is subject to an 11% tax on net gaming revenue after overlay (in tournaments, the difference between the prize pool guaranteed by a gaming operator and the actual prize pool generated by the players' entrance rights) and generates acceptable gross gaming revenue amounting on average to €100k per month.

6.3 Exceptional events having an impact on the business and the markets

The financial years 2008 to 2011 were affected by the following exceptional events:

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

6.4 Issuer's degree of dependency

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

Please refer to paragraph 4.2.10 Casino public service concessions and gaming licences.

6.5 Evidence providing the basis for the competitive position declaration

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

ORGANISATION CHART 07

7.1 Internal organisation of the Group

Groupe Partouche SA is a holding company for a group of leisure industry companies that operate casinos, hotels, restaurants, dancehalls and bars. As the Group's parent company, its shares are traded on the Premier Marché of the Paris Stock Exchange.

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

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

For the financial year ended 31 October 2011, the total amount received under head office services agreements was €13,149k excluding VAT.

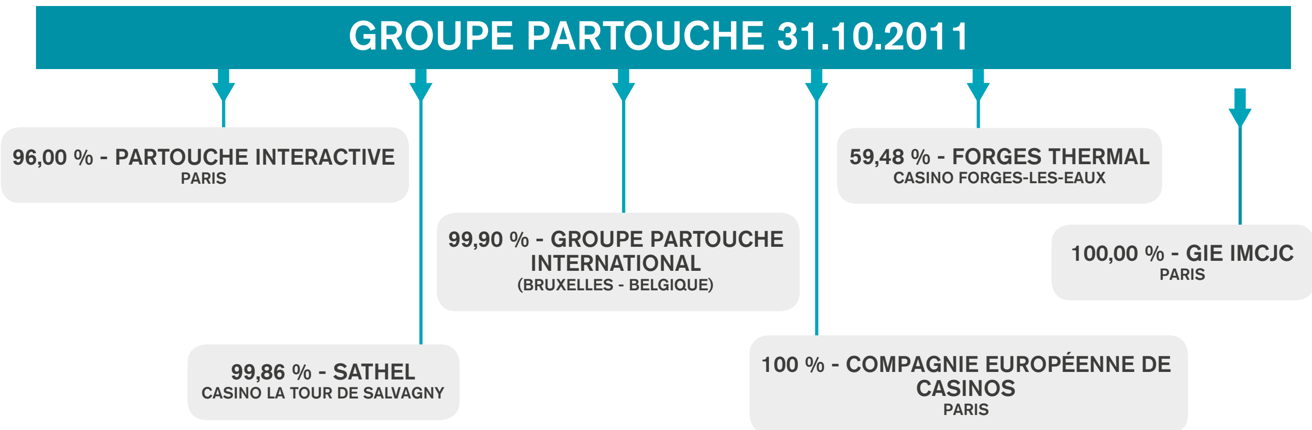
Furthermore, Groupe Partouche maintains a parent-subsidiary relationship with each of the consolidated companies, for which the main related elements for the year ended 31 October 2011 are centralized short-term cash management and the administration of a French tax consolidation structure.

Groupe Partouche fixed assets reached € 544M in net value participations mainly with its subsidiaries. The other part is constituted of €206M provisions with the subsidiaries.

Groupe Partouche liabilities account for € 426M in Group's equity, € 25M in the current account of the main shareholder Financière Partouche, € 149M in the current accounts of the subsidiaries and € 267M in the banks debt.

7.2 The Group

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



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

- 100,00 % — **STÉ DU CASINO DE DJERBA** — Casino de Djerba (Tunisie)
  - 99,99 % — **GRAND CASINO DE TABARKA** — Casino de Tabarka (Tunisie)
- 99,00 % — **CASINO NUEVO SAN ROQUE** — Casino de San Roque (Espagne)
- 99,90 % — **CASINO DE CHAUDFONTAINE** — Chaudfontaine (Belgique) *

59,48 % - FORGES THERMAL CASINO FORGES-LES-EAUX

- 20,00 % — **CASINO DE VICHY** — Casino Vichy « Les 4 Chemins » (79,93 %)
  - 99,98 % — **CINÉMA ELYSÉE** — Vichy
- 20,00 % — **ELYSÉE PALACE HÔTEL** — Vichy (79,80 %)
- 17,24 % — **CHM** — Vichy (76,63 %)
- 20,00 % — **ELYSÉE PALACE EXPANSION** — Vichy (79,76 %)
  - 99,97 % — **SOCIÉTÉ DE L'ELYSÉE PALACE** — Vichy
- 30,00 % — **INTERNATIONAL CASINO OF MADRID** — Egypte

96,00 % - PARTOUCHE INTERACTIVE PARIS

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

Other subsidiaries

- 98,69 % — **CASINO DE DIVONNE** — Casino Divonne-les-Bains
- 99,91 % — **CASINO D'ANNEMASSE** — Casino Annemasse
  - 99,96 % — **SCI L'ARVE** — Annemasse
- 0,04 % — **SCI L'ARVE** — Annemasse
- 100,00 % — **CASINO DE HAUTEVILLE** — Casino Hauteville-Lompnes
- 57,00 % — **CASINO CRANS-MONTANA** — Casino Crans-Montana (Suisse)

LÉGENDE

- Casinos (white boxes)
- Autres entités (grey boxes)

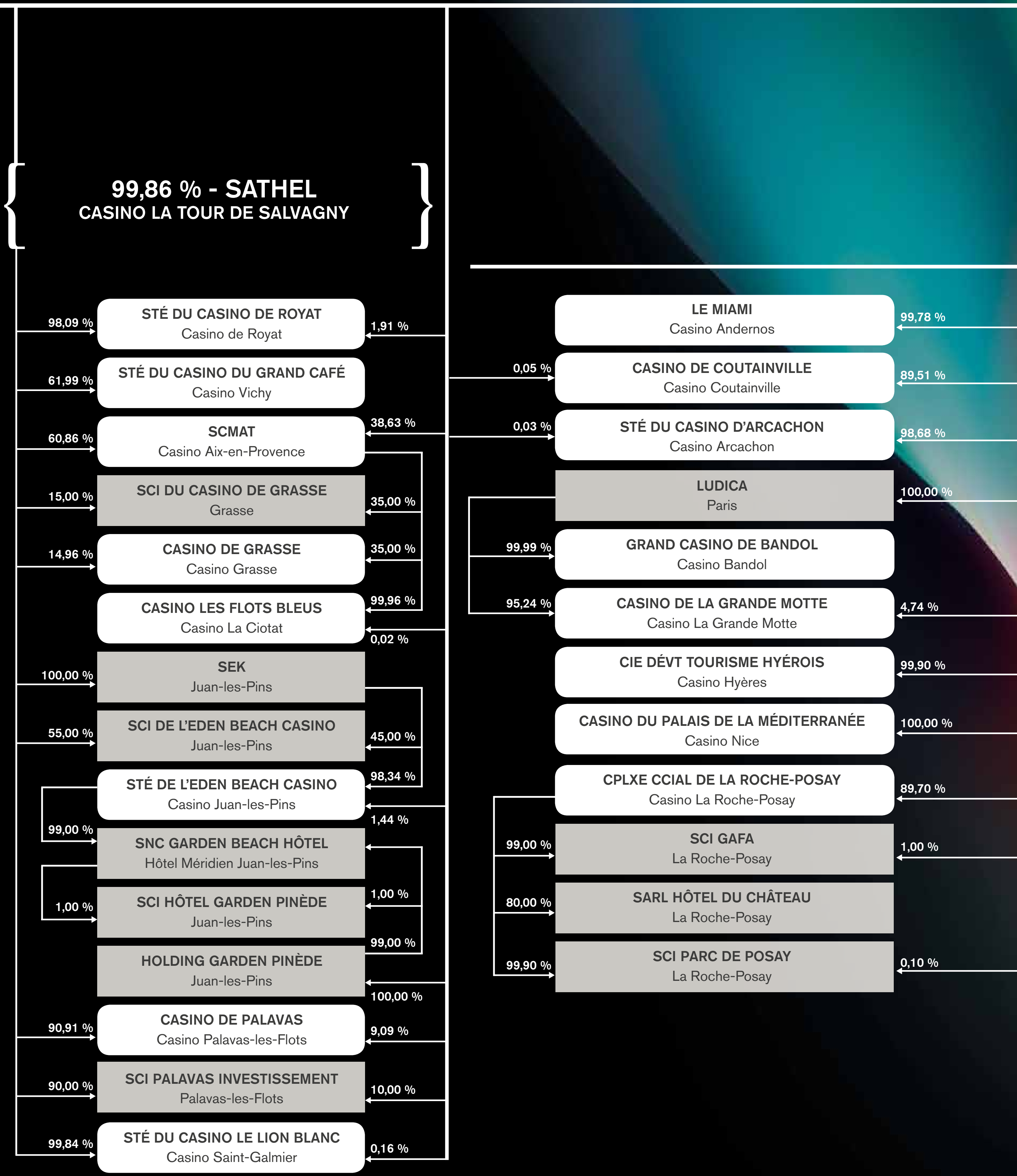
* 0,10 % sont détenus par Belcasinos

GROUPE PARTOUCHE 31.10.2011

100,00 % - GIE IMCJC
PARIS

- 100,00 % — **CASINO TRINITÉ-SUR-MER** — Casino La Trinité-sur-Mer
- 97,25 % — **HÔTEL INTERNATIONAL DE LYON** — Hôtel Hilton Lyon
  - 100,00 % — **STÉ DU GRAND CASINO DE LYON** — Casino Lyon
- 97,30 % — **SA LYDIA INVESTISSEMENT** — Casino Port Barcarès
- 97,00 % — **SCI LYDIA** — Port Barcarès
- 99,99 % — **CANNES BALNÉAIRE** — Cannes
  - 100,00 % — **CASINO POINTE CROISETTE** — Casino Cannes
    - 100,00 % — **STÉ IMMOBILIÈRE CANNOSTA** — Hôtel 3.14 Cannes
    - 100,00 % — **KIOUSK** — Cannes
- 100,00 % — **STÉ DU CASINO DE SAINT-AMAND** — Casino Saint-Amand-les-Eaux
- 90,10 % — **LE TOUQUET'S** — Casino Calais
- 100,00 % — **NUMA** — Casino Boulogne
- 99,53 % — **STÉ DU CASINO DU TOUQUET** — Casino Le Touquet
  - 99,72 % — **BARATEM** — Le Touquet
- 100,00 % — **JEAN METZ** — Casino Berck-sur-Mer
- 100,00 % — **SACBM** — Casino Dieppe
- 100,00 % — **STÉ DU CASINO DE CABOURG** — Casino Cabourg

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


99,86 % - SATHEL
CASINO LA TOUR DE SALVAGNY
98,09 %
STÉ DU CASINO DE ROYAT
Casino de Royat
1,91 %
61,99 %
STÉ DU CASINO DU GRAND CAFÉ
Casino Vichy
38,63 %
60,86 %
SCMAT
Casino Aix-en-Provence
15,00 %
SCI DU CASINO DE GRASSE
Grasse
35,00 %
14,96 %
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 %
SCI HÔTEL GARDEN PINÈDE
Juan-les-Pins
1,00 %
99,00 %
HOLDING GARDEN PINÈDE
Juan-les-Pins
100,00 %
90,91 %
CASINO DE PALAVAS
Casino Palavas-les-Flots
9,09 %
90,00 %
SCI PALAVAS INVESTISSEMENT
Palavas-les-Flots
10,00 %
99,84 %
STÉ DU CASINO LE LION BLANC
Casino Saint-Galmier
0,16 %
LE MIAMI
Casino Andernos
99,78 %
0,05 %
CASINO DE COUTAINVILLE
Casino Coutainville
89,51 %
0,03 %
STÉ DU CASINO D'ARCACHON
Casino Arcachon
98,68 %
LUDICA
Paris
100,00 %
99,99 %
GRAND CASINO DE BANDOL
Casino Bandol
95,24 %
CASINO DE LA GRANDE MOTTE
Casino La Grande Motte
4,74 %
CIE DÉVT TOURISME HYÉROIS
Casino Hyères
99,90 %
CASINO DU PALAIS DE LA MÉDITERRANÉE
Casino Nice
100,00 %
CPLXE CCIAL DE LA ROCHE-POSAY
Casino La Roche-Posay
89,70 %
99,00 %
SCI GAFA
La Roche-Posay
1,00 %
80,00 %
SARL HÔTEL DU CHÂTEAU
La Roche-Posay
99,90 %
SCI PARC DE POSAY
La Roche-Posay
0,10 %

GROUPE PARTOUCHE 31.10.2011

100 % - COMPAGNIE EUROPÉENNE DE CASINOS
PARIS

- 100,00 % — **PLOMBINOISE DE CASINO** — Casino Plombières
- 100,00 % — **CASINO DU MOLE** — Casino Pornic
- 1,00 % — **SCI LES MOUETTES** — Pornic (99,00 %)
- 100,00 % — **CASINO DE SALIES-DE-BÉARN** — Casino Salies-de-Béarn
- 100,00 % — **CASINO D'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
- 100,00 % — **GRD CASINO DE GRÉOUX** — Casino Gréoux-les-Bains (99,00 %)
- 99,99 % — **SCI RÉSIDENCE LES JARRES** — Gréoux-les-Bains
- 96,99 % — **DÉVT DE LA BAIE DE KERNIC** — Casino Plouescat (0,01 %)

- 99,99 % — **BELCASINOS** — Bruxelles (Belgique)
  - 100,00 % — **VZW** — (Belgique)
  - 99,95 % — **CHAUDFONTAINE LOISIRS** — Casino de Chaudfontaine (Belgique)
  - 99,98 % — **NV CASINO KURSAAL OSTENDE** — Casino de Ostende (Belgique)
  - 99,99 % — **CASINO DE DINANT** — Dinant (Belgique)
  - 19,00 % — **INTERNATIONAL GAMBLING SYSTEMS** — (Belgique)
  - 100,00 % — **SIKB IMMO** — Knokke (Belgique)
    - 0,49 % — **SA ECK**
  - 99,51 % — **SA ECK** — Casino de Knokke (Belgique)
- 100,00 % — **BEST GAMING CORPORATION** — Reno (USA)
- 40,00 % — **CASINO LAC MEYRIN** — Casino Meyrin (Suisse)

LÉGENDE

- Casinos
- Autres entités

♥♣♦♠

08 PROPERTY, PLANT AND EQUIPMENT

8.1 Existing or planned major items of property and equipment

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

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

The Group holds the property ownership, directly or under long leases, of 28 out of the 50 casinos the Group operates and rents the buildings of the remaining 22 under classic commercial leases or local authority occupancy agreements. It also owns 18 hotels out of the 19 the Group operates.

The Group's main property holdings, based on floor space are as follows:

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

Groupe Partouche has 5,607 slot machines installed in France and 1,129 machines installed abroad at 31 October 2011.

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

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

8.2 Status and valuation of the property portfolio

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

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

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

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

1 - Site valuation methods

1/1 - PROPERTY VALUATION METHOD

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

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

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

1/2 - VALUING PROPERTY AS "VACANT"

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

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

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

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

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

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

1/4 - HOTELS

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

Both criteria can be estimated as follows:

- Concerning luxury hotels, and depending on their location, the value of goodwill is usually estimated at 3 to 5 times the average revenue including tax over 3 financial years. The multiplicator coefficient is set at the average of 3 for medium category hotels. It should however be mentioned that the gross operating surplus has a very significant effect on the value of business goodwill, especially for luxury hotels;

- Conversion costs of residential premises are very high due to the necessity of completely restructuring open spaces. The amount cannot be estimated according to the refitting objectives but a minimum of around €1,500 per square metre can be estimated.

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

1/5 - VALUATION METHOD FOR LONG LEASE RIGHTS

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

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

2 - Portfolio valuation

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

- **Change in value of long leases**

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

- **Change in value of commercial premises**

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

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

We are thus disclosing the following portfolio valuations post adjustments:

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

8.3 Property assets ownership policy and divestment programme

Following the riders to the syndicated loan dated 25 January 2011 and 19 December 2011, the subject of disposal of assets is not so significant given the revocation of the early repayment clause in the event that the divestment programme initially planned is not implemented. The divestment programme remains nevertheless relevant but it will be implemented in better conditions. If satisfactory offers are received, the programme may concern casinos. The company, which has always sought to own the buildings in order to render its business sustainable in compliance with its policy, may however consider disposing the building and the business goodwill of a casino. It may also concern hotels and business goodwill which represent a much more highly sought after asset than a casino.

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

8.4 Existence of assets used by the company belonging to senior executives or their family

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

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

8.5 Environmental constraints likely to have an impact on the utilisation of these property assets

There are no environmental constraints likely to have a significant impact on the utilisation of property assets, given the nature of the service activities carried out by the Group.

09 OPERATING AND FINANCIAL REVIEW

9.1 Financial position and results of the Group

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

The Group's financial position and results for the financial year ended 31 October 2009 prepared according to IFRS/IAS as adopted by the European Union and shown on page 46 et seq. of the Company's Reference Document that was registered with the AMF on 26 February 2010 under n° D.10-0069.

The Group's financial position and results for the financial year ended 31 October 2010 prepared according to IFRS/IAS as adopted by the European Union and shown on page 52 et seq. of the Company's Reference Document that was registered with the AMF on 25 February 2011 under n° D.11-0081.

The two Reference Documents referred to above are available on the Company's website (www.partouche.com) and the AMF's website (www.amf-france.org).

9.1.1 MAIN SCOPE AND ACTIVITY CHANGES

At the beginning of the first half of 2011, Groupe Partouche disposed of the companies of Casino Sluis (Netherlands) and Casino de Saint-Nectaire. Both companies were deconsolidated at 1 November 2010 and were accounted for under IFRS 5 Assets - Liabilities Held for Sale at 31 October 2010. In addition, the company Casino de La Seyne-sur-Mer (dormant) was wound up.

In the second half of 2011:

- Groupe Partouche disposed of the Belgian company SA SIKB;
- The company of the Cinéma de l'Elysée Palace in Vichy was accounted for under IFRS 5 Assets - Liabilities Held for Sale at 31 October 2011 (post-balance sheet disposal).

Moreover, the companies of the Grasse division (SA du Casino, and SCI) are from now on consolidated using the equity method (specific line item in the consolidated financial statements, whereas before, the proportional consolidated method meant these companies affected each section of the consolidated financial statements).

For the record, the following main events occurred in the previous year:

- full integration of the Nice casino;
- disposal of the Saint-Honoré casino;
- deconsolidation of the Beaulieu casino;
- business cessation of the San Roque casino;
- creation of Partouche Gaming France.

9.1.2 POSITION AND TRENDS FOR THE GROUP'S ACTIVITY IN THE FINANCIAL YEAR ENDED 31 OCTOBER 2011

ACTIVITY OF THE GROUP

It should first be noted that revenue in financial year 2010 was boosted by the tax measure that introduced distinct levy scales for table games and slot machines. This measure, the application of which was retroactive as of 1 November 2008, generated the recognition of an entry for non-recurring revenue of €9.9m that related to the 2009 financial year (included in "Revenue other activities").

In addition, the 2010 accounts were restated in accordance with IAS 8 and with the change of accounting treatment of territorial economic contribution over financial year 2011, described in Chapter 20.2.1, Note 2 “Accounting estimates and assumptions”.

Given these items, revenue changed as follows :

€M	2011	2010 RESTATED	CHANGE	2010 RESTATED, EXCLUDING EXCEPTIONNEL INCOME ON TURNOVER	CHANGE EXCLUDING EXCEPTIONNEL INCOME ON TURNOVER
GGR	696,4	701,8	-0,8 %		
Levies	356,9	360,2	-0,9 %		
Net gaming revenue	339,5	341,5	-0,6 %		
Turnover other	124,8	136,6	-8,6 %	126,7	-1,5 %
Total Turnover	**464,3**	**478,1**	**-2,9 %**	**468,3**	**-0,9 %**

At 31 October 2011, turnover reached €464.3M, down by 2.9% compared to the previous year. Breakdown of the turnover is as follows :

ANALYSIS OF TURNOVER IN FINANCIAL YEAR 2011

€M		2011	2010 RESTATED	CHANGE	PROGRESS
	France	54,5	60,4		
	Abroad	25,3	27,9		
GGR OF TABLE GAMES		79,8	88,2	-8,4	-9,6 %
% OF ACTUAL GGR		11,5 %	12,6 %		
	France	528,7	535,8		
	Abroad	87,9	77,7		
GGR SLOT MACHINES		616,6	613,5	3,0	0,5 %
% OF ACTUAL GGR		88,5 %	87,4 %		
	France	583,2	596,2		
	Abroad	113,2	105,6		
GROSS GAMING REVENUE (TOTAL)		696,4	701,8	-5,4	-0,8 %
	France	309,4	315,7		
	Abroad	47,4	44,5		
LEVIES		356,9	360,2	-3,4	-0,9 %
	France	53,1 %	53,0 %		
	Abroad	41,9 %	42,2 %		
LEVY RATE		51,2 %	51,3 %		
	France	273,7	280,5		
	Abroad	65,8	61,0		
NET GAMING REVENUE		339,5	341,5	-2,1	-0,6 %
% OF TOTAL TURNOVER		73,1 %	71,4 %		

€M		2011	2010 RESTATED	CHANGE	PROGRESS
	France	119,9	125,7		
	Abroad	4,9	10,9		
NON-GAMING REVENUE		124,8	136,6	-11,8	-8,6 %
% OF TOTAL TURNOVER		26,9 %	28,6 %		
	France	393,7	406,2		
	Abroad	70,6	71,9		
TURNOVER		464,3	478,1	-13,8	-2,9 %

GGR

Gross Gaming Revenue (GGR) decreased by 0.8% (against a 2.1% decrease in 2010), confirming the trend that the gaming industry is stabilising.

Total GGR for financial year 2011 totalled:

- €79.8m (-9.6%) in table games. The relative decrease compared with the previous year mainly lies in the fact that the performance of the Casino Palm Beach in Cannes in 2010 was not repeated in 2011 (GGR was particularly high in July 2010, relating to several high-roller players);
- and €616.6m (+0.5%) in slot machines, showing good resistance of the core business.

GAMING REVENUE IN FRANCE

GGR of French casinos totals €583.2m (down 2.2%)

The €5.9m fall in traditional gaming GGR was highly affected by Casino Palm Beach in Cannes (down €7.4m) and the ups and downs in attendance of high-roller players.

The change in slot machine GGR should be assessed alongside changes in the scope of consolidation: restated for the presence in 2010 of Beaulieu-sur-Mer, Grasse, Saint-Honoré-les-Bains and Saint-Nectaire (totalling €7.5m), slot machine GGR remained stable in 2011. End-October 2011, Groupe Partouche owned 5,607 slots machines in France, a decrease compared to 5,743 machines at 31 October 2010, due to the disposal of the Saint-Honoré-les-Bains and Saint-Nectaire Casinos.

GAMING REVENUE OUTSIDE FRANCE

Foreign casino GGR reached €113.2m (+7.2%) albeit with a positive translation adjustment increase over the year, due to the change in the Swiss franc/Euro exchange rate. At constant exchange rates, the Meyrin casino recorded a 5.4% decrease in its GGR, given a partial disaffection on the part of its foreign clientele from the Near and Middle East. Belgian casinos have all progressed and in particular, the Ostend casino's GGR grew by €2.4m (+21.6%). In addition, both Tunisian establishments had to be temporarily closed because of the country's political and social events.

The number of slot machines installed outside France, grew from 931 to 1,129 units, mainly boosted by the Belgian development.

GAMING LEVIES

In the wake of the two successive tax measures in 2009 and 2010, the first one updating the scales and the second one introducing distinct progressive scales for calculating the levies on traditional gaming and on slot machines, which had a substantial impact on financial years 2009 and 2010, the calculation of levies did not change in 2011, thus enabling us to compare financial years 2011 and 2010 and to correlate the change in GGR and in the average levy rate (stable, at around 51.2%).

The slight GGR decrease corresponds to a decrease in levies which totalled €356.9m for the year.

After deducting these levies from the Group's GGR, the Group reported net gaming revenue (NGR) of €339.5m.

REVENUE EXCLUDING NET GAMING REVENUE

This turnover, excluding net gaming revenue (NGR) is as follows :

€M	2011	2010 RESTATED	CHANGE	2010 RESTATED, EXCLUDING EXCEPTIONNEL INCOME ON TURNOVER	CHANGE EXCLUDING EXCEPTIONNEL INCOME ON TURNOVER
Casinos excluding NGR	78,2	90,0	-13,1 %	80,2	-2,4 %
Hotels	34,6	31,9	8,4 %		
Interactive division	6,9	7,5	-7,9 %		
Other	5,1	7,1	-28,8 %		
Total consolidated Turnover excluding NGR	**124,8**	**136,6**	**-8,6 %**	**126,7**	**-1,5 %**

As specified above, in order to be able compare financial years, the €9.9m non-recurring revenue needs to be deducted from net revenue excluding 2010's net gaming revenue. Once this non-recurring item has been restated, the trend shows a 1.5% decrease. Also excluding 2010's non-recurring revenue, the trend of French casinos is down €1.8m, highly affected by the Palm Beach Casino in Cannes (down €4.0m) which now rents most of its non-gaming rooms, whereas foreign casinos' revenues are stable.

The Group's main hotels improved overall and 2011 recorded strong revenue growth of €2.7m (+8.4%).

The Interactive division's revenue was down €0.6m as the business volume generated by the operation of the online poker website licence is not yet sufficient, despite a full financial year, to reach 2010's level (transition year between the operation of the Gibraltar licence, put on standby when the French licence started to be operated).

Other revenue was down €2.1m of which €1.1m related to the disposal of the company Casino Sluis (Netherlands).

CONSOLIDATED RESULTS

Satisfactory operating profitability and return to profit

We remind you that not only did the recognition in the financial year 2010 of non-recurring revenue amounting to a €9.9m impact on revenue, but it also proportionally improved profitability.

Excluding this impact, the Group's Ebitda and current operating profitability were virtually stable (Ebitda rose to €88.6m in 2011 from 88.5m in 2010). Revenue decreased (excluding non-recurring revenue) by €4.0m (closure or disposal of casinos recording losses, disrupted activity during the last quarter) and entailed a €3.2m cut in current operating expenses.

The casino business sector, with its largely fixed costs, stabilised and even improved, thanks to its trade-offs, its profitability with a current operating profit (COP) amounting to €74.4m, compared with a restated COP excluding non-recurring revenue amounting to €72.6m in 2010, also boosted by the rise in value of the Swiss franc compared with the Euro (+12.4% over the financial year). COP of the Group's hotels improved very satisfactorily by €1.9m, of which €0.8m for the Hilton Hotel in Lyon alone, thanks to significant rise in revenue (+8.4%) and good expense management. Financial year 2011 was the first full year of activity for Partouche Gaming France, a subsidiary of the Interactive division, since online gaming was legalised in France. With a slight decrease in revenue, the Interactive division saw its current operating profit fall by €3.6m over the year (of which a €4.7m fall observed during the first-half) due to revenue constraints and costs related to the poker licence in France on the one hand and to promotional efforts made for the whole Group on the other hand.

As mentioned above, casino closures (San Roque and Beaulieu in N-1) or disposals (in particular Saint-Nectaire and Casino Sluis, beginning of N and Saint-Honoré in N-1) led to a reduction in the absolute value of main current operating expenses, with the exception of the item "Other current income and expenses". The latter item, representing a €11.6m net expense in 2011 (compared with €6.6m net expense in 2010), deteriorated due to the net impact of allocations and reversals of provisions for contingencies and losses linked to the operation more unfavourable compared with N-1.

Concerning the loss from non-recurring operations, highly impacted in 2010 by significant impairment of goodwill of €71.2m: in 2011, it represented a net expense of €11.1m, resulting in particular from:

- the impairment of goodwill totalling €7.8m;
- the impairment of assets of the Cinéma Elysée Palace in Vichy (€-3.6m), accounted for under IFRS 5 Assets - Liabilities Held for Sale at 31 October 2011;
- the favourable impact of the disposal of the property assets of the companies SCI Lydia and Foncière Vittel (for €1m), and the disposal of consolidated investments (for €1.3m);
- the expenses committed under the terms of the renegotiation of Groupe Partouche's syndicated loan in the amount of €2.1m.

After totalling recurring and non-recurring operating items, the operating result jumped from a €23m restated loss in 2010 to a €28.9m profit.

Financial items totalled a net expense amounting to €13.4m, a significant improvement.

Net financial expenses reduced due to:

- the reduction of Financière Partouche's shareholder advance, following its investment in the capital increase carried out in August 2010;
- the increase in cash flow particularly primarily as a result of the two capital increases in May 2011.

In addition, changes in fair values of hedges represented a €3.0m gain.

In 2011, income tax (excluding Cotisation sur la Valeur Ajoutée des Entreprises (CVAE), [French Company Added Value Contribution]) represented an expense of €10.3m compared with a restated expense for 2010 of €4.6m. The reclassification of the CVAE on tax impacts the financial statements for 2011 and 2010 as follows:

€M	2011	2010 RESTATED
Reclassification of CVAE in tax on profit or loss	-3,9	-2,9
Deferred CVAE tax (time based CVAE)	+0,6	-3,5 (*)
Net impact section "CVAE tax"	**-3,3**	**-6,4**

(*) Retroactive recording of the entire amount of deferred CVAE tax.

After the tax expense totalling €13.5m, the Group's total net income represented a profit of €2.0m compared with 2010's restated loss of €52.4m. In 2011, after running a loss for 3 years, the Group is once again profitable, thus marking the success of the operating and financial restructuring in a context where revenue is stabilising in the sector after several years of crisis.

The Group share is a €7.0m loss and the minority share, mainly related to Swiss casinos, recorded a €9.0m profit.

FINANCIAL POSITION

Financial year 2011 was affected by the agreements concerning the syndicated debt and the acquisition of an equity stake by a financial partner, Butler Capital Partners.

At the beginning of 2011, as part of a framework agreement aiming at substantially increasing its equity and at funding its investment programme, Groupe Partouche entered into agreement with its banking pool to restructure its syndicated loan; it also called upon Financière Partouche and Butler Capital Partners to assist in its raising funds of €30 million, a capital increase underwritten by Butler Capital Partners (BCP).

Both elements led to the execution of two riders, applicable as of 31 October 2011 (riders of 25 January 2011 and 19 December 2011), whereby significant positive changes were made to the syndicated loan agreement, in particular the amendment of the repayment terms for the Tranche A debt, of applicable bank interest margins and of the terms of application of the surplus cash flow clause. (Please refer to Chapter 4.1.1 "Liquidity risk").

A two-fold financial transaction took place in May 2011:

- a capital increase reserved for employees for a gross amount (including issue premiums) of €24.9m subscribed by BCP;
- a capital increase, maintaining the pre-emptive right to subscribe to shares, for an amount of €5.7m fully subscribed by minority shareholders.

As a result of this financial transaction carried out at the same time as changes in the company's governance, leading to the collection of a €30.6m gross amount, BCP took a 12.52% stake in Groupe Partouche SA.

Net debt reduced by €50m

Financial year 2011 recorded another improvement of the Group's balance sheet structure which resulted in:

- the increase of equity mainly due to the capital increases carried out in May 2011. The Group's equity thus grew by €25.0m and accounted for 42% of total equity and liabilities;
- the continuation of the reduction of the Group's debt, with amortisation of bank debt to the amount of €29.6m of which €25.9m for the syndicated loan;
- the increase of cash resulting from the capital increases. Cash and cash equivalents improved by €24.4m and totalled €132.0m.

"Gearing" (net debt/equity which reduced to 0.56x) and "leverage" (net debt/consolidated Ebitda, which now only represents 2.3x) ratios illustrate the significant improvement of the balance sheet structure:

€M AT 31 OCTOBER	2011	2010 RESTATED
Equity	367,6	342,5
Consolidated Ebitda	88,6	98,4
Gross debt (*)	303,2	329,6
Cash less gaming levies (*)	97,9	74,7
Net debt (*)	205,3	254,9
Ratio net debt to equity ("gearing")	0,56	0,74
Ratio net debt to consolidated Ebitda ("leverage")	2,3x	2,6x

(*) Determination of cash net of levies and gross debt are shown in Notes 13 and 17 in the notes to consolidated financial statements.

In addition, following the agreement executed on 25 January 2011 with the banking pool, the amended repayment terms of the syndicated loan led the proportion of debt repayable within one year to be reduced compared with financial year 2010, corresponding to €26.9m against €144.0m previously. It should be noted that the next repayment instalment of the Tranche A debt, set for 31 October 2012 and estimated at €5.0m, has de facto been reduced to €1.9m given the early repayments recognised under assets divestments already carried out over the financial year.

ACTIVITY OF SUBSIDIARIES

GGR BY ENTITY			
€000 at 31st OCTOBER	2011	2010 RESTATED	2009
CASINO AIX-EN-PROVENCE	55 417	54 469	55 224
CASINO MEYRIN (Switzerland)	54 057	50 454	60 616
CASINO LA TOUR DE SALVAGNY (LYON VERT)	50 093	50 740	56 063
CASINO SAINT-AMAND-LES-EAUX	36 009	38 889	42 335
CASINO LYON (PHARAON)	35 881	35 374	35 768
CASINO DIVONNE-LES-BAINS	32 990	32 057	30 676
CASINO FORGES-LES-EAUX	32 432	33 696	37 845
CASINO ANNEMASSE	26 259	24 213	24 465
CASINO HYÈRES	19 982	20 347	21 025
CASINO PORNICHET	19 494	18 581	20 623
CASINO LA GRANDE MOTTE	18 049	17 797	19 159
CASINO BANDOL	17 439	17 142	17 807
CASINO NICE PALAIS DE LA MÉDITERRANÉE	17 153	15 435	-
CASINO CRANS-MONTANA (Switzerland)	16 885	15 266	14 665
CASINO LE HAVRE	16 094	16 148	17 612
CASINO LA ROCHE-POSAY	15 140	15 399	15 842
CASINO CANNES-PALM BEACH	15 051	23 733	17 634
CASINO JUAN-LES-PINS	14 304	13 110	14 027
CASINO PALAVAS-LES-FLOTS	13 927	13 798	14 127
CASINO OOSTENDE (Belgium)	13 712	11 272	11 456
CASINO ROYAT	12 876	12 858	13 226
CASINO KNOKKE-ECK (Belgium)	12 489	12 133	9 192
CASINO SAINT-GALMIER	11 681	11 821	12 838
CASINO PORNIC	10 520	10 593	11 978
CASINO DIEPPE	9 359	9 066	9 055
CASINO PLOUESCAT	8 723	8 431	9 149
CASINO CHAUDFONTAINE-LOISIRS (Belgium)	8 157	7 896	6 961
CASINO VICHY-GRAND CAFÉ	8 015	7 967	7 639
CASINO BOULOGNE	7 829	7 762	7 823
CASINO CALAIS	7 492	7 503	7 878
CASINO DINANT (Belgium)	6 659	6 088	5 189
CASINO BERCK	6 632	6 214	6 561
CASINO LA CIOTAT	6 397	6 216	6 255

GGR BY ENTITY			
€000 at 31st OCTOBER	2011	2010 RESTATED	2009
CASINO CABOURG	6 024	6 274	6 259
CASINO ARCACHON	5 415	5 867	6 593
CASINO VICHY 4 CHEMINS	5 136	5 821	6 448
CASINO ANDERNOS	4 897	5 052	5 765
CASINO VAL-ANDRÉ	4 712	4 264	4 467
CASINO TOUQUET	4 522	4 744	5 497
CASINO AGON COUTAINVILLE	4 460	4 387	4 688
CASINO PLOMBIÈRES	4 185	4 534	4 367
CASINO CONTREXÉVILLE	3 643	3 868	4 016
CASINO GRÉOUX-LES-BAINS	3 424	3 222	3 913
CASINO ÉVAUX-LES-BAINS	2 702	2 821	2 810
CASINO HAUTEVILLE-LOMPNES	2 614	2 532	3 112
CASINO LA TREMBLADE	2 206	2 222	2 332
CASINO LA TRINITÉ	2 182	1 925	1 920
CASINO SALIES-DE-BÉARN	1 793	1 772	2 081
CASINO DJERBA (Tunisia)	1 211	2 135	2 062
CASINO TABARKA (Tunisia)	32	129	100
CASINO BEAULIEU-SUR-MER	-	2 394	2 921
CASINO SAINT-HONORÉ	-	2 119	1 881
CASINO SAINT-NECTAIRE	-	1 982	2 021
CASINO GRASSE	-	1 035	1 233
CASINO SAN ROQUE (Spain)	-	189	758
CASINO PORT BARCARÈS	-	-	682
TOTAL GGR	**696 354**	**701 757**	**716 640**

TURNOVER BY ENTITY			
€000 at 31st OCTOBER	2011	2010 RESTATED	2009
CASINO AIX-EN-PROVENCE	29 973	30 068	28 210
CASINO LA TOUR DE SALVAGNY (LYON VERT)	28 467	28 600	28 558
CASINO MEYRIN (Switzerland)	26 943	24 734	26 777
CASINO DIVONNE-LES-BAINS	24 584	24 252	20 980
CASINO FORGES-LES-EAUX	23 068	23 729	23 418
CASINO SAINT-AMAND-LES-EAUX	22 571	24 290	24 448
CASINO LYON (PHARAON)	16 317	16 708	15 747
CASINO CRANS-MONTANA (Switzerland)	13 056	11 809	11 141
CASINO ANNEMASSE	12 272	11 802	11 145
CASINO CANNES-PALM BEACH	11 413	20 108	13 673
CASINO LE HAVRE	11 344	11 901	11 710

TURNOVER BY ENTITY			
€000 at 31st OCTOBER	2011	2010 RESTATED	2009
CASINO PORNICHET	10 829	10 651	10 846
CASINO HYÈRES	10 121	10 404	9 992
CASINO NICE-PALAIS DE LA MÉDITERRANÉE	9 509	8 941	-
CASINO LA GRANDE MOTTE	9 455	9 775	9 589
CASINO KNOKKE-ECK (Belgium)	9 204	9 009	6 950
CASINO OOSTENDE (Belgium)	8 899	7 424	7 409
CASINO LA ROCHE-POSAY	8 539	8 926	8 409
CASINO BANDOL	8 516	8 670	8 425
CASINO JUAN-LES-PINS	7 245	7 640	7 919
CASINO PALAVAS	7 245	7 497	7 027
CASINO PORNIC	7 080	7 233	7 434
CASINO ROYAT	6 819	7 053	6 767
CASINO SAINT-GALMIER	6 456	6 617	6 498
CASINO DIEPPE	6 300	6 149	5 572
CASINO VICHY-GRAND CAFÉ	5 782	5 625	5 320
CASINO CHAUDFONTAINE-LOISIRS (Belgium)	5 606	5 493	4 904
CASINO DINANT (Belgium)	5 298	4 943	4 344
CASINO PLOUESCAT	5 155	5 089	5 248
CASINO CABOURG	5 046	5 203	4 807
CASINO BOULOGNE-SUR-MER	4 733	4 760	4 449
CASINO CALAIS	4 222	4 261	4 357
CASINO BERCK	3 907	3 705	3 838
CASINO VAL-ANDRÉ	3 863	3 496	3 372
CASINO TOUQUET	3 638	3 585	3 710
CASINO VICHY 4 CHEMINS	3 565	3 987	4 120
CASINO LA CIOTAT	3 508	3 500	3 268
CASINO ARCACHON	3 418	3 770	3 703
CASINO ANDERNOS	3 001	3 157	3 321
CASINO PLOMBIÈRES	2 711	2 966	2 663
CASINO AGON COUTAINVILLE	2 672	2 644	2 646
CASINO CONTREXÉVILLE	2 433	2 491	2 537
CASINO GRÉOUX-LES-BAINS	2 135	2 084	2 401
CASINO SALIES-DE-BÉARN	2 076	2 028	2 149
CASINO ÉVAUX-LES-BAINS	2 009	2 081	2 002
CASINO LA TRINITÉ	1 851	1 658	1 529
CASINO HAUTEVILLE-LOMPNES	1 727	1 599	2 017
CASINO LA TREMBLADE	1 609	1 552	1 564
CASINO DJERBA	1 469	2 290	2 072
CASINO TABARKA (Tunisia)	28	116	89

TURNOVER BY ENTITY			
€000 at 31st OCTOBER	2011	2010 RESTATED	2009
CASINO SAN ROQUE	25	173	684
CASINO BEAULIEU-SUR-MER	-	1 745	2 137
CASINO SAINT-HONORÉ	-	1 492	1 338
CASINO SAINT-NECTAIRE	-	1 303	1 357
CASINO GRASSE	-	771	846
CASINO PORT BARCARÈS	-	4	633
TOTAL CASINO	**417 710**	**431 557**	**406 071**
HÔTEL LYON-HIL	11 751	10 881	11 072
HÔTEL JUAN-GARDEN BEACH	7 978	7 088	7 683
HÔTEL CANNES - 3.14	6 661	6 217	6 721
HÔTEL AIX - AQUABELLA	6 314	6 097	5 812
HÔTEL CONTREX COSMOS	1 757	1 497	1 175
HÔTEL VAL-ANDRÉ - SINOCA	105	137	119
HÔTEL CONTREX - GD HÔTEL DU PARC	27	0	11
TOTAL HOTEL	**34 593**	**31 917**	**32 594**
PARTOUCHE GAMING FRANCE	3 487	841	-
PARTOUCHE IMAGES (Ex New Screens)	2 319	1 621	1 385
APPOLONIA	907	593	913
PARTOUCHE TECHNOLOGIES (Ex QDJ)	134	289	733
PI GIBRALTAR (Gibraltar)	35	4 178	4 459
PARTOUCHE PRODUCTION (Ex Sogimage)	2	2	-
PARTOUCHE BETTING LTD (Malte)	0	4	5
PARTOUCHE INTERACTIVE	-	0	-
PARTOUCHE TOURNOIS (Ex Partouche Gammon)	-	-	3
INTERNATIONAL GAMBLING SYSTEM	47	-	-
TOTAL INTERACTIVE DIVISION	**6 932**	**7 529**	**7 498**
THERMES AIX-CBAP (Centre de balnéothérapie)	2 513	2 479	2 558
CINÉMA ÉLYSÉE VICHY	1 760	1 897	1 592
BARATEM	410	358	361
SARL THERM'PARK	160	159	167
ÉLYSÉE PALACE (EPSA)	86	85	85
GROUPE PARTOUCHE	50	656	442
SCI RUE ROYALE	45	43	40
PARTOUCHE SPECTACLES ET ÉVÉNEMENTS	14	65	20
CASINO VIRGINIAN DE RENO	11	11	11

TURNOVER BY ENTITY			
€000 at 31st OCTOBER	2011	2010 RESTATED	2009
CHM	11	11	10
CANNES BALNÉAIRES	6	4	24
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	3	4	7
BELCASINOS	0	-	0
CASINO SLUIS NV	-	1 134	690
SARL CAFÉ CARMEN	-	129	212
SCI HÔTEL GARDEN PINÈDE	-	68	-
SA SIKB (Belgique)	-	11	254
SCI DE GRASSE	-	7	0
GPT CASINOS	-	-	42
PARTOUCHE IMMOBILIER	-	-	4
THERMES - CONTREXÉVILLE	-	-	305
VILLA DU HAVRE	-	-	3
TOTAL OTHER	**5 070**	**7 123**	**6 831**
TOTAL TURNOVER	**464 304**	**478 126**	**452 993**

9.2 Financial position and results of the Group's parent company (annual financial statements)

The financial year under consideration is the 12-month period beginning 1 November 2010 and ending 31 October 2011. The main event was the agreement relating to the syndicated loan and the acquisition of an equity stake by a financial partner, Butler Capital Partners (please refer to Chapter 9.1).

Revenue for the financial year totalled €14.3m, mainly comprising fees of €13.1m paid by subsidiaries; operating income amounted to €14.9m and thus remained unchanged as compared to 2010.

Operating expenses amounted to €20.7m compared with €17.8m in 2010, an improvement of 16.4% mainly due to the fees related to the renegotiation of the banking agreement.

The operating result amounted to a loss of €5.8m compared with a loss of €2.9m in 2010.

Financial income totalled €41.3m, of which €32.3m from dividends paid by subsidiaries.

Financial expenses, which had considerably risen to €131.7m in 2010 due to a significant impairment in the value of shares held and current accounts, amounted to an expense of €45.9m in 2011. The company posted a net financial expense of €4.6m.

Total non-recurring items represent a loss of €1.4m, mostly resulting from a charge to provisions of €1.9m relating to the remaining debt payable to the company by Société Française de Casinos (SFC) and related interest. The debt of €3.4m in principal is thus impaired in full.

Under the tax consolidation agreement, the company recorded a tax saving of €14.9m for the year ended 31 October 2011.

The company made a net profit of €3.2m compared with a net loss of €79.0m for the financial year 2010.

The significant change of the assets side of the balance sheet represents an improvement in cash of €21.6m, favourably impacted by the capital increases.

On the liabilities side of the balance sheet, after both capital increases in May 2011 and the recording of a profit, the company's equity improved significantly and represented €426.4m at the end of the financial year.

Over the financial year, €25.9m of the syndicated loan was reimbursed; the amount outstanding on the loan was €267.2m, at the balance sheet date.

9.3 Proposed appropriation of profit for financial year 2011

The proposed appropriation of profit for financial year 2011 is as follows:

Net profit for the financial year	**3 162 080 €**
Legal reserves	158 104 €
Retained earnings	3 003 976 €
Which, after appropriation amounts to:	155 288 671 €


JACKPOT
TICKET
MAIN EVENT
CANNES
CASH
MEGAPOT

10 CASH AND CAPITAL RESOURCES

10.1 Information concerning the Group's equity

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

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

Please refer to Note 14 of Chapter 20.2.1 of the Group's consolidated financial statements for 2009.

10.2 Sources and amounts of and a narrative description of the Group's consolidated cash flows

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

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

Please refer to Note 26 of Chapter 20.2.1 of the Group's consolidated financial statements for 2009.

10.3 Financing structure and cash resources, Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the company's operations

10.3.1 FINANCIAL STRUCTURE, CASHFLOWS

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

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

Please refer to Note 17 of Chapter 20.2.1 related to bank debt and to Note 13 of Chapter 20.2.1 relating to cash and cash equivalents for 2009.

10.3.2 CASH POOLING AGREEMENT

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

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

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

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

10.3.3 RESTRICTIONS IN THE TRANSFER OF FUNDS FROM ABROAD

For both of the Swiss casinos that are owned by the Group, Meyrin and Crans Montana, the legal constraints of the country prohibit the transfer of funds except for the dividend distributions.

10.4 Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3 and 8.1

Considering the constraints arising from the syndicated loan agreement (Please refer to paragraph 4.1.1 Liquidity risks and 5.2.5 «Relations between investments and financing activities».

11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

In light of its principal business activity, Groupe Partouche does not carry out any research and development activity.

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

Thus, Partouche Images has access to a broadcasting technology for its games and to new technical softwares.

Moreover, Partouche Technologies work on new security applications in order to improve the online gaming website.

At last, Appolonia concentrate on the means for developing data systems dedicated to the casinos.

All these projects have one aim in common : improving the services rendered to the clientele and optimising the costs.

TREND INFORMATION

12

The following press release was published by Groupe Partouche on 21 February 2012:

GROUPE PARTOUCHE

FINANCIAL INFORMATION FOR THE 1ST QUARTER 2011 – 2012

SATISFACTORY ACTIVITY FOR THE FIRST QUARTER
OPENING OF ONLINE GAMING IN BELGIUM OFFERING SHORT TERM DEVELOPMENT PERSPECTIVES

1. SIGNIFICANT EVENTS AND TRANSACTIONS

In Belgium, in preparation for the upcoming opening of the online gaming market, the Belgian Government and the Games of Chance Commission have chosen to grant exclusive provisional licence to the Dinant Casino to open an online gaming website.

Since 1 November 2010, the Dinant Casino, which is owned by Belcasinos, a subsidiary of Groupe Partouche, and the International Company Gaming System, a provider of technical and logistics resources have operated an online game platform offering slot machines, traditional and poker games at www.partouche.be.

The definitive licence of the Partouche.be website, called Licence A+, was obtained by the Dinant Casino early February 2012. These developments should increasingly strengthen the Group's position in the Belgian market and generate profitable revenue as of financial year 2012.

2. FINANCIAL POSITION AND RESULTS

The Group's financial position (which remains strong, with a good cash position net of levies maintained at a high level) and results (marked by operating profitability which remains strong) do not call for any particular comments.

3. REVENUE

CASINO REVENUE

AT 31 JANUARY (€M)	2012	2011	CHANGE
GGR	172,5	169,0	2,1%
Levies	75,4	74,1	1,8%
Net gaming revenue	97,1	94,9	2,3%

Gross gaming revenue for table games remained stable at €20.8m whereas gross gaming revenue from slot machines grew by €3.5m (+2.4%) and totalled €151.7m. This improved trend was recorded in France in the amount of €2.6m (+2.0%) and outside France in the amount of €0.9m (+4.2%).

GROUP REVENUE

AT 31 JANUARY (€M)	2012	2011	CHANGE
Casinos	116,1	113,4	2,5%
Hotels	5,5	5,8	-5,6%
Partouche Interactive	1,6	2,0	-16,7%
Other	1,0	1,4	-28,5%
Total consolidated turnover	124,2	122,4	1,4%

1st quarter revenue for the current financial year recorded an improvement of €1.8m (corresponding to an increase of 1.4%) compared with the previous financial year, thanks to the healthy activity of the casinos (increase of €2.7m corresponding to +2.5%).

Revenue from hotels decreased by €0.3m (corresponding to -5.6%), partially because of the seasonal closure of the establishments in Cannes (3.14) and Juan-les-Pins (Garden Beach). The operating indicators of establishments remaining open (occupancy rate and average price) remain satisfactory.

The drop of revenue for Partouche Gaming France, which operates the online poker licence in France, mainly explains the decrease of €0.4m (corresponding to -16.7%) of Interactive division revenue. A new version of the poker website will soon be launched.

Finally, the decrease of €0.4m (corresponding to -28.5%) of Other revenue is related to an adjustment of the scope (disposal after the end of financial year 2011 of loss-making company Cinema de l'Elysée Palace in Vichy).

FINANCIAL INFORMATION

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

PROFIT FORECASTS OR ESTIMATES

13

13.1 Forecasts and objectives

A business plan was drawn up on the occasion of discussions between the company and its banking pool, Financière Partouche and Butler Capital Partners and was integrated to the updated 2010 Reference Document and is reproduced hereunder:

"The work carried out to draw up the business plan mainly resulted in the determination, over a five year period, i.e. until 31 October 2015, upon expiry of the syndicated loan:

- of an aggregate social Ebitda, based on the company reporting packages of the entities belonging to the Group's scope of consolidation, after certain error corrections, including the neutralisation of revenue of fiscally transparent companies, in the format of the internal reporting practices in place. The aggregate amount thus constituted is therefore not consistent with the consolidated accounting aggregate published by the Group, in which intra-group entries are neutralised and various restated entries are recorded. Consequently, the company has also established an estimate of consolidated Ebitda which is comparable to the published consolidated information;
- of investment and debt servicing cash flows in order to facilitate exchanges with banks.

The indicators given below, corresponding to gross gaming revenue (GGR), consolidated Ebitda, investment flow and bank debt, can thus be compared with historic published revenue.

The business plan, from which the quantified information shown hereunder is taken, includes a capital increase in 2011 amounting to €30.0m completed on 30 April 2011, and the changes related to the margins applicable to the three tranches of the syndicated loan but its scope does not include the future buildings of the three Pasinos of La Grande Motte, La Ciotat and Bandol, given the significant uncertainties as regards the amounts and the schedule related to these buildings.

The data of these forecasts concerning the Group's operating entities, mainly casinos, hotels and entities of the Interactive division are mostly established by the entities' management.

The forecasts concerning the Group's non-operating entities, mainly holding companies and SCI property companies, were drawn up by applying growth assumptions.

Business activity

GROSS GAMING REVENUE

	REAL	FORECAST	OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE
In €M	Oct-10	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15
GGR for traditional games	88,2	79,9	81,1	82,3	83,5	84,8
GGR for slot machines	613,5	623,4	632,8	642,3	651,9	661,6
GGR	**701,7**	**703,3**	**713,9**	**724,6**	**735,4**	**746,4**
Annual change		0,2 %	1,5 %	1,5 %	1,5 %	1,5 %

PROFITABILITY

	REAL	FORECAST	OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE
In €M	Oct-10	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15
Consolidated Ebitda	**95,4**	**87,2**	**88,6**	**90,1**	**91,4**	**92,7**
Annual change		-8,6 %	1,6 %	1,7 %	1,4 %	1,4 %

We remind you that consolidated Ebitda 2010 was impacted by the non-recurring revenue which related to the retroactive portion of financial year 2009 due to the introduction of distinct levy scales, amounting to €9.9m.

Ebitda for financial year 2011 will not include this non-recurring item. It will be favourably impacted by the change of scope which will not record the overall negative contribution of the Beaulieu, Port-Barcarès, San Roque and Saint Nectaire casinos, estimated at €3.2m.

Over the period from 2012 to 2015, the improvement will near +1.5% on average, i.e. €4.1m in absolute value, mainly boosted by the development of the Interactive division (increase in Partouche Gaming France and Partouche Images revenue) and the improvement of the contribution from hotels.

INVESTMENTS

The programme of the three Pasinos in the South of France was not taken into account in the business plan because of the significant uncertainties related to the amounts and the schedule.

	ACTUAL	FORECAST	OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE
In €M	Oct-10	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15
Acquisition of property assets	**-23,2**	**-30**	**-30**	**-30**	**-30**	**-30**

Investment flows are limited to the level set in the syndicated loan agreement and mainly include acquisitions of slot machines, construction sites, non-recurring work, and maintenance.

The main buildings planned in the business plan mainly impact financial years 2011 and 2012 and mostly concern compliance with standards and the renovation of the Juan-les-Pins hotel for €4.7m and the start of the building of an underground car park in Crans-Montana for €4.8m.

BANK DEBT

	ACTUAL	FORECAST	OBJECTIVE	OBJECTIVE	OBJECTIVE	OBJECTIVE
In €M	Oct-10	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15
Syndicated loan	293,1	270,2	243,4	208,4	163,4	0,0
Other bank loans	5,8	3,2	1,6	0,0	0,0	0,0
Total bank loans	**298,9**	**273,4**	**245,0**	**208,4**	**163,4**	**0,0**

Concerning bank debt, the business plan included the following assumptions:

- Application of the rider to the syndicated loan agreement of 25 January 2011;
- In the absence of expenses committed for Pasinos (refer to the above table), an exceptional allowance of €26m is maintained to calculate the consolidated surplus cash flow until 2015, upon expiry of the loan;
- Absence of disposal of assets.

The Group's last lease agreement for property assets in place expired end-2010."

Items in respect of financial year 2011 are the following (in €M):

- GGR for traditional games: 79,8 M€
  GGR for slot machines: 616,6 M€
  GGR: 696,4 M€
- **Consolidated Ebitda:** 88,6 M€
- **Acquisition of property assets:** -30,5 M€
- Syndicated loan: 267,2 M€
  Other bank loans: 3,3 M€
  Total bank loans: 270,4 M€

As of the date of this Reference Document, the company has not recorded any significant variations which cast doubt on the relevance of this business plan which therefore remains applicable, given that the business plan was drawn up before the reclassification of the CVAE expense from Ebitda to Income tax, as described in Chapter 20.2.1, Note 2, paragraph "Accounting estimates and assumptions".

13.2 Statutory auditors' report on profit forecasts

For the attention of the Chairman of the Executive Board of Groupe Partouche SA,

In our capacity as statutory auditors and in application of Regulation (EC) n°809/2004, we have established this report on profit forecasts for the company Groupe Partouche SA, included in Chapter 13 "Company forecasts and objectives" in its Reference Document dated 28 February 2012.

These forecasts and the significant underlying assumptions have been established under your responsibility, in application of the provisions of Regulation (EC) n°809/2004 and of the CESR recommendations relating to forecasts.

On the basis of our review, we are required to express a conclusion, according to the terms set in Appendix I, paragraph 13.3 of Regulation (EC) n°809/2004, on the adequacy of the establishment of such forecasts.

We conducted our review in accordance with professional standards of the CNCE applicable in France. We assessed the procedures implemented by the Management in order to establish the forecasts and implemented a review to ensure the conformity of the accounting methods used with the methods followed to draw up historic information of the company Groupe Partouche SA. We also collected the information and clarifications which we deemed necessary, enabling us to obtain reasonable assurance that the forecasts were adequately established on the basis of the presented assumptions.

We remind you that, as we are dealing with forecasts which are, by nature, uncertain, performance may differ, sometimes significantly, from the presented forecasts and we formulate no conclusion on the likelihood of performance of such forecasts.

In our opinion:

- The forecasts have been adequately drawn up pursuant to the indicated bases;
- The accounting basis used for such forecasts is in conformity with the accounting methods applied by the company Groupe Partouche SA to draw its consolidated financial statements published for the financial year ending 31 October 2010.

In order to determine the aggregate consolidated Ebitda presented in the paragraph "Profitability" in Chapter 13, the business plan drawn up in 2010 does not take into account, the restated Contribution sur la valeur ajoutée des entreprises (CVAE), recognised as income tax, in application of the IAS 12 standard, as of the financial year ending 31 October 2011, which led to a retrospective restatement of the financial statements for the financial year ending 31 October 2010.

Marseille and Paris, 28 February 2012

MCR Baker Tilly	France Audit Expertise
Alexandra Mathieu	Emmanuel Quiniou

14.1 Information on management bodies

14.1.1 SUPERVISORY BOARD

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

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

RESIGNED FROM HIS POSITION AS CHAIRMAN OF THE EXECUTIVE BOARD OF GROUPE PARTOUCHE ON 18.03.2011

IN FRANCE
Chairman of the Executive Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman of the Board of Directors: PARTOUCHE INTERACTIVE SA (Paris)
Chairman: PARTOUCHE IMMOBILIER SAS (Paris)
Deputy General Manager: COMPAGNIE EUROPEENNE DE CASINOS SAS (Paris)
Deputy General Manager-Director: EDEN BEACH CASINO SA (Juan les Pins), CANNES BALNEAIRE SA Palm Beach Casino (Cannes)
Director: SAS CASINO DE SAINT AMAND LES EAUX (Saint-Amand-les-Eaux), SAS LE TOUQUET'S (Calais), SAS DU CASINO ET DES BAINS DE MER (Dieppe), SAS SOCIETE D'EXPLOITATION DU CASINO DE CONTREXEVILLE, SAS GRAND CASINO DE LYON, SAS GRAND CASINO DE BEAULIEU (Beaulieu-sur-Mer), SAS CASINO DE PALAVAS (Palavas-les-Flots), SA FORGES THERMAL (Forges-les-Eaux), SA SOCIETE DU CASINO MUNICIPAL D'AIX THERMAL (Aix-en-Provence), SA LYDIA INVEST (Le Barcarès), SA SOCIETE DU GRAND CASINO D'ANNEMASSE (Annemasse), SA DU GRAND CASINO D'HAUTEVILLE LOMPNES (Hauteville,) SA SOCIETE TOURISTIQUE THERMALE ET HOTELIERE DE DIVONNE TTH (Divonne les Bains), SAS PARTOUCHE TECHNOLOGIES (Saint-Avertin), SAS LE CASINO DE LA POINTE CROISETTE (Cannes) starting 11 January 2010
Corporation Manager: SARL SEK (Juan Les Pins), SCI DU CASINO DE GRASSE
Member of the Executive Committee of : SAS PARTOUCHE IMAGES (Clichy)
Permanent Representative: SAS COMPAGNIE EUROPEENNE DE CASINOS, Director of SA SOCIETE DU CASINO DU PALAIS DE LA MEDITERRANEE (Nice), GROUPE PARTOUCHE corporation manager of SCI Rue Royale (Paris), SARL SEK (Juan-les-Pins), corporation manager of SCI EDEN BEACH CASINO (Juan-les-Pins).

OUTSIDE FRANCE
Chairman of the Board of Directors : SA BELCASINOS (Brussels), SA GRAND CASINO DE DJERBA (Tunisia)
Director : SA SIKB (Belgium), SA ECK (Belgium), SA GRAND CASINO DE TABARKA (Tunisia), SA CASINO KURSAAL OOSTENDE (Belgium)
Corporate Director : SA CHAUDFONTAINE LOISIRS (Belgium)
Permanent Representative : SA GROUPE PARTOUCHE, director of SA GROUPE PARTOUCHE INTERNATIONAL (Brussels)

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR ISIDORE PARTOUCHE BORN 21 APRIL 1931 IN TREZEL (ALGERIA) 3 173 646 SHARES HELD	AGM of 20 June 1996	31 October 2013	Vice Chairman of the Supervisory Board	Chairman of the Supervisory Board of Financière Partouche SA	IN FRANCE Managing Director : SA Société Européenne des Grands Restaurants (Paris) Director : SA Socle (Lille) SASP Losc Lille Métropole (Lille) OUTSIDE France Chairman : Enderbury GR Ltd (Cayman Islands) Chairman of the Board, Director : SA Ispar Holding (Fribourg)
MR MARCEL PARTOUCHE BORN 24 FEBRUARY 1920 IN TIARET (ALGERIA) DECEASED ON 17 JANUARY 2011	AGM of 20 June 1996	31 October 2013	Vice-Chairman of the Supervisory Board	Member of the Supervisory Board of Financière Partouche SA	
MR MAURICE SEBAG BORN 1 DEC. 1926 IN TIARET (ALGERIA) 25 545 SHARES HELD	AGM of 20 June 1996	31 October 2013	Member of the Supervisory Board Resigned on 13 December 2011. Replaced by Mr Daniel Cohen	Vice-Chairman of the Supervisory Board of Financière Partouche SA	
MR GASTON GHRENASSIA AKA ENRICO MACIAS BORN 11 DEC. 1938 IN CONSTANTINE (ALGERIA) 70 SHARES HELD	Co-opted to replace Mr. Jacques BENHAMOU by decision of the Supervisory Board of 11 December 1998	31 October 2013	Member of the Supervisory Board	Singer	Deputy General Manager, Director : SA Société Européenne des Grands Restaurants (Paris)
MR HUBERT BENHAMOU BORN 15 DECEMBER1948 IN TIARET (ALGERIA) 29 533 SHARES HELD	AGM of 29 April 2011	31 October 2016	Member of the Supervisory Board	Managing Director of Société Touristique Thermale Hôtelière de Divonne	Director : SA SHAL & CO (Luxembourg)

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

IN FRANCE
Chairman of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board),
Chairman: SAS COMPAGNIE EUROPEENNE DE CASINOS – CEC (Paris), SAS SOCIETE D'EXPLOITATION DU CASINO DE CONTREXEVILLE (Contrexeville), SAS SOCIETE DU CASINO DE SAINT AMAND (Saint-Amand les Eaux)
Director:, SAS CASINOS DU TOUQUET (Le Touquet), SAS DU GRAND CASINO ET DES BAINS DE MER (Dieppe), SAS GRAND CASINO DE CABOURG (Cabourg), SAS SOCIETE DU CASINO MUNICIPAL DE ROYAT (Royat), SAS CASINOS DE VICHY (Vichy), SA SOCIETE DES CHEMINS DE FER ET HOTELS DE MONTAGNE AUX PYRENEES - CHM (Vichy), SAS GRAND CASINO DE BEAULIEU (Beaulieu), SAS CASINO DE SAINT CAST LE GUILDO, SAS CASINO DE PALAVAS (Palavas les Flots), SA LYDIA INVEST (Port Barcarès), SA FORGES THERMAL (Forges les Eaux), SA SATHEL (La Tour de Salvagny), SA SOCIETE TOURISTIQUE THERMALE ET HOTELIERE DE DIVONNE - TTH DIVONNE (Divonne les Bains), SA GROUPE DE DIVONNE (Paris), SA SOCIETE DE BRASSERIE ET CASINOS " LES FLOTS BLEUS" (La Ciotat), SA CANNES BALNEAIRE - Palm Beach Casino (Cannes), SA SOCIETE DU CASINO MUNICIPAL D'AIX THERMAL (Aix en Provence), SA EDEN BEACH CASINO (Juan les Pins), SAS HOLDING GARDEN PINEDE (Juan les Pins)
Corporation Manager: SCI FONCIERE DE VITTEL ET CONTREXEVILLE (Vittel), SCI LES THERMES (Aix en Provence), SCI LERICHE ROSTAGNE (Paris), SOCIETE CIVILE IMMOBILIERE ET MOBILIERE PARTOUCHE "SCIMP" (Paris).

OUTSIDE France
Chairman, Corporate Director : SA GROUPE PARTOUCHE INTERNATIONAL – GPI (Brussels)
Director : SA LE GRAND CASINO DE DJERBA (Tunisia)

DECEASED ON 17 JANUARY 2011

IN FRANCE
Member of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman: SAS CASINO D'EVAUX LES BAINS (Evaux les Bains), SAS SOCIETE D'EXPLOITATION DU CASINO DE LA ROTONDE (Val André)
Deputy General Manager, Director: SAS JEAN METZ (Berck)
Director: SAS NUMA (Boulogne sur Mer), SAS CASINOS DU TOUQUET (Le Touquet Paris Plage), SAS PLOMBINOISE DE CASINO (Plombières les Bains), SA BARATEM (Le Touquet)

IN FRANCE
Vice-Chairman of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman: SAS NUMA (Boulogne sur Mer), SAS CASINO DE PORNICHET (Pornichet)
Chairman of the Board of Directors: SA GRAND CASINO DU HAVRE
Director SAS CASINOS DU TOUQUET (Le Touquet Paris Plage), SAS JEAN METZ (Berck sur Mer)

Member of the Supervisory Board of FINANCIERE PARTOUCHE SA (with Executive Board and Supervisory Board)
Chairman of the Board of Directors: SA SOCIETE DU CASINO D'ARCACHON

IN FRANCE
Managing Director : Société Touristique Thermale Hôtelière de Divonne TTH (Divonne-les-Bains)
Deputy General Manager, Director : SA du Casino d'Hauteville Lompnes
Director:, SA Société du Grand Casino d'Annemasse, Société d'exploitation du Casino de Divonne – SECD (Divonne-les-Bains)

OUTSIDE France
Member/Chairman : Club Privé du Casino de Knokke (Belgium)
Director : SA ECK (Belgium), SA SIKB (Belgium), SA Groupe Partouche International (Belgium), SA Grand Casino de Djerba (Tunisia)

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MR WALTER BUTLER BORN 16 AUGUST 1956 IN RIO DE JANEIRO (BRAZIL) **1 SHARE HELD**	AGM of 29 April 2011	31 October 2016	Member of the Supervisory Board	Managing Director of Butler Capital Partners	Managing Director : Société WB Finance & Partenaires, Société Butler Capital Partners (BCP) Chairman of the Supervisory Board : Société Osiatis France Chairman of the Board of Directors : Société Anov Expansion, Chairman of the Board of Directors : Société Anov France, Société Anov Immo Corporation Manager : Société Amstar Entreprises, SCI 30 Albert 1er Director : Société Adit Representing Butler Capital Partners as Chairman : Société Financière Accès Industrie, Société Access Investissement Permanent representative of Butler Capital Partners at the Supervisory Board : Société Access Industrie, Société Colfilm, Société VSSA Holding, Société Virgin Stores Permanent representative of Butler Capital Partners at the Board of Directors : Société Holding Sports & Evènements
MRS LISE NOBRE BORN 26 JUNE 1965 IN MARSEILLE (13) **1 SHARE HELD**	AGM of 29 April 2011	31 October 2016	Member of the Supervisory Board	Associate Butler Capital Partners	Member of the Supervisory Board: Virgin Stores Permanent representative of Butler Capital Partners: Société Adit Member of the Board of Managers / Corporation Manager: SARL GP Lux Investissements Corporation Manager: Société Lumen Director: Société Lisi
M. DANIEL COHEN BORN 27 OCTOBER 1962 IN CASABLANCA (MOROCCO) **1 SHARE HELD**	Supervisory Board Meeting held on 13 December 2011 in replacement of Mr Maurice Sebag, resigning	31 October 2013	Member of the Supervisory Board	Chairman of SAS Zalis	Chairman : SAS Zalis (Toulouse) Corporation Manager : SCI Cohen Investissements (Toulouse)

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

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

	FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

14.1.2 MEMBERS OF THE EXECUTIVE BOARD

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
M. FABRICE PAIRE BORN 10 OCTOBER 1969 IN MONTMORENCY (VAL D'OISE) 2 671 SHARES HELD	Supervisory Board of 3 November 2008	2 novembre 2013	Chairman of the Executive Board		Member of the Executive Committee : SAS Mereal Biometrics (Paris) Corporation Manager : SARL Aptax Consultants & SCI Haute Bourgeois (Paris) Director : SA Ispar Holding (Fribourg)
M. ARI SEBAG BORN 25 SEP 1961 IN TIARET (ALGERIA) 56 826 SHARES HELD	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board	Member of the Executive Board, General Manager of Financière Partouche SA	Corporation manager : SARL NOA Music (St-Saëns) SCI Elisa (Paris) General Manager : Groupe Partouche Bahamas Ltd

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)

Chairman : SAS Ludica (Paris), SAS Grand Casino de Bandol, SAS Cie pour le Développement du Tourisme Hyérois, SAS Casino de la Grande Motte, SAS Casino de Palavas (Palavas les Flots).
Member of the Executive Committee : SAS Partouche Images (Paris)
Director : SA Partouche Interactive (Paris), SAS Partouche Technologies (Saint Avertin), SAS Partouche Gaming France (Paris), SAS Systèmes Intelligents Casinos (Troyes), SAS Société du Grand Casino de Cabourg (Cabourg), SAS Le Touquet's (Calais), SAS Développement de la Baie de Kernic (Plouescat), SAS Casino de Pornichet (Pornichet), SAS Casino du Môle (Pornic), SAS Société du Casino Municipal de Royat (Royat), SAS Grand Casino de La Trinité (La Trinité sur Mer), SAS Casino de Saint Nectaire (Saint Nectaire).
Management Accountant : Institut des Métiers Clients des Jeux et des Casinos GIE I.M.C.J.C (Troyes)
Permanent Representative :
- Legal Entity of CEC – Director : SA Société du Caisno d'Arcachon, SA Casino de Coutainville, SA Le Miami (Andernos).
- Legal Entity of Groupe Partouche, Director: SA Complexe Commercial de la Roche-Posay, SAS Plombinoise de Casino, SAS Société d'Exploitation du Casino de la Rotonde (Pléneuf Val André), SAS Casino du Grand Café (Vichy), SAS Société du Casino du Palais de la Méditerranée (Nice), SAS Casino de Salies de Béarn.
Corporation Manager : SARL Société du Casino de Bourbon Lancy, SCI Lydia Investissements (Le Barcarès), SARL Partouche Tournois (Paris)

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

IN FRANCE
General Manager and Member of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board)
Managing Director: SA FORGES THERMAL
Chairman : SAS Société du Casino du Palais de la Méditerranée (Nice), SAS Casino et Bains de Mer de Dieppe, SAS Partouche Spectacles & Evènements "PSE" (Paris), SAS Casino de Salies de Béarn, SAS Systèmes Intelligents Casinos (Troyes)
Chairman of the Board of Directors : SA Le Miami (Andernos)
Deputy General Manager - Director: SA Grand Casino du Havre
General Manager: Partouche Immobilier SAS (Paris)
Director: SA Casino de Coutainville, SAS Casino de la Tremblade, SA Société du Grand Casino d'Annemasse (Annemasse), SA du Casino d'Hauteville Lompnes (Hauteville), SA Cannes Balnéaire (Cannes), SAS Holding Garden Pinède (Juan les Pins), SAS Société du Grand Casino de Cabourg (Cabourg), SAS Grand Casino de La Trinité, SA Partouche Interactive (Paris), SAS Partouche Technologies (Saint Avertin), SAS Casino de la Pointe Croisette (Cannes), SAS Société d'Exploitation du Casino de la Rotonde (Pléneuf Val André), SAS Casino du Grand Café (Vichy), SAS Casino de Vichy (Vichy), SAS Cinéma de l'Elysée Palace (Vichy), SAS Casino Municipal de Royat (Royat), SAS Casino de Saint Nectaire (Saint Nectaire), SAS Le Touquet's (Calais), SAS Casino de Saint Amand (Saint Amand les Eaux), SAS Partouche Gaming France (Paris), until 30 August 2010.
Corporate Manager : SAS Partouche Productions (Paris)
Member of the Executive Committee : SAS Partouche Images (Paris)
Permanent Representative:
- Legal entity of SA Groupe Partouche, Director SAS NUMA (Boulogne), SAS Grand Casino de Bandol, SAS Grand Casino de Pornichet, SAS Grand Casino de Saint Honoré until 31 October 2010, SAS Grand Casino de Beaulieu, SAS Cie pour le Développement du Tourisme yérois (Hyères), SAS Grande Casino de la Grande Motte, SAS Développement de la Baie de Kernic (Plouescat) and SAS Casino du Môle (Pornic).

OUTSIDE FRANCE :
Director: Groupe Partouche Intenrational GPI (Brussels), SA Casino Kursaal Oostende (Belgium), SA Chaudfontaine Loisirs (Belgium).
Permanent Representative : SA Groupe Partouche International, Director of SA Grand Casino de Djerba (Tunisia).

SUPERVISORY BOARD MEMBER (IDENTITY / DATE AND PLACE OF BIRTH)	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE MOTHER COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE MOTHER COMPANY	FUNCTIONS & MANDATES HELD OUTSIDE THE GROUP (*)
MME KATY ZENOU BORN 6 AUGUST 1961 IN TIARET (ALGERIA) **90 407 SHARES HELD**	Supervisory Board of 20 June 1996	2 November 2013	Member of the Executive Board, General Manager	Member of the Executive Board, General Manager of Financière Partouche SA	
M. ALEXANDRE SCHULMANN BORN 10 JANUARY 1974 IN LESQUIN (59)	Supervisory Board of 8 June 2011	2 November 2013	Member of the Executive Board	Chairman General Manager : Société du Casino Municipal d'Aix Thermal	
M. MOISE SERERO BORN 3 JANUARY 1962 IN FÈS (MOROCCO)	Supervisory Board of 9 December 2009 in replacement of Mr. Richard Partouche (resigning)	2 November 2013	Member of the Executive Board Resigned on 1st August 2011		Corporation Manager : SARL Kolconseil

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

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

FUNCTIONS & MANDATES HELD WITHIN THE GROUP (*)
IN FRANCE General Manager and Member of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board) Deputy General Manager and Director: SAS Casinos du Touquet (Le Touquet) Director: SAS Numa (Boulogne sur Mer), SA Société du Grand Casino d'Annemasse (until 02/12/2009), SA Baratem (Le Touquet), SAS Casino du Môle (Pornic), SAS Casino de Saint Honoré les Bains until 31 October 2010, SAS Partouche Gaming France (Paris). Permanent Representative of legal entitiy : Groupe Partouche SA, Director of SA Grand Casino du Havre & SA Cannes Balnéaire (Cannes) OUTSIDE FRANCE Director : SA Groupe Partouche International (Brussels)
IN FRANCE Chairman – Director of SA Société du Grand Casino de Gréoux les Bains Chairman General Manager : Société du Casino Municipal d'Aix Thermal Director : SAS Grand Casino de Bandol, SAS Cie pour le développement du tourisme hyérois (Hyères), SA Société de brasseries et casinos «Les Flots Bleus» La Ciotat, SA Complexe commercial de la Roche Posay (La Roche Posay) Corporation Manager : SARL Therm'Park (Aix en Provenc)e, SCI Résidence Les Jarres (Gréoux les Bains)
IN FRANCE Resigned on 14 June 2011 and 1st august 2011 from all his mandates

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

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

14.1.4 PROFESSIONAL EXPERIENCE

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

▸ **Patrick Partouche** arrived in France in 1965. He terminated his university studies in 1982 to join the business founded by his father Isidore Partouche. His first operational position in the group: At 25, he was appointed General Manager of Dieppe casino and remained in this position from 1989 to 1993. He became Managing Director of Casino Eden Beach, Juan les Pins, in 1993. In 1998, he took part in the acquisition of Casino Carlton and Palm Beach in Cannes which he obtained the authorisation to open in August 2002. As General Manager of Groupe Partouche until 2004, he assumed responsibility for the Group's business in South East France and was also in charge of marketing, communication and new technologies. He focused particularly on strategic issues and questions. He was appointed Chairman of the Executive Board of Groupe Partouche on 31 January 2005. Since December 2006, he has also represented the profession as Chairman of the Syndicat des Casinos Modernes de France.

▸ **Marcel Partouche**, having begun his professional career as a teacher, he went on to become a wholesaler. Right from the start, under the leadership of Isidore Partouche and alongside his brothers, he took an active role in Groupe Partouche's creation and development. From his base in Le Touquet, where the group has its roots, he continues to monitor the activities of casinos based in the North of France on a daily basis.

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

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

▸ **Hubert Benhamou**, arrived in France in 1962 at the age of 13. He actively participated in the growth of the Group by managing several significant establishments from 1973 to 1996. He then held the position of Chairman of the Executive Board of Groupe Partouche until 31 January 2005. He remained as CEO and member of Executive Board of Groupe Partouche until 2007 after which he took part in representing the profession as Chairman of the Syndicat des Casinos Modernes de France and in restoring the fortunes of Groupe de Divonne acquired in September 2005.

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

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

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

▸ **Fabrice Paire**, has a degree in Internal Audit and Chartered Accountant (University of Paris Dauphine). He started his career with an Audit and Advisory firm, where he became partner. He was in charge of the accounts of many casinos of Groupe Partouche. He joined the latter in 2001 as administrative manager. In 2005, Patrick Partouche appointed him company secretary of the Group; before joining the Executive Board of the Group. He became CEO in November 2008.

▸ **Ari Sebag**, has a degree in business law and tax (University Paris 1 - 1984). After spending three years with a law firm and an experience in audiovisual production, he joined Groupe Partouche in 1989 as General Manager of Forges-Les-Eaux Casino. As General Manager and member of the Executive Board of Groupe Partouche following its initial public offering in 1995, he focuses on international business development while assuming operating responsibility of the establishments in north west France. He has provided support for his cousin Patrick Partouche since the latter's appointment as Chairman of the Group's Executive Board.

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

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

▸ **Moise Serero**, a graduate of Paris I University, with a postgraduate degree from the ESCP Europe Business School, began his career at Métrologie before founding his own business, SVP group, which he subsequently sold to Sitel/Onex. With 20 years' experience in information technology, telecommunications and BPO, as well as having headed several businesses in France and abroad, he joined the Group in 2008 as a board member and managing director of Partouche Interactive.

14.1.5 ADDITIONAL INFORMATION

During the Supervisory Board meeting held on 13 December 2011, Mr Daniel COHEN was designated member of the board in replacement of Mr Maurice Sebag (resigned).

There is no independent member in the Supervisory Board up to date.

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

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

14.1.6 CONDEMNATIONS, BANKRUPTCIES, SANCTIONS, ETC.

To the best of the company's knowledge, none of these people has been subject to the following during the five years until the date of registration of the present annual report

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

14.2 Conflicts of interest with respect to executive, supervisory and senior management bodies

14.2.1 INDEPENDENCE OF EXECUTIVE BODIES

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

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

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

Finally, no restrictions have been accepted by any member of the management, executive or supervisory bodies in respect of the disposal, within a specific period, of their interest in the share capital of the issuer.

14.2.2 TRANSACTIONS IN SECURITIES BY GROUPE PARTOUCHE EXECUTIVES

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

During the financial year, Mr. Maurice Sebag and Mr. Patrick Partouche, members of the Supervisory Board and Mrs Katy Zenou, Mr. Fabrice Paire and Mr. Ari Serbag, members of the Executive Board subscribed to the share capital increase which took place in May 2011.

Thus, the members of the Executive Board acquired new shares as follows: Mrs Katy Zenou 14,003, Mr. Fabrice Paire 418 and Mr. Ari Sebag 8,801.

The members of the Supervisory Board acquired new shares as follows: Mr. Patrick Partouche 11,045 and Mr. Maurice Sebag 10,445.

14.3 Internal rules of procedure for the supervisory board and its committees

On 27 October 2005, the Supervisory Board decided to draw up the following internal rules of procedure covering the guiding principles for its operations, amended on 24 December 2008, and this after the suppression of the of its committees. In fact, considering the strong family spirit prevailing in the company and the restricted number of members of the board, it became more and more difficult to apply the provisions of Article R225-56 of the Code of Commerce and the recommendations of the Afep/Medef report published on October 2003.

Amended by decision of the supervisory board on 8 June 2011.

ARTICLE 1. STRATEGIC ORIENTATIONS

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

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

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

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

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

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

ARTICLE 3. CONTROL BY THE SUPERVISORY BOARD

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 5. SUPERVISORY BOARD COMMITTEES

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

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

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

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

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

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

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

ARTICLE 6. THE AUDIT COMMITTEE

The Audit Committee effects an annual examination of the Holding company and of the Group's consolidated financial statements and periodically examines internal control procedures and more generally all the procedures for auditing accounting or management that are in force within the Group.

It also acts as an intermediary between the Supervisory Board and the Statutory Auditors of the Group.

The Audit Committee reviews changes to the accounting standards applied in the preparation of financial statements and investigates any lack of compliance with these standards;

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

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

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

ARTICLE 7. REMUNERATION COMMITTEE

The Remuneration Committee's task is to determine the remuneration of the members of the Executive Board, and to obtain, through the Executive Board, information relating to the remuneration and status of the Directors of the Group.

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

ARTICLE 8. MEETINGS OF THE SUPERVISORY BOARD

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

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

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

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

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

ARTICLE 9. PARTICIPATION IN THE MEETINGS OF THE SUPERVISORY BOARD VIA VIDEO-CONFERENCING

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. OBLIGATION OF INDEPENDENCE FOR MEMBERS OF THE SUPERVISORY BOARD

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

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

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

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

The members of the Supervisory Board must refrain from:

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

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

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

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

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

15 REMUNERATION AND BENEFITS

15.1 Amount of remuneration and benefits in kind

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

The total remuneration paid to the Executive and Supervisory bodies during the financial year ended 31 October 2011 amounted to 1,953,974 €.

15.1.2 REMUNERATION OF COMPANY OFFICERS

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

Pursuant to the provisions of Article L.225-102-1 of the Code of Commerce, all of the company officers' remuneration that is received during the financial year ended 31 October 2011 from Groupe Partouche, is summarized in the table below on an individual basis:

FINANCIAL YEAR AT	31/10/2011		31/10/2010		31/10/2009	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
MEMBERS OF THE SUPERVISORY BOARD						
Mr. Patrick Partouche – Chairman of the Supervisory Board						
Fixed Remuneration	400 838	400 838	317 085	317 085	317 085	317 085
Exceptional Remuneration						
Directors' fees						
Benefit in kind (*)	6 915	6 915	6 915	6 915	6 915	6 915
Total	407 753	407 753	324 000	324 000	324 000	324 000
Mr. Isidore Partouche – Vice Chairman of the Supervisory Board						
Fixed Remuneration	216 000	216 000	216 000	216 000	216 000	216 000
Exceptional Remuneration						
Directors' fees	-	-	-	-	-	-
Benefit in kind						
Total	216 000	216 000	216 000	216 000	216 000	216 000
Mr. Marcel Partouche – deceased on 17 January 2011						
Fixed Remuneration	42 798	42 798	205 744	205 744	204 522	204 522
Exceptional Remuneration						
Directors' fees	-	-	-	-	-	-
Benefit in kind						
Total	42 798	42 798	205 744	205 744	204 522	204 522
Mr. Maurice Sebag – Member of the Supervisory Board						
Fixed Remuneration	154 179	154 179	167 454	167 454	154 179	154 179
Exceptional Remuneration						
Directors' fees	-	-	-	-	-	-
Benefit in kind						
Total	154 179	154 179	167 454	167 454	154 179	154 179
Mr. Gaston Ghrenassia – Member of the Supervisory Board						
Fixed Remuneration	-	-	-	-	5 000	5 000
Exceptional Remuneration						
Directors' fees	-	-	-	-	-	-
Benefit in kind						
Total	-	-	-	-	5 000	5 000

FINANCIAL YEAR AT	31/10/2011		31/10/2010		31/10/2009	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Mr. Hubert Benhamou – Member of the Executive Board						
Fixed Remuneration	18 900	18 900				
Exceptional Remuneration						
Directors' fees						
Benefit in kind	2 654	2 654				
Total	21 554	21 554				
Mr. Walter Butler – Member of the Executive Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total	-	-				
Mrs Lise Nobre – Member of the Executive Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total	-	-				
Mr. Daniel Cohen – Member of the Executive Board						
Fixed Remuneration						
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total	-	-				

MEMBERS OF THE EXECUTIVE BOARD						
Mr. Fabrice Paire – Chairman the Executive Board						
Fixed Remuneration	256 517	256 517	216 000	216 000	216 000	216 000
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total	256 517	256 517	216 000	216 000	216 000	216 000
Mr. Ari Sebag – Member of the Executive Board & General Manager						
Fixed Remuneration	374 583	374 583	354 583	354 583	354 583	354 583
Exceptional Remuneration						
Directors' fees						
Benefit in kind (*)	10 180	10 180	21 473	21 473	21 399	21 399
Total	384 763	384 763	376 056	376 056	375 982	375 982

FINANCIAL YEAR AT	31/10/2011		31/10/2010		31/10/2009	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Mrs Katy ZENOU – Member of the Executive Board & General Manager						
Fixed Remuneration	233 924	233 924	233 924	233 924	233 924	233 924
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total	233 924	233 924	233 924	233 924	233 924	233 924
Mr. Moise Serero – Member of the Executive Board						
Fixed Remuneration	184 645	184 645	266 378	332 078	0	0
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total	184 645	184 645	266 378	332 078	0	0
Mr. Richard Partouche – Member of the Executive Board						
Fixed Remuneration			14 960	14 960	14 300	14 300
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total			14 960	14 960	14 300	14 300
Mr. Alexandre Schulmann – Member of the Executive Board						
Fixed Remuneration	51 841	51 841				
Exceptional Remuneration						
Directors' fees						
Benefit in kind						
Total	51 841	51 841				

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

All items are fixed amounts

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

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

C) PERFORMANCE ALLOWANCES AWARDED TO EACH DIRECTOR

Directors have not and do not benefit of any performance allowance.

D) EMPLOYMENT CONTRACTS, SPECIFIC RETIREMENTS PLANS, INDEMNITIES FOR DEPARTURES, NON COMPETITION CLAUSE IN FAVOUR OF THE DIRECTORS

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		EVENTUAL INDEMNITIES OF ADVANTAGES IN CASE OF DEPARTURE OR CHANGE OF JOB POSITION		INDEMNITIES RELATED TO A NON COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
SUPERVISORY BOARD								
Mr. Patrick Partouche *Chairman of the Supervisory Board* *First nomination: 18 March 2011* *End of office: 2 November 2013*		X		X		X		X
Mr. Isidore Partouche *Chairman of the Supervisory Board* *First nomination: 20 June 1996* *End of office: 31 October 2013*		X		X		X		X
Mr. Maurice Sebag *Member of the Supervisory Board* *First nomination: 20 June 1996* *End of office: 13 December 2011*		X		X		X		X
Mr. Gaston Ghrenassia *Member of the Supervisory Board* *First nomination: 11 December 1998* *End of office: 31 October 2013*		X		X		X		X
Mr. Hubert Benhamou *Member of the Supervisory Board* *First nomination: 29 April 2011* *End of office: 31 October 2016*		X		X		X		X
Mr. Walter Butler *Member of the Supervisory Board* *First nomination: 29 April 2011* *End of office: 31 October 2016*		X		X		X		X

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		EVENTUAL INDEMNITIES OF ADVANTAGES IN CASE OF DEPARTURE OR CHANGE OF JOB POSITION		INDEMNITIES RELATED TO A NON COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
Mrs Lise Nobre *Member of the Supervisory Board* *First nomination: 29 April 2011* *End of office: 31 October 2016*		X		X		X		X
Mr. Daniel Cohen *Member of the Supervisory Board* *First nomination: 13 December 2011* *End of office: 31 October 2013*		X		X		X		X
EXECUTIVE BOARD								
Mr. Fabrice Paire (*) *Chairman of the Executive Board* *First nomination: 3 November 2008* *End of office: 2 November 2013*	X			X		X		X
Mr. Ari Sebag *Member of the Executive Board – General Manager* *First nomination: 20 June 1996* *End of office: 2 November 2013*		X		X		X		X
Mrs Katy ZENOU *Member of the Executive Board – General Manager* *First nomination: 20 June 1996* *End of office: 2 November 2013*		X		X		X		X
Mr. Moise Serero *Member of the Executive Board* *First nomination: 9 December 2009* *Resigned on: 1 August 2011*		X		X		X		X

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		EVENTUAL INDEMNITIES OF ADVANTAGES IN CASE OF DEPARTURE OR CHANGE OF JOB POSITION		INDEMNITIES RELATED TO A NON COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
Mr. Richard Partouche *Member of the Executive Board – General Manager* *First nomination: 9 December 2009* *End of office: resigned on 2 December 2009*		X		X		X		X
Mr. Alexandre Schulman (**) *Member of the Executive Board* *First nomination: 8 June 2011* *End of office: 2 November 2013*	X			X		X		X

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

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

No directors' fees were paid for the 2010-2011 financial year.

15.2 Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits

The total amount set aside to provide pensions for the entire financial year for all persons listed Chapter 14.1 was €3,561.

OPERATION OF DIRECTORS' AND EXECUTIVE BODIES

16

16.1 Term of office of directors and senior executives

The terms in office of members of the Supervisory Board, Mr. Isidore Partouche, Mr. Patrick Partouche (as replacement for Mr. Marcel Partouche who deceased), Daniel Cohen (as replacement for Maurice Sebag who resigned) and Gaston Ghrenassia, which were initially renewed in their entirety by the Shareholders' Meeting of 2 April 2008 for a period of six financial years, will expire at the end of the Annual Shareholders' Meeting convened to approve the financial statements for the year ended 31 October 2013.

The terms in office of Mrs Lise Nobre, Mr. Walter Butler and Mr. Hubert Benhamou appointed by the Annual Shareholders' Meeting of 29 April 2011 for a period of six financial years, will expire at the end of the Annual Shareholders' Meeting convened to approve the financial statements for the year ended 31 October 2016.

The terms in office of all the members of the Supervisory Board were renewed in their entirety by the Executive Board at its meeting of 2 November 2007, for a period of six years; they will expire on 1 November 2013.

The recommendations of the Afep-Medef report issued in 2003, concerning staggered terms of Board members, was rendered possible by the appointment at the Annual Shareholders' Meeting of 29 April 2011 of three new members to the Supervisory Board.

16.2 Service contracts providing future benefits

(See auditors special report chapter 19)

SERVICE AGREEMENTS INVOLVING FINANCIÈRE PARTOUCHE SA

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

Furthermore, Groupe Partouche and Financière Partouche have signed a shareholder advance agreement and a subordination agreement concerning the repayment of the syndicated loan, granting the syndicated loan precedence of over the shareholder advance.

Following negotiations with the banking pool, the shareholder advance agreement and subordination agreement governing the €100m loan made by Financière Partouche to Groupe Partouche contain the following key clauses:

1. SHAREHOLDER ADVANCE AGREEMENT

The advance expires on 31 December 2015.

The outstanding debt on the shareholder advance is charged at an annual rate equal to the 1-, 2-, 3- or 6-month Euribor plus a 2.00% margin per year.

The loan made to Groupe Partouche SA under the shareholder advance agreement can only be reimbursed according to the terms set forth at the expiration of the subordination agreement.

2. SUBORDINATION AGREEMENT

Repayment of the syndicated loan will take precedence over reimbursement of the shareholders' advance. Group Partouche shall not pay any interest or dividends to Financière Partouche under the subordinated shareholder advance or for any other motive except for payments from surplus cash flow. (see § 4.1.1 Liquidity risk note 5. Repayments of surplus cash flow).

3. POSITION AFTER THE SHARE CAPITAL INCREASE OF GROUPE PARTOUCHE OF 13 AUGUST 2010

During his meeting held on 16 July 2010, the Executive Board of Groupe Partouche covened to the share capital increase of the company as provided by the resolutions of the Extraordinary General Assembly of the shareholders held on 6 April 2009.

On 26 July 2010, the chairman of the Executive Board attested that the balance of the current account of Financière Partouche SA amounted to 100.000.000 €; and that Groupe Partouche agreed to make this debt eligible up to the effective amount of the subscription by Financière Partouche SA to the increase in the share capital, i.e. a maximum amount of 74.591.686 €.

On 13 August 2010, the chairman, by delegation of the Executive Board observed that the increase of the share capital of Groupe Partouche SA was completed and that, Financière Partouche SA subscribed to 33.276.915 irreducible share for 66.553.830 € and 4.018.928 reducible shares for 8.037.856 €, i.e. 37.295.843 shares for a total price of 74.591.686 € fully paid by compensation of part of the shareholder's advance to the company, the balance of which now totals 25.408.314 €.

At the end of the share capital increase of 13 August 2010, Financière Partouche SA shareholding amounted to 66.135.843 out of the 81.820.207 shares of 2€ each forming the share capital.

4. POSITION AFTER THE SHARE CAPITAL INCREASE OF GROUPE PARTOUCHE VOTED BY THE EXTRAORDINARY MEETING OF 29 APRIL 2011

Following the €24,855,225 capital increase reserved for FCPR Private Equity III and Butler Capital Partners, completed on 4 May 2011 and the €5,741,768 capital increase completed on 27 May 2011 by the Executive Board, after approval of the same Meeting, maintaining the pre-emptive right to subscribe to shares, the company's share capital increased to €193,631,182 comprising 96,815,591 shares each with a €2.00 nominal value.

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

SERVICE AGREEMENTS INVOLVING ISPAR HOLDING SA

Ispar Holding SA is a company chaired and managed by Mr. Isidore Partouche, which has concluded a headquarters' service sharing agreement with Groupe Partouche SA. It provides support and advisory services to the Group's Swiss casinos. Since Mr. Isidore Partouche assigned his subscription rights to the capital increase completed on 27 May 2011, Ispar Holding now holds 2,012,731 shares, i.e. 2.08% of the share capital.

SERVICE AGREEMENTS INVOLVING SHAL & CO SA

Shal & Co is chaired and managed by Mr. Hubert Benhamou. Shal & Co entered into a management consultancy agreement with Groupe Partouche for some of its subsidiaries.

Except for the information given here above and as provided in 16.2 of Annex I of the European Regulation n° 804-2004, there are no other service agreements between the administrative, management and supervisory bodies of the issuer and any of its subsidiaries that may grant advantages at the termination of such contract.

16.3 Executive Board and Supervisory Board

16.3.1 EXECUTIVE BOARD

COMPOSITION OF THE EXECUTIVE BOARD

Mr. Fabrice Paire: Chairman of the Executive Board since 18 march 2011 in replacement of Mr Patrick Partouche following his nomination chairman of the supervisory board

Mr. Ari Sebag: Member of the Executive Board, Managing Director

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

Mr. Alexandre Schulmann: Member of the Executive Board, appointed by the Supervisory Board on 8 June 2011 in replacement of Mr Richard Partouche (resigning)

Mr. Moise Serero: Member of the Executive Board, appointed by the Supervisory Board on 9 December 2009 given in replacement of Mr. Richard Partouche. Resigned from his mandate on 1 August 2011 and was not replaced.

MEETINGS OF THE EXECUTIVE BOARD

The Executive Board met on 13 occasions during the financial year ended 31.10.11, and three times afterwards, with a 100% attendance rate.

FUNCTIONING OF THE EXECUTIVE BOARD

Please refer to Chapter 21.2.2.

MAIN WORK PERFORMED IN FINANCIAL YEAR 2011

The meetings of the Executive Board related first and foremost to the quarterly, half-yearly and annual accounts closes. The Executive Board prepared and presented a detailed activity report which allows the Supervisory Board to carry out its mission appropriately.

ACCOUNTS MEETINGS:

- 13 December 2010 (Q4 2010), 21 February 2011 (Q1 2011), 7 June 2011 (Q2 2011), 13 September 2011 (Q3 2011);
- Half-yearly consolidated statements: 27 June 2011;
- Annual accounts: 30 January 2012 (Financial year 2010/2011)

During the financial year under study, the Executive Board also decided:

- on 24 January 2011 to approve the signature of rider n° 2 to the agreement executed with the banking pool on 27 September 2005;
- on 21 March 2011 to postpone to 21 April 2011 the Extraordinary Shareholders' Meeting decided during the meeting of 24 January 2011;
- also on 21 March 2011 to execute a memorandum of understanding with Butler Capital Partners;
- on 29 March 2011 that the company Casino du Havre would participate in the capital increase;
- on 6 April 2011, on another postponement to 29 April 2011 of the Annual Shareholders' Meeting;
- on 29 April 2011 to carry out a capital increase in accordance with the approval of the Extraordinary Shareholders' Meeting of the same date.

In addition, on 27 May 2011, the Chairman of the Executive Board recorded the completion of the capital increase and the modification of the articles of association accordingly.

Also, the Executive Board convened on 22 August 2011 in order to prepare the broad outlines of management forecast for the company.

After the end of the financial year, the Executive Board met on:

- 12 December 2011 in order to review the accounts of 4th quarter 2011;
- 30 January 2012 in order to review the company's and the consolidated financial statements at 31 October 2011, finalize the management report together with the resolutions to be submitted to the shareholders.
- On 20 February to review the accounts of the 1st quarter 2012 and review the presentation by the Executive Board of the budget for the financial year in progress.

16.3.2. SUPERVISORY BOARD

COMPOSITION OF THE SUPERVISORY BOARD

Mr. Isidore Partouche: Chairman of the Supervisory Board until 18 March 2011 and, subsequently, Vice Chairman of the Supervisory Board.

Mr. Marcel Partouche: Vice-Chairman of the Supervisory Board, deceased on 17 January 2011.

Mr. Patrick Partouche: appointed to the Supervisory Board in replacement of Mr. Marcel Partouche, and, from that date, designated as Chairman of the Supervisory Board.

Mr. Maurice Sebag: member of the Supervisory Board who resigned on 13 December 2011.

Mr. Gaston Ghrenassia: Member of the Board.

Mrs Lise Nobre: first woman appointed member of the Supervisory Board by the Ordinary Annual Shareholders' Meeting of 29 April 2011.

Mr. Walter Butler: member of the Board, appointed by the Ordinary Annual Shareholders' Meeting of 29 April 2011.

Mr. Hubert Benhamou: member of the Board, appointed by the Ordinary Annual Shareholders' Meeting of 29 April 2011.

Mr. Daniel Cohen: member of the Board, temporarily appointed on 13 December 2011 pending ratification of his appointment during the Shareholders' Meeting called to approve the financial statements for the year ending 31 October 2011, as replacement for Maurice Sebag who resigned.

FUNCTIONING OF THE SUPERVISORY BOARD

Please refer to Chapter 21.2.2.

MEETINGS OF THE SUPERVISORY BOARD

During the financial year ended 31 October 2011, the Supervisory Board met on 12 occasions, with an attendance rate of more than 90%; and on three occasions afterwards.

PREPARATORY MEETINGS FOR THE BOARD MEETINGS

Meetings of the Supervisory Board: The members of the Supervisory Board receive accounting documents and, in general, documents relating to the Board, on average 10 days before the Board meeting.

EVALUATION OF SUPERVISORY BOARD MEMBERS

The methods of evaluating members of the Supervisory Board, as detailed in the Vienot 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.

To date, each member of the Supervisory Board has either 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, or in the case of Mrs. Nobre and Mr. Butler, expertise in growth and investment and in financial strategy and in the case of Mr. Cohen in risk management.

The Supervisory Board evaluates its members once a year. During the financial year under review, this assessment did not reveal any dysfunction which may have a prejudicial effect on the company.

No variable portion of remuneration related to performance or progress is allocated to the company officers.

MAIN WORK PERFORMED IN FINANCIAL YEAR 2011

The meetings of the Executive Board related first and foremost to the review of the detailed activity reports submitted by the Executive Board at the end of quarterly, half-yearly and annual periods, which allows the Supervisory Board to carry out its mission appropriately.

During the past financial year, the Supervisory Board met 12 times.

It reviewed the Executive Board's reports on:

- the quarterly statements: 14 December 2010 (Q4 2010), 23 February 2011 (Q1 2011), 8 June 2011 (Q2 2011) and 14 September 2011 (Q3 2011);
- Half-yearly consolidated statements: 28 June 2011;
- Annual statements 2010: 28 January 2011.

During the past financial year, the Supervisory Board also decided:

- to authorise Groupe Partouche to provide the company BNP Lease a payment guarantee, on behalf of the company, relative to the leasing agreement subscribed by its subsidiary Partouche Images (Supervisory Board of 15 November 2010);
- to authorise the Executive Board to renew the lease for Casino du Havre (Supervisory Board of 15 November 2010) ;
- to authorise the Executive Board to acquire from Mr. Ari Sebag shares of the SA Hôtel International de Lyon (Supervisory Board of 25 November 2010);
- to authorise the Executive Board to repurchase from CEC the receivable it held concerning the company Palais de la Méditérrannée (Supervisory Board of 28 February 2011);
- to appoint as member of the Supervisory Board as replacement for Mr. Marcel Partouche, Mr. Patrick Partouche, and to appoint him Chairman of the Board and to appoint Mr. Fabrice Paire Chairman of the Executive Board and Mr. Isidore Partouche Vice-Chairman of the Supervisory Board (Supervisory Board of 18 March 2011);
- to authorise the Executive Board to execute a memorandum of understanding with Butler Capital Partners and to authorise the Executive Board to change the date of the Ordinary Annual Shareholders' Meeting (Supervisory Board of 22 March 2011);
- to authorise the Executive Board to execute a rider to the memorandum of understanding executed with Butler Capital Partners and to review the new resolutions of the Annual Shareholders' Meeting submitted by the Executive Board (Supervisory Board of 8 April 2011);
- to appoint Mr. Alexandre Schulman as member of the Executive Board, as replacement for Mr. Patrick Partouche, who resigned, to re-establish the Board committees and to amend the internal regulations accordingly (Supervisory Board of 8 June 2011);
- to authorise the execution of two new tax consolidation agreements with its subsidiaries SA Casino de la Tremblade and SA Société immobilière Cannosta (Supervisory Board of 14 September 2011).

The Supervisory Board met three times after the balance sheet date, between 1 November 2011 and 29 February 2012 in order:

- to review the accounts of the 4th quater 2011 and to appoint Mr. Daniel Cohen, temporarily pending ratification of his appointment by the Ordinary Annual Shareholders' Meeting, as replacement of Mr. Maurice Sebag who resigned (Supervisory Board of 13 December 2011);
- to review the holding company and consolidated financial statements for the financial year ending 31 October 2011 and to review the report of the Executive Board thereof, and to appoint Mr. Daniel Cohen to the Audit Committee (Supervisory Board of 31 January 2012);
- Finally, on 21 February 2012, the Supervisory Board reviewed the Executive Board's report on the parent company financial statements for the 1st quarter 2012 and heard the report of the Audit Committee which met on 16 February 2012.

16.4 Observation of corporate governance practices

Groupe Partouche SA's corporate governance practices are not defined by any corporate governance framework or code.

However, Groupe Partouche endeavours to observe and apply the principles of corporate governance. More specifically, it draws on the Middle Next code concerning corporate governance for small- and mid-cap companies published in December 2009. During the financial year 2011, Groupe Partouche strived to increase its compliance with several principles, which the specific aspects of its operating procedures linked to its continued significant family control could not allow up till then, and more specifically, by re-establishing committees by the Supervisory Board.

The main instruction in the Middle Next Code from which the company derogates concerns maintaining Mr. Paire's employment contract in his capacity as General Secretary. Indeed, it would seem that it is in the company's best interest that Mr. Paire, Group Administrative Manager since 2001 and then General Secretary of the Group since 2005, keep his positions after his appointment as member and then Chairman of the Executive Board, considering the competence and efficiency he has shown in the said positions, completely independently from those he shows in implementing his role as company officer.

Since the Extraordinary Shareholders' Meeting of 20 June 1996, our company has been governed by 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 four members of the current Executive Board and on the other hand, the control function, which is permanently exercised by a Supervisory Board, which grew from four members to seven during the financial year.

It should also be noted that the Supervisory Board meets very frequently, with an attendance rate by its members of over 90%. After familiarising itself with the required documents and information, the Supervisory Board carries out an in-depth review of items for discussion.

Moreover, since October 2005, as advocated by the AMF's terms of reference for the implementation of corporate governance principles for small- and mid-cap companies, the company has applied a set of internal rules (see 14.3) that governs the procedures to be followed by the Supervisory Board and sets out the duties of its members (see 14.3).

The formation of Supervisory Board, which during the previous financial years only comprised four members, changed during the financial year ending 31 October 2011, with the appointment of three new members by the Ordinary Annual Shareholders' Meeting of 29 April 2011, including the first woman on the board, then, after the financial year 2011 had ended, the co-opting on 13 December 2011 of Mr. Daniel Cohen, an expert in risk management, as a replacement for Mr. Maurice Sebag who resigned.

In addition, during its meeting of 8 June 2011 when three new members arrived on the board, the Supervisory Board, which, in 2008, had been obliged to terminate the audit, financial and remuneration committees it had created in 2005, was able to comply with Article L.830-19 of the Commercial Code and constitute an audit committee and an appointment and remunerations committee (please refer to 14.2-1 Articles 6 and 7 of the Internal Rules).

Though there is no independent member in the audit committee, as advocated by the AMF's report of 22 July 2010, because there are no such members of the Supervisory Board, the members composing it have genuine experience in the fields of corporate governance, financial information and risk management which they acquired during the exercise of their previous functions within the company or during the exercise of functions within other companies for with they hold or held key positions, over several years, and endeavour to carry out their work in accordance with the guidance included in the aforementioned report.

The audit committee appointed for one year is composed of Mrs. Lise Nobre, Mr. Patrick Partouche and Mr. Hubert Benhamou and Mr. Daniel Cohen, appointed on 31 January 2012, and met regularly since its constitution and more specifically, at the occasion of the meeting of the Supervisory Board of 13 December 2011, to take stock, upon closing of the financial year, of supervising the process for preparing financial information and the efficiency of the internal control and risk management procedures implemented within the group (see 16.5.1 Report of the Chairman of the Supervisory Board). It also met on 16 February 2011 to review the company's estimated budget for the financial year in progress. It also ensured that the annual and consolidated financial statements were correctly audited by the company's statutory auditors as well as ensuring their independence.

During its sitting of 16 February 2012, it also reviewed the French version of the Reference Document before its submission to the AMF and heard the Chairman of the Executive Board present the budget for financial year 2012.

16.5 Other significant items with respect to corporate governance, procedures and internal control

16.5.1 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD RELATING TO THE ORGANISATION AND INTERNAL CONTROL PROCEDURES

Ladies and Gentlemen,

Pursuant to the provisions of Article L. 225-68 of the Code of Commerce ensuing from Article 117 of the Loi de sécurité financière (Financial Security Act), it is my responsibility as Chairman of the Supervisory Board of Groupe Partouche SA to present: (I) the conditions under which the Board's work is prepared and organised, and (II) the internal control procedures implemented by your Company during the financial year ended 31 October 2011, procedures which apply to all of the Company's majority-owned consolidated subsidiaries.

This report was prepared with the assistance of the Company's operational and functional divisions, and draws on the small- and mid-cap companies corporate governance code published in December 2009, with the understanding that the Board was acquainted with the key points set out in the preamble of the said code.

You are also informed that:

- corporate governance practices are set out in section 16.4 above;
- the methods used to determine remuneration for corporate officers are set out in section 15.1.2;
- the terms under which shareholders may attend Shareholders' Meetings are set out in Article 27, points III and V of the Articles of Association;
- The information provided by Article 225-100-3 of the Code of Commerce is shown in sections 18 and 21 of this report. In particular, the information on:
  - the capital structure of the company in 18.1,
  - voting rights in 18.2,
  - transfers of shares in 21.2.6,
  - rights attached to shares in [18.1],
  - change of control in 18.4,
  - rules applicable to the appointment of members of the Executive Board as well as changes in the articles of association in 21.2.2 and 21.2.5,
  - the Executive Board's power in 21.2.2,
  - and finally changes in share capital in 21.2.8 ;
- There is no provision for any severance pay for the members of the Executive Board or for employees in the event of resignation, dismissal or loss of employment due to a takeover bid;
- Nor are there any agreements into which the company has entered that would be changed or end in the event of a change of control of the company;
- There is no provision for any audit in the event of an employee share scheme.

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

Information on the conditions under which the Supervisory Board's work is prepared and organised is set out in the Board's internal rules and is specified above in Chapter 16.3.2 of this document. They relate in particular to the following:

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

INTERNAL CONTROL PROCEDURES IMPLEMENTED

Although the Company's internal control procedures are not defined by any framework, in implementing them, Groupe Partouche has drawn on the small and mid-cap companies corporate governance code published in December 2009.

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

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

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

By helping prevent and control risks that might prevent the Company achieving its objectives, the internal control system plays a key role in the management and coordination of the Company's various activities.

However, internal control arrangements cannot provide an absolute guarantee that the Company will achieve its objectives.

In the specific case of Groupe Partouche, which operates in an environment of decentralised functions and responsibilities, internal control arrangements are based on a set of rules, policies, procedures and practices intended to ensure that the required measures are implemented to control risks liable to have a material impact on the Group's assets or the achievement of its objectives.

SCOPE OF INTERNAL CONTROL

In order to achieve these objectives, the Group's internal control procedures are implemented within each subsidiary under the responsibility of operational and functional divisions at all levels of the organisation. Each person involved in internal control within the organisation is thus informed of his or her role and responsibilities.

Internal control procedures are therefore applied the whole of Groupe Partouche, which consists of Groupe Partouche SA and all its fully consolidated entities.

IMPLEMENTATION OF INTERNAL CONTROL OBJECTIVES

Internal control procedures form part of the general framework of policy defined by the Executive Board. At head office level, they are implemented by senior management and operational divisions; at subsidiary level, they are implemented by and under the responsibility of senior management.

IDENTIFICATION, ASSESSMENT, MONITORING AND CONTROL OF RISKS

The internal control procedures are part of an ongoing process of evaluating and managing risks that may impact the realisation of objectives defined by the Group.

The evaluation of risk factors helps to define the appropriate internal control procedures. These risk factors are identified through regular, detailed interviews held by senior management with members of operational and functional head office divisions, taking into account the Group's past experience in relation to risk.

The identification, assessment and monitoring of risks is regularly updated by senior management, with the help of the relevant operational staff, via meetings at head office. At subsidiary level, this information is updated via meetings involving members of senior management and staff from operational divisions.

Groupe Partouche SA uses these meetings to promote a controlled risk environment within its subsidiaries, and to manage as effectively as possible any risks liable to impact the achievement of the Group's objectives.

The main risks are described in Chapter 4. The methods implemented to manage and control these risks are set out below.

INTERNAL CONTROL PROCEDURES RELATIVE TO OPERATIONAL CONTROL AND LEGAL AND REGULATORY COMPLIANCE

OPERATIONAL CONTROL

Operational control is mainly dependent upon the sustainability and security of the Group's information systems.

Information systems:

The accounting and financial system used within the Group aims to meet requirements for reliability, security, availability and traceability of information.

In order to achieve consistency between company and consolidated accounting data, the system is built around a reporting tool and an interfaced system covering virtually all the Group's activities.

Specific information system were implemented within the subsidiaries, enabling daily management and feedback concerning revenue from slot machines, recorded GGR and amounts of levies.

In addition, these systems enable to broadcast information to subsidiaries and to ensure that the latter comply with the laws and regulations in force.

Control and risk monitoring procedures implemented:

Subsidiaries' accounts departments are also provided with an internal user guide on managing payroll, covering both technical aspects (procedures and instructions) and legal aspects (calculation methods used by the Group in accordance with employment standards, collective bargaining agreements and tax regulations). This ensures that they are able to make proper use of these tools, thus guaranteeing that information is relevant.

The system is configured by external consultants. Updates to the software are performed only by the Group's in-house IT department. The system runs on an AS 400 and data is backed up on tape on a daily basis for all subsidiaries. These tapes are placed in fireproof safes which guarantee that the data is stored in optimal security and an annual backup copy of each accounting entity is sent to the site in CD format.

The software used has numerous security features which can be used to restrict access to certain information on a user-by-user basis.

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

Finally, the accounting and finance system is regularly updated to ensure that it continues to meet the Group's specific requirements.

LEGAL AND REGULATORY COMPLIANCE

76% of the Group's business centres on the casino business in France, which has "three distinct segments: gaming, restaurants and entertainment, all of which are combined under a single management structure, without any individual segment being run separately" (Article 1 of the Order of 23 December 1959 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.

Groupe Partouche SA's head office makes available to its operating units its know-how, resources and skills, in terms of personnel and technical resources, and provides technical support, particularly in legal matters.

Legal department:

This is attached to the Company Secretarial Department and its function is:

- to ensure that Groupe Partouche observes the legal and regulatory framework that applies to it;
- to protect the Group's assets and business as a whole;
- to safeguard the Group's interests, and protect its corporate officers and its employees in the performance of their duties.

Control and risk monitoring procedures implemented:

The legal department is required to advise the Company Secretary or senior management of sensitive matters that must be reported to them regularly, particularly:

- any changes in laws or regulations applicable to any Group area of business, and in particular to gambling;
- any significant legal proceedings;
- any criminal proceedings against Groupe Partouche or any of its directors;
- any requirement for authorisation from the Executive or Supervisory Boards for projects related to developing the group's businesses or giving rise to any special risk for it.

In addition, all Group management personnel have been made aware of the need to observe laws and regulations by means of delegations of authority, wherever possible, and receive regular training on the prevention of risks in general and legal risks in particular.

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

One of the main objectives of internal control is to contribute to the assurance that accounting and financial information, in particularly the company and consolidated financial statements, should be objective and give a true and fair view of the Group's net assets and business, and that they should identify and evaluate risks of any type that it might face.

ACCOUNTING FUNCTION STRUCTURE

The accounting department organises and schedules all accounting work to produce reliable consolidated accounts and consistent data; this is facilitated by using Group-wide accounting standards and procedures and a standardised procedure for preparing Group accounts which therefore applies to the operating companies from first consolidation.

Indeed, one of the internal control procedure objectives of Groupe Partouche SA, the Group parent company, is to ensure that the consolidated financial statements are reliable. Specific procedures deal with the preparation of the consolidated financial statements by the dedicated department at Groupe Partouche's head office.

All of the consolidation adjustments are performed at the head office on the basis of interim or year-end information communicated by the chief accountants of the subsidiaries.

The consolidated financial statements are audited by the Group's statutory auditors.

Information is regularly exchanged with the 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 give some details of the various sequences in the preparation of consolidated financial statements by going through some of the main checks 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 crosschecking with the information held by the Group's central legal department.

Changes in the regulatory framework governing consolidation are permanently monitored, where necessary, in conjunction with external advisors. This allows work to be carried out to make the standards applied consistent, ensure that they comply with Group policies and that the information system is updated as appropriate, in liaison with consultants from the software supplier.

On receipt of the consolidation packages from the subsidiaries, the consolidation department ensures compliance with the Group's accounting policies, which allows the consistency of presentation of the financial statements to be guaranteed.

The subsidiaries are provided, on the one hand, with consolidation instructions for the production of consolidation packages and which presents the consolidation work through the documents and information submission procedures, and on the other hand, accounts closing information, comprising the schedule of consolidation operations and the specific information for each accounting close.

Finally, the finance department checks for compliance with standards on all matters likely to have an impact on the consolidated accounts. At its level it also gathers all matters reported by subsidiaries for technical evaluation and for making decisions on accounting treatment.

A standardised Group chart of accounts is used by the operating units, tailored for the specific provisions on recording and accounting for casinos.

Procedural instructions are prepared by Group accounting department for the subsidiaries, particularly to cover the specific accounting features of their business sector.

These arrangements ensure that accounting data transmitted to Groupe Partouche SA is consistent. Group accounting department organises and timetables the accounts close work for the individual Groupe Partouche SA companies, and prepares an annual and half yearly control schedule.

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.

Group financial information comes directly from applications integrated with accounting and administrative software, although technically the financial information has its own database.

This means accounts transaction processing can be monitored on site in real time, and is then uploaded monthly into the reporting package.

The head office consolidation 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 centralised 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 centralised consolidation information system.

The finance department is responsible for preparation and publication of financial and accounting information.

The Groupe Partouche accounts department coordinates and supervises the structure of the accounts departments.

Groupe Partouche SA uses a standard accounts information system, as do its operating units.

All the management, financial and accounting systems of the Group are subject to regular changes in accordance with the Group's ongoing requirements as regards financial data reliability and management.

CONTROL AND RISK MONITORING PROCEDURES IMPLEMENTED

A series of controls has been implemented within the majority of subsidiaries, in particular those with casino operations, to check the principal risks associated with the activity of operating a casino and which may have a financial impact on the financial statements.

These controls cover in particular the recording of monthly revenue figures, the monitoring of investments, debt recovery, purchases and financial information, as communicated by all subsidiaries.

They are carried out each month by all of the Group subsidiary users of accounting and financial information and are designed to identify any dysfunctions.

With the exception of controls per se, the Group ensures that financial employees are continuously trained with respect to modern control techniques adapted to the Group's changing requirements in this field.

Finally, the Group regularly assesses internal control points in order to check the pertinence of models as regards reliability and security of financial data, thus guaranteeing risk management of control failure.

The Group carries out monthly reporting on the financial statements and performs half-yearly accounting closes.

The main monthly accounting controls carried out are as follows:

- regularity of accounting data;
- the stability and position of the current accounts between Groupe Partouche SA and the other group entities are checked by the head office accounting department;
- bank reconciliations;
- correct recording of revenue figures.

Furthermore, the main controls carried out by the finance department are as follows:

- checking of the reciprocity of the current accounts at Group level;
- monthly analyses of the results of the operating companies;
- more complete balance sheet analyses are carried out in April and in October at the half-yearly and annual accounting closes alongside the publication of an in-depth analysis of all balance sheet items, off-balance sheet items and financing tables.

In association with accounting and financial management functions, the following monthly controls are carried out with a view to safeguarding assets:

- analysis of operating margins;
- analysis of budget variations ;
- analysis of financial indicators and costs;
- analysis of investments
- analysis of financial income;
- analysis of net borrowings.

MANAGEMENT BODIES

The management services of Groupe Partouche SA's head office are responsible for coordinating the Group's management controls.

They are supported by the management accountants in charge of preparing and monitoring budgets and the financial reporting of their operating units, within the subsidiaries.

Control and risk monitoring procedures implemented:

▪ BUDGETARY REPORTING PROCESS

All of the information used, in the budgetary 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 the Group's line of business.

The budgetary reporting process is a useful internal control enabling the analysis of financial flows.

▪ MONTHLY FINANCIAL REPORTING

Financial reporting is provided to senior management at every month-end. The relevant management bodies are required to present their monthly activity in a formal meeting. Furthermore, an overall analysis of the results of the operating companies is performed using information taken from the management software package of the accounting function.

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.

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.

MANAGEMENT OF CASH FLOW AND FINANCING ACTIVITIES

The management of Groupe Partouche's cash flow and financing activities is centralised at the head office and is designed to guarantee the security, transparency and efficiency of the operations relating to cash flow and financing activities.

This management function is responsible for:

- managing financial resources (financing/investment) to maintain the Group's cash levels;
- ensuring control of financial expenses;
- managing cash flows
- quantifying and hedging financial risks;
- monitoring banking relationships;
- supporting subsidiaries' management decisions and their financing of new projects.

CONTROL AND RISK MONITORING PROCEDURES IMPLEMENTED

In order to perform its missions, the services of the treasury and finance defined Group rules and procedures, such as a procedure requiring signing authorities for bank accounts to limit the risk of fraud.

Weekly and monthly reporting enables the general management to remain informed of the Group's forecast and real debt levels and liquidity, monitor risk, maturities of hedging transactions and the state of relationships with the banks etc.

FINANCIAL COMMUNICATION

The financial communication department is placed under the responsibility of the finance director. It is based in the head office and is in charge of communicating the company's strategy and results to the financial markets.

CONTROL AND MONITORING PROCEDURES IMPLEMENTED

Every year a schedule is drawn up summarising all the company's financial communication requirements vis-a-vis the market and regulatory and stock market authorities.

The schedule specifies the nature of each periodic obligation as well as its deadline.

This schedule is distributed internally to the relevant teams.

Procedures for regulating financial and accounting information provide the basis for:

- monthly audits of all accounting and financial information (management and treasury);
- account verification by the statutory auditors of information presented in the interim and annual reports;

- finally, the finance director, who is in charge of financial communication, works with the legal department to establish legal and regulatory communication requirements concerning risk.

In conclusion, in 2011 Groupe Partouche notably strengthened its policy of increasing awareness of the inherent risk involved in its activities and the internal control procedures implemented to ensure optimal risk monitoring and management, and particularly by means of setting up an audit committee and the co-opting of a member with recognised expertise in the field of risk management.

Patrick Partouche
Chairman of the Supervisory Board

16.5.2 STATUTORY AUDITORS OBSERVATIONS, ESTABLISHED PURSUANT TO ARTICLE L. 225-235 OF THE CODE OF COMMERCE ON THE REPORT BY THE CHAIRMAN OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

In our capacity of statutory auditors of Groupe Partouche SA and pursuant to the provisions of Article L.225-235 of the Code of Commerce, we hereby present our observations on the report of the Chairman [of the Supervisory Board] of your Company, in accordance with the provisions of Article L.225-68 of the Code of Commerce for the financial year ending 31 October 2011.

It is the Chairman's task to draw up and submit to the Supervisory Board's approval a report describing the internal control and risk-management procedures instituted within the company, and providing the other disclosures required by Article L. 225-68 of the Code of Commerce, particularly regarding the scheme of corporate governance.

Our role is to:

- communicate to your 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;
- to certify that the report contains the other disclosures required by Article L. 225-68 of the Code of commerce, it being pointed out that we are not required to verify the truthfulness or accuracy of such other information.

We conducted our work in accordance with French accounting principles.

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

Accounting rules and practices require us to perform investigations for ascertaining the truth and fairness of the information given in the Chairman's report concerning the internal control procedures governing the generation and processing of accounting and financial information.

These investigations focus among others on the following:

- acquainting ourselves with the internal control and risk management procedures governing the generation and processing of the accounting and financial information underlying the information given in the Chairman's report and the existing documentation;
- acquainting ourselves with the work involved in generating that information and the existing documentation;
- determining whether the Chairman's report appropriately discloses any major shortcomings in the internal control measures governing the generation and processing of the accounting and financial information noted by us during our audit.

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.

OTHER INFORMATION

We hereby certify that the report by the chairman of the Supervisory Board contains the other disclosures required by Article L. 225-68 of the Code of commerce.

Marseille and Paris, 27 February 2012

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

17 EMPLOYEES

17.1 Human resources – Workforce

17.1.1 WORKFORCE

CATEGORIES AT 31 OCTOBER	2011	2010	2009
Managers	960	984	991
Supervisors and technicians	320	316	312
Other employees excluding labour	3 881	4 046	4 225
Labour	245	257	242
Total	**5 406**	**5 604**	**5 770**

17.1.2 HUMAN RESOURCES

Pursuant to article L.225-102-1 of the Code of Commerce, please find below information relating to our workforce.

OUR PEOPLE MAKE US WHAT WE ARE

At the end of the financial year, Groupe Partouche had 5,406 employees, down by 3,5% compared to previous year. This is mainly due to the decrease in the expenses due to the economic situation. 95% of the Group's workforce is employed under open-ended employment contracts.

Part time contracts are chosen rather than being imposed.

Women represent 34% of the workforce. There are a total of 960 management-level staff.

WORK ORGANISATION

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

Work time reduction agreements have been negotiated and signed in certain subsidiaries. Subcontracting is only used on a relatively small scale, as our key professional specialities cannot be easily outsourced. During the financial year, subcontracting represented €11.6M, chiefly attributable to the provision of security services.

REWARDS AND LOYALTY ENHANCEMENTS

Total payroll including social charges came to €199m, and the combined total of profit-related pay paid by the subsidiaries came to €4.6m.

EMPLOYEE COMMUNICATION

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

HEALTH AND SAFETY

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

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

TRAINING TO KEEP A COMPETITIVE EDGE

All of the training budgets are used to maintain the competitive levels of the staff, and to update its knowledge; mainly due to the technological progress of the gamine sector. In order to improve the professional training, the Sigma-HR, (human resources management) software was set up in the group.

EMPLOYING AND INTEGRATING DISABLED STAFF

Following an audit carried on by Agefiph in 2010, the subsidiaries of Groupe Partouche benefited from counselling in respect of employing and integrating disabled staff. A great number of the subsidiaries committed themselves in that purpose.

CARING AND SHARING

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

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The protection of the players has been reinforced, as part of Groupe Partouche development plan.

The contracts signed with Adictel have all been renewed. Adictel is a company responsible for the prevention of excessive gaming and providing help to dependant players.

Management personnel and team leaders regularly receive training.

Groupe Partouche therefore assumes its social responsibilities concerning the most direct impact of its activity on citizens and, on an ongoing basis, makes resources available for its patrons to continue using gaming as a source of controlled pleasure.

Moreover, the business activities of Groupe Partouche do not comprise any direct, significant risks with respect to environmental responsibility.

17.2 Direct or indirect shareholdings of the officers and directors of Groupe Partouche in the share capital

MEMBERS OF THE EXECUTIVE BOARD	DIRECT SHAREHOLDING			INDIRECT SHAREHOLDING	STOCK OPTIONS
	SHARES	PERCENTAGE		SHAREHOLDING THROUGH FINANCIÈRE PARTOUCHE (1)	
		SHARE CAPITAL	VOTING RIGHTS		
Fabrice Paire	2 671	0,00 %	0,00 %	-	Nil
Ari Sebag	56 826	0,06 %	0,06 %	11,07 %	Nil
Katy Zenou	90 407	0,09 %	0,09 %	7,79 %	Nil
Alexandre Schulmann	-	0,00 %	0,00 %	-	Nil
Total	**149 904**	**0,15 %**	**0,15 %**	**18,85 %**	**Nil**

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

MEMBERS OF THE SUPERVISORY BOARD	DIRECT SHAREHOLDING			INDIRECT SHAREHOLDING	STOCK OPTIONS
	SHARES	PERCENTAGE		SHAREHOLDING THROUGH FINANCIÈRE PARTOUCHE (1)	
		SHARE CAPITAL	VOTING RIGHTS		
Patrick Partouche	71 311	0,07 %	0,07 %	15,86 %	Nil
Isidore Partouche	3 173 646	3,28 %	3,28 %	0,24 %	Nil
Maurice Sebag	25 545	0,03 %	0,03 %	NS	Nil
Gaston Ghrenassia	70	0,00 %	0,00 %	NS	Nil
Hubert Benhamou	29 533	0,03 %	0,03 %	14,27 %	Nil
Walter Butler	1	0,00 %	0,00 %	-	Nil
Lise Nobre	1	0,00 %	0,00 %	-	Nil
Daniel Cohen	1	0,00 %	0,00 %	-	Nil
Total	**3 300 108**	**3,41 %**	**3,41 %**	**30,38 %**	**Nil**

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

17.3 Employee profit sharing in the capital of Groupe Partouche

17.3.1 EMPLOYEE CONTRIBUTION

Nil.

17.3.2 EMPLOYEE PROFIT SHARING

Pursuant to the provisions of article L.225-102 of the Code of Commerce, we hereby indicate that there is no non-discretionary employee profit sharing in the share capital under the terms of a company savings plan as of the balance sheet date, 31 October 2011.

17.3.3 EMPLOYEE SHAREHOLDERS

Nil.

PRINCIPAL SHAREHOLDERS 18

18.1 Ownership of capital and voting rights

The following table shows the breakdown of capital and voting rights over the last three years:

PRINCIPAL SHAREHOLDERS	05/12/2011			22/11/2010			12/11/2009		
	NUMBER OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS
FINANCIÈRE PARTOUCHE SA (1)	64 335 843	66,45 %	66,47 %	66 135 843	80,83 %	80,85 %	28 840 000	66,92 %	66,95 %
BCP (2)	12 580 200	12,99 %	13,00 %						
Members of the Supervisory Board (3)	3 300 107	3,41%	3,41%	1 245 735	1,52 %	1,52 %	1 187 430	2,76 %	2,76 %
Members of the Executive Board (3)	149 904	0,15 %	0,15 %	186 948	0,23 %	0,23 %	85 755	0,20 %	0,20 %
Own holding	19 166	0,02 %	-	19 166	0,02 %	-	19 166	0,04 %	-
Public (4)	16 430 371	16,97 %	16,97 %	14 232 515	17,39 %	17,40 %	12 964 767	30,08 %	30,10 %
TOTAL	**96 815 591**	**100,00 %**	**100,00 %**	**81 820 207**	**100,00 %**	**100,00 %**	**43 097 418**	**100,00 %**	**100,00 %**

(1) SA FINANCIÈRE PARTOUCHE is a family holding company.

(2) BCP holds 11.828.388 shares through FCPR France Private Equity III and 754.812 shares through Butler Capital Partners SA.

(3) The shareholding of the members of the Superviroy and Executive Boards is detailed under chapter 17.2 of the reference document

(4) As far as the company is aware, there are no shareholders holding 5% or more of the share capital and voting rights, apart from Financière Partouche and BCP.

Groupe Partouche requested Euroclear France to perform a survey on 5 December 2011 of intermediaries holding at least 11,000 shares. This survey enabled us to identify 5,284 shareholders, representing 15,6% of the share capital. Taking into account the shareholders holding registered shares at this date, we have thereby established that the share capital of Groupe Partouche was owned by more than 5,400 shareholders.

A very substantial proportion of the shareholders identified by the Euroclear France survey – some 4,6% – were institutional investors.

No securities are owned by employees under a share ownership program.

During the capital increase in 2010, Financière Partouche committed itself towards its banking Pool, whenever the share of Groupe Partouche reaches 8 euros, to sell the shares it holds beyond its participation of 66.92%. This commitment is in respect 11.381.760 shares held by Financière Partouche. It will be carried on according to the applicable regulations and without prejudicing the market.

18.2 Different voting rights

There are no double voting rights. Shares issued and in circulation have one associated voting right each and the principal shareholders Financière Partouche and BCP do not have different voting rights.

18.3 Information on the control of the share capital of the company

The Extraordinary Shareholders' Meeting of 29 April 2011 voted to increase the capital by €24,855,225 (issue premiums included) reserved for FCPR Private Equity III and Butler Capital Partners. It was completed on 4 May 2011.

The same day, the Extraordinary Shareholder's Meeting voted to delegate to the Executive Board the authorisation to carry out a €5,741,768 capital increase with shareholders' preferential right of subscription, which was completed on 27 May 2011. Financière Partouche had previously committed not to exercise its pre-emptive rights or to assign them.

Following these two capital increases, the company's share capital reached €193,631,182 divided into 96,815,591 shares with a nominal value of €2.00 each.

As of the date of this Reference Document, SA Financière Partouche owns 64,335,843 shares, corresponding to 66.45% of the share capital, FCPR France Private Equity III owns 11,825,388 shares, and Butler Capital Partners 754,812 shares, i.e. 12.99% of the share capital in total.

Following the Shareholders' Meeting of 29 April 2011, Financière Partouche, Mr. Patrick Partouche, Mrs Katy Zenou and Mr. Ari Sebag on the one hand, and BCP on the other hand entered into a shareholders' pact regulating the conditions of their relations. This pact took effect when the reserved capital increase was completed and is constitutive of an action in concert.

The main clauses of the said pact stipulate that BCP shall hold:

- a maximum of 2/7th of the seats of the Supervisory Board as long as Butler Capital Partners holds at least 5% of the company's share capital;
- a veto right over major decisions (decision taken by a majority of 80% of present or represented members including the favourable vote of the members of the Supervisory Board appointed upon BCP's proposal) concerning operations which have an impact on the capital, debt, disposal of assets or investment expenditure, acquisition of assets and more specifically:
    - any financial debt due to an entity which does not belong to Groupe Partouche or any new off-balance sheet commitment increasing Groupe Partouche's commitments by over €3m (non-cumulative threshold) compared with debt recorded in the consolidated financial statements at 31 October 2010,
    - any disposal of assets totalling over €3m (non-cumulative threshold) with the exception of Groupe Partouche's initial business plan concerning the period from 2011 to 2015,
    - any investment expenditure or acquisition of assets of a unit amount exceeding €3m (non-cumulative threshold) higher than (i) a €30m annual budget allowance provided for in the business plan and (ii) a €35m cumulated budget allowance over the duration of the initial business plan concerning certain investments or any project replacing them;
- an enhanced right to information;
- a right of inspection as regards any recruitment, dismissal or revocation of the members of Groupe Partouche's Executive Board, of which the only consequence shall be, at no cost for Financière Partouche, to release BCP from its lock-up commitment and its obligation under Financière Partouche's right of first offer;
- a liquidity clause in its favour, making provision that as of the 3rd anniversary of the completion of the reserved capital increase, Financière Partouche shall provide and ensure that Groupe Partouche and its main managers provide all assistance required by BCP to enable the disposal of its investment and that in the scope of this liquidity procedure and that in any case, as of the 5th anniversary of the completion of the reserved capital increase, Fipar guarantees BCP a minimum price of €2 per Groupe Partouche share disposed of by BCP and therefore undertakes to acquire from BCP the shares that BCP would like to dispose of at a price of €2 per share (within the limit of the shares subscribed by BCP in the scope of the reserved capital increase).

In addition, the pact included a lock-up clause by which:

- Financière Partouche undertook to keep at least 50.1% of Groupe Partouche's share capital throughout the duration of the pact;
- Financière Partouche and BCP undertook not to increase their respective investment by over 5 points compared with the share they shall hold as of the date of completion of the capital increase. In accordance with applicable regulations, this shareholders' pact has been communicated to the Autorité des Marchés Financiers, which ensured it was made publicly available.

- Partial lock-up commitment on the part of BCP until the 3rd anniversary of the completion of the reserved capital increase.

No particular measure has been taken with a view to ensuring that the control described above is not exercised in an abusive manner.

At present, Financière Partouche, which controls Groupe Partouche, shares several senior executives with it (cf. Section 14.1), namely:

Executive Board: Mr. Ari Sebag, Mrs. Katy Zenou.

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

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

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

- information on the Group's business, outlook or forecasts, other than information that has been brought to the attention of the public;
- privileged information (as understood in Article 621-1 of the General Regulations of the AMF) about the Company, its activity, income statement, balance sheet, cash position or outlook.

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

18.4 Control of Financière Partouche

As of the date of this Reference Document, Financière Partouche holds 66.45% of the Company's share capital; it is a Société Anonyme with an Executive Board and a Supervisory board, and its share capital is mainly owned by members of the Partouche family.

No shareholder of the company Financière Partouche controls this company alone. Mr. Patrick Partouche, Mr. Ari Sebag and Mrs Katy Zenou (all three signatories of the shareholders' pact described in paragraph 18.3) collectively hold 52.23% of the capital of Financière Partouche.

18.5 Change of control

To the best of our knowledge and subject to the information mentioned in paragraph 18.3 above, there are neither any actions in concert, shareholders' pacts, nor does any clause of any agreement contain any preferential conditions governing the disposal or acquisition of Groupe Partouche shares.

19 RELATED-PARTY TRANSACTIONS

Please see § 7.2 of the Reference Document "Organisation Chart" and Note 30 "Related Parties" to the consolidated financial statements.

The possible partnerships with other companies have been carried on according to the normal procedures applied on the market.

Moreover, please find here below the special report of the statutory auditors.

Special report of the Statutory Auditors on regulated agreements and commitments

SHAREHOLDERS' MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2011

Ladies and Gentlemen,

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

Our role is present you with the key terms and conditions of the regulated agreements and commitments about which we have been informed or which we discovered during our audit, on the basis of the information we received, without expressing our opinion on their utility and validity; we are not responsible for identifying the potential existence of other agreements or engagements. It is your responsibility, as provided by Article R. 225-58 of the Code of Commerce, to assess the beneficial nature of these transactions with a view to approving them.

Moreover, it is our responsibility, where applicable, to provide you with the information provided by Article R. 225-58 of the Code of Commerce on the performance of agreements and commitments that have already been approved by the Shareholders' Meeting.

We have carried out the work that we deemed necessary in light of the professional doctrine of the CNCC relating to this mission; this work consisted in verifying the consistency of the information with which we have been provided and the source documents from which it has been extracted.

1. AGREEMENTS AND COMMITMENTS SUBMITTED TO THE SHAREHOLDERS' MEETING FOR APPROVAL

Agreements and commitments authorised during the financial year ended 31 October 2011

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

1.1 COLLATERAL SECURITY FOR PARTOUCHE IMAGES

Your company granted collateral security for its subsidiary Partouche Images with BNP Paribas Lease Group, for all amounts due related to the lease financing of customer management computer software, within the limit of €107,580 tax incl.

Members of the Supervisory Board / Executive Board concerned:

- Mr. Patrick Partouche
- Mr. Ari Sebag
- Mr. Fabrice Paire

The related agreement was authorised by your Supervisory Board at its meeting on 15 November 2010.

1.2 ACQUISITION OF 40 SHARES OF THE SAS SOCIÉTÉ HÔTEL INTERNATIONAL DE LYON FROM MR. ARI SEBAG

On 25 November 2010, your company acquired forty (40) shares representing 0.2% of SAS Société Hôtel International de Lyon's share capital from Mr. Ari Sebag. The repurchase price of these shares was €160,000, i.e. €4,000 per share.

The related agreement was authorised by your Supervisory Board at its meeting on 25 November 2010.

Members of the Supervisory Board / Executive Board concerned:

- Mr. Ari Sebag

1.3 TRANSFER OF ONE SHARE OF SA PARTOUCHE INTERACTIVE IN FAVOUR OF MRS KATY ZENOU

Your company transferred a share of its subsidiary SA Partouche Interactive in favour of Mrs Katy Zenou. This transfer was completed on 14 September 2011 and its objective was to regularise the number of shareholders of the subsidiary. The transfer price amounted to the share's nominal value i.e. €1.

The related agreement was authorised by your Supervisory Board at its meeting on 14 September 2011.

Members of the Supervisory Board / Executive Board concerned:

- Mrs. Katy Zenou

1.4 TRANSFER OF ONE SHARE OF SA PARTOUCHE INTERACTIVE IN FAVOUR OF MR. ALEXANDRE SCHULMANN

Your company transferred a share of its subsidiary SA Partouche Interactive in favour of Mr. Alexandre Schulmann. This transfer was completed on 14 September 2011 and its objective was to regularise the number of shareholders of the subsidiary. The transfer price amounted to the share's nominal value i.e. €1.

The related agreement was authorised by your Supervisory Board at its meeting on 14 September 2011.

Members of the Supervisory Board / Executive Board concerned:

- Mr. Alexandre Schulmann

1.5 INVESTMENT AGREEMENT ENTERED BETWEEN YOUR COMPANY, SA FINANCIERE PARTOUCHE (SHAREHOLDER HOLDING OVER 10% OF YOUR COMPANY'S VOTING RIGHTS) AND BUTLER CAPITAL PARTNERS (BCP)

An investment agreement was entered on 19 April 2011 in order to define the conditions of Butler Capital Partners (BCP) taking a stake in the share capital of your company, in consultation with the majority shareholder SA Financière Partouche.

This agreement led to the completion in May 2011 of two capital increases, approved during the Extraordinary Shareholders' Meeting of 29 April 2011. The conditions of these two capital increases are the following:

- a capital increase reserved for Butler Capital Partners and for FCPR France Private Equity III, of a gross amount, including an issue premium of €24,855,225 by issuing 12,124,500 new shares at a unit price of €2.05 (i.e. with a €0.05 issue premium per share);
- and a capital increase with shareholders' pre-emptive right of subscription, of a gross amount of €5,741,768 by issuing 2,870,884 new shares at a unit price of €2.00 (i.e. without an issue premium) at the rate of 2 new shares per 57 existing shares.

The execution of the investment agreement was approved by the Supervisory Board of 8 April 2011.

2. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in previous years

a) the performance of which continued during the financial year ended 31 October 2011

According to the provisions of Article R. 225-57 of the Code of Commerce, we have been informed that the following agreements and commitments, which had already been approved by the Shareholders' Meeting in previous years, continued during the financial year ended 31 October 2011.

2.1 TAX CONSOLIDATION AGREEMENT

In the financial year ended 31 October 2011, the tax consolidation agreement was extended to the following companies, the integration of which has become effective as of 1 November 2011: SAS Casino de la Tremblade and SA Société immobilière de Cannosta.

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

This agreement generated a tax saving for your company of €14,962,528, for the financial year ended 31 October 2011

2.2 LEASE AGREEMENT WITH FINANCIÈRE PARTOUCHE SA

During financial year ended 31 October 1998, your company signed a lease agreement with Financière Partouche SA. This lease covers the lease of your company's headquarters at 141 bis, rue de Saussure, 75017 Paris, France. A rider to the lease was signed on 1 August 2002, in light of the extension of the surface area occupied by Groupe Partouche SA. The lease term is now nine years, commencing 1 August 2002 and ending 31 July 2011, the annual lease is now fixed at €160,000 excluding VAT before re-indexation.

The said lease was renewed on 29 July 2011 for nine full and consecutive years beginning on 1 August 2011 and expiring on 31 July 2020. All the other provisions of the renewed lease remain unchanged. The renewal was authorised by the Supervisory Board on 28 February 2011.

This agreement generated for your company an expense of €208,628 in rent, and €68,795 of tenant service charges, making a total expense of €277,423.

2.3 CASH POOLING AGREEMENT WITH FINANCIÈRE PARTOUCHE SA

Financière Partouche SA was authorised to participate in the cash pooling agreement for Group companies with Groupe Partouche. It is stipulated to this effect that any loans and advances that may be granted under this agreement will be remunerated at preferential rates compared to market rates.

The interest rate applied for the financial year ending 31 October 2011 was 2.35%.

Under the terms of this agreement, your company recognised an interest expense of €105,813 for the financial year ending 31 October 2011.

In addition, for the financial year ending 31 October 2011, your company reimbursed Financière Partouche SA the amount of €714,000, corresponding to the repayment of surplus cash flow for the financial year ending 31 October 2010, as defined in Groupe Partouche SA's loan agreement described in paragraph 2.4 of this report.

The amount owed by Groupe Partouche SA to Financière Partouche SA recorded in the current account amounted to €5,095,627 at 31 October 2011.

2.4 SHAREHOLDER ADVANCE AGREEMENT WITH FINANCIÈRE PARTOUCHE SA

On 26 August 2003, your Company signed a shareholder advance agreement with Financière Partouche SA. Under the terms of this agreement, Financière Partouche SA granted your company an advance in the initial amount of €100,000,000 for a period of 7 years and 3 months, commencing on 29 August 2003, which was extended by a rider until 30 November 2012.

Pursuant to the memorandum of understanding on the restructuring of the debt, concluded with the banking pool on 21 October 2009, the maturity date for the shareholder advance was set at 31 December 2015.

This advance bears interest at the EURIBOR 1-, 2-, 3 or 6-month rate plus 2%. The amounts lent to Groupe Partouche SA under the shareholder advance are to be repaid only in accordance with the terms laid down in the subordination agreement signed on 27 September 2005 between Financière Partouche SA and Groupe Partouche SA. Under this agreement, payment of sums owed under the syndicated loan has priority over the repayment of the shareholder advance.

Pursuant to the memorandum of understanding on the restructuring of the debt concluded with the pool of banks on 21 October 2009, it was further agreed that no interest or dividend would be payable by Groupe Partouche SA to Financière Partouche SA in respect of the subordinated shareholder advance or on any other grounds, subject to the exception of repayments using surplus cash flow as defined in the abovementioned agreement.

During financial year ended 31 October 2010, the shareholder advance decreased from €100,000,000 to €25,408,314, that is, a decrease €74,591,686, which corresponds to Financière Partouche SA's subscription to the capital increase carried out by Groupe Partouche SA on 13 August 2010.

Pursuant to this agreement, and for the financial year ended 31 October 2011, Financière Partouche SA billed your company for €854,590 of financial interest and €102,667 for the cost of interest-rate hedging, making a total expense of €957,257.

2.5 AUTHORISATION FOR THE USE OF A TRADEMARK GRANTED TO PARTOUCHE INTERACTIVE SA

Your company has granted exclusive licence for the use of the French trademark "Groupe Partouche" to Partouche Interactive SA. This licence gives Partouche Interactive SA the right to manufacture and/or sell all services and products covered by this trademark distributed over the Internet, television, mobile and fixed-line telephony, as well as over any other existing or future electronic distribution channels. This agreement entered into force on 11 April 2006 with an initial term of ten years. Under the terms of this agreement, Partouche Interactive SA pays Groupe Partouche SA a licensing fee equal to 15% of the turnover excluding VAT generated by the services and products manufactured and/or sold under the Groupe Partouche brand by the licence holder.

Operating income recorded with respect to this agreement amounted to €3 for the financial year ended 31 October 2011.

2.6 MANAGEMENT CONSULTING AGREEMENT WITH SHAL & CO S.A.

Your company has concluded a management consulting agreement with Shal & Co SA. Under the terms of this agreement, Shal & Co SA provides consulting services to certain subsidiaries of Groupe Partouche SA together with assistance in the areas of sales and administration as well as financial, legal, accounting and tax matters. This agreement was amended on 28 December 2008 to extend its term indefinitely.

With respect to this agreement, your company recorded a charge of €506,900 under operating expenses for the financial year ended 31 October 2011.

2.7 PARTNERSHIP AGREEMENT FOR HEAD OFFICE SERVICES WITH ISPAR HOLDING SA

Your company has concluded a partnership agreement with Ispar Holding SA covering head office services. Under the terms of this agreement, Groupe Partouche SA undertakes to retrocede to Ispar Holding SA:

- 25% of the compensation invoiced by Groupe Partouche SA to Casino du Lac Meyrin SA (Switzerland) for the rendering of head office services;

- 50% of the compensation invoiced by Groupe Partouche SA to Casino de Crans Montana (Switzerland) for the rendering of head office services.

With respect to this agreement, your company recorded a charge of €380,441 under operating expenses for the financial year ended 31 October 2011.

2.8 ACTIVATION OF THE CLAWBACK PROVISION RELATING TO THE WAIVER OF RECEIVABLES AGREEMENT OF THE SAS SOCIÉTÉ HÔTEL INTERNATIONAL DE LYON

During financial year ending 31 October 2011, the conditions required for the application of the clawback provision, as defined in the waiver of receivables agreement entered by your company and the SAS Société Hôtel International de Lyon were met. Therefore SAS Hôtel International de Lyon has reimbursed to your company an amount of €190,390 which was recognised under financial income.

Given this reimbursement, the amount waived by your company in favour of SAS Société Hôtel International de Lyon and which remains subject to the clawback provisions totals €1,867,672 at 31 October 2011.

b) without performance during the financial year ended 31 October 2011

Moreover, we have been informed of the continuation of the following agreements and commitments - which had already been approved by the Shareholders' Meeting in previous years - that were not performed during the financial year ended 31 October 2011. They are in the main loan write-offs agreements with clawback provisions regarding cash advances recorded in current accounts. These agreements are as follows:

- with Société Du Grand Casino De Cabourg: claw-back provision relating to a waiver of receivable in the amount €3,874,547;
- with Grand Casino de Beaulieu (company under liquidation): clawback provision relating to a waiver of receivable in the amount €609,258;
- with Lydia Invest (Casino de Port Barcarès – company under liquidation): claw-back provision relating to a waiver of receivable in the amount €5,509,184;
- with S.A. Grand Casino du Havre: clawback provision relating to a waiver of receivable in the amount €18,503,867;
- with Casino de la Trinité: clawback provision relating to a waiver of receivable in the amount €3,267,000;
- with S.A. Casino d'Hauteville Lompnes: clawback provision relating to a waiver of receivable in the amount €10,050,000;
- with Casino de la Tremblade: clawback provision relating to a waiver of receivable in the amount €677,846;
- with SARL Hôtel Cosmos: clawback provision relating to a waiver of receivable in the amount €3,516,140;
- with SA Partouche Interactive: clawback provision relating to a waiver of receivable in the amount €12,000,000;
- with SAS Société d'exploitation du Casino et d'hôtels de Contrexéville: clawback provision relating to a waiver of receivable in the amount €550,000.

Marseille and Paris, 27 February 2012

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

20 FINANCIAL INFORMATION ON THE ISSUER'S ASSETS, FINANCIAL POSITION AND PERFORMANCE

20.1 Historic financial information

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

- the consolidated financial statements for the financial year ended 31 October 2009, prepared in accordance with IFRS/IAS as adopted by the European Union and the report of the Statutory Auditors on the consolidated financial statements for the financial year ended 31 October 2009 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 26 February 2010 under number D.10-0069, pages 99 et seq.;
- the consolidated financial statements for the financial year ended 31 October 2010, prepared in accordance with IFRS/IAS as adopted by the European Union and the report of the Statutory Auditors relating to the consolidated financial statements of the financial year ended 31 October 2010, which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 25 February 2011 under number D.11-0081, pages 111 et seq.;
- the individual company financial statements for the financial year ended 31 October 2009 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2009 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 26 February 2010 under number D.10-0069, pages 150 et seq.;
- the individual company financial statements for the financial year ended 31 October 2010 and the report of the Statutory Auditors on the individual company financial statements for the financial year ended 31 October 2010 which is included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 25 February 2011 under number D.11-0081, pages 166 et seq.;

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

20.2 Financial statements

20.2.1 GROUP FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2011

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT PER SHARE DATA)	NOTES	2011	2010 RESTATED (*)	2009
Turnover	22	464 304	478 126	452 993
Purchases and external expenses	23	(144 725)	(146 410)	(140 731)
Tax		(19 442)	(20 840)	(26 014)
Personnel costs	24	(203 619)	(206 384)	(200 373)
Depreciation, amortisation and impairment on fixed assets		(44 825)	(47 140)	(45 565)
Other current operating income and expenses	25	(11 617)	(6 620)	(11 274)
Current operating profit		**40 076**	**50 731**	**29 036**
Other non-current operating income and expenses	25	(4 540)	(283)	1 517
Gain (loss) on the sale of consolidated investments		1 250	(2 285)	(637)
Impairment of non-current assets		(7 843)	(71 199)	(8 686)
Non-current operating profit		**(11 134)**	**(73 766)**	**(7 806)**
Operating profit		**28 942**	**(23 036)**	**21 230**
Financial items	**26**	**(13 361)**	**(18 324)**	**(24 956)**
Profit before tax		**15 581**	**(41 359)**	**(3 726)**
Corporate income tax	28	(10 254)	(4 565)	(1 169)
CVAE Tax	2	(3 273)	(6 426)	-
Income after tax		**2 054**	**(52 350)**	**(4 894)**
Share in earnings of equity affiliates	7	(18)	(35)	(1 922)
Total net income		**2 036**	**(52 385)**	**(6 816)**
o/w Group share		(6 953)	(60 398)	(16 679)
o/w minority interests		8 989	8 013	9 863
Net income per share – Group share (**)		**(0,078)**	**(1,173)**	**(0,387)**
Dividend distributed per share		-	-	-
Number of shares on which the earnings per share calculation is based (**)		88 981 902	51 459 349	43 097 418

CONSOLIDATED GLOBAL INCOME

CONSOLIDATED GLOBAL INCOME €000 AT 31 OCTOBER	NOTES	2011	2010 RESTATED (*)	2009
Total Net Income		2 036	(52 385)	(6 816)
Other		1 819	1 551	(359)
Total Global Income		**3 855**	**(50 834)**	**(7 175)**
Global Income Group's share		(6 321)	(60 189)	(16 098)
Global Income minorities stakes		10 176	9 355	8 923

(*) The restatements correspond to error corrections related to the recognition of the CVAE. This item is presented in the following Note 2, paragraph "Accounting estimates and assumptions", point 3 "Error corrections"

(**)Number of shares for the financial year 2011 calculated on the average number following the capital increases:

- *introduced on 3 May 2011 and finalised on 4 May 2011;*
- *introduced on 3 May 2011 and finalised on 27 May 2011.*

(**)Number of shares for the financial year 2010 calculated on the average number following the capital increase introduced on 19 July 2010 and finalised on 13 August 2010.

The Notes to the consolidated financial statements are an integral part thereof

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2011 (NET VALUE)

ASSETS NET €000 AT 31 OCTOBER	NOTES	2011	2010 RESTATED (*)	2009
Intangible assets	4	10 790	11 359	11 572
Goodwill on acquisition	5	328 859	336 954	412 123
Property and equipment	6	343 859	360 176	386 362
Investments in companies accounted for using the equity method	7	-	-	3
Other non-current financial assets	8	4 498	4 584	3 011
Deferred tax assets		2 379	4 639	2 397
Other non-current assets	9	5 645	9 747	14 883
TOTAL NON-CURRENT ASSETS		**696 030**	**727 459**	**830 350**
Inventories and semi-finished goods	10	3 531	3 840	3 572
Trade and other receivables	11	23 335	27 383	30 108
Tax receivables		3 269	948	4 206
Derivative financial instruments		102	-	-
Other current assets	12	14 313	12 759	14 844
Cash and cash equivalents	13	132 029	107 611	78 866
TOTAL CURRENT ASSETS		**176 579**	**152 542**	**131 596**
Available for sale assets	31	2 768	1 245	-
TOTAL ASSETS		**875 376**	**881 246**	**961 946**

EQUITY AND LIABILITIES €000 AT 31 OCTOBER	NOTES	2011	2010 RESTATED (*)	2009
Share capital	14	193 631	163 640	86 195
Treasury shares	14	(169)	(37)	(59)
Share premium		9 411	9 411	9 411
Consolidated reserves	14	136 784	197 812	216 590
Revaluation reserve		2 761	2 129	1 920
Net profit (loss) for the year		(6 953)	(60 398)	(16 679)
GROUP EQUITY		**335 466**	**312 558**	**297 377**
MINORITY INTERESTS	**14**	**32 128**	**29 961**	**28 917**
TOTAL EQUITY		**367 594**	**342 519**	**326 294**
Non-current financial debt	17	281 844	192 568	409 807
Employee commitments	15	9 463	9 889	8 285
Other non-current provisions	16	6 360	4 377	5 473
Deferred tax liabilities		34 356	33 911	33 180
Other non-current liabilities	18	6 795	10 071	11 060
TOTAL NON-CURRENT LIABILITIES		**338 819**	**250 816**	**467 805**
Derivative financial instruments		-	-	-
Current financial debt	17	26 887	144 035	12 113
Current provisions	16	2 450	1 985	4 611
Trade and other payables	19	100 560	105 030	112 532
Current tax liabilities	20	34 543	34 132	36 619
Other current liabilities	18	1 865	1 821	1 971
TOTAL CURRENT LIABILITIES		**166 304**	**287 003**	**167 847**
Held for sale liabilities	31	2 660	907	-
TOTAL EQUITY AND LIABILITIES		**875 376**	**881 246**	**961 946**

Number of shares in circulation at 31 October 2011 : 96,815,591
Number of shares in circulation at 31 October 2010 : 81,820,207
Number of shares in circulation at 31 October 2009 : 43,097,418

CONSOLIDATED CASH FLOW STATEMENT

€000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Total net income	**2 036**	**(52 385)**	**(6 816)**
Adjustments:			
Elimination of income from associates	18	35	1 922
Elimination of tax expense (income)	13 527	10 991	1 169
Elimination of depreciation, amortisation and provisions	54 828	114 662	56 435
Elimination of gains and losses on revaluation to fair value	(3 019)	(1 243)	4 383
Elimination of results on the sale of assets	(1 792)	2 511	(2 718)
Elimination of net interest expense (income)	15 372	17 079	18 366
Elimination of dividend income	(107)	(50)	-
Impact of the change in WCR	6 326	(698)	(12 604)
Interest paid	(15 987)	(17 366)	(19 197)
Tax paid	(13 818)	(7 013)	(5 988)
Net cash inflow from operating activities, activities in the course of being divested	-	-	-
Net cash flow from operating activities	**57 384**	**66 522**	**34 951**
Acquisition of investment securities net of cash acquired	(200)	(2 631)	(68)
Disposal of consolidated companies, less cash sold	1 196	(32)	500
Impact of other changes in consolidation scope	(151)	33	2
Acquisition of intangible assets	(1 674)	(1 816)	(1 643)
Acquisition of property and equipment	(28 505)	(21 426)	(20 223)
Acquisition of financial assets	(67)	-	1
Loans and advances granted	(571)	(476)	(633)
Disposal of intangible assets	-	-	27
Disposal of property and equipment	2 094	438	6 960
Disposal of financial assets	50	-	14
Reimbursements received from loans	607	760	768
Interest received	609	274	832
Dividends received	107	50	-
Net change in short term investments	-	-	-
Cash flow from investing activities, activities in the course of being divested	-	-	-
Net cash flow from investing activities	**(26 505)**	**(24 825)**	**(13 463)**
Capital increase (**)	30 597	2 906	-
Loans issued	-	500	1 073

€000 AT 31 OCTOBER	2011	2010 RESTATED (*)	2009
Loans reimbursed	(28 458)	(8 571)	(4 232)
Other financial debts reimbursed	(1 160)	(1 042)	(570)
Dividends paid to minority shareholders	(8 573)	(7 649)	(7 335)
Net cash flow from financing activities	**(7 594)**	**(13 857)**	**(11 062)**
Impact of foreign exchange rates	1 089	899	(329)
Change in cash and cash equivalents	**24 374**	**28 740**	**10 094**
Opening cash position	**107 596**	**78 856**	**68 759**
Closing cash position	**131 970**	**107 596**	**78 856**

(**) Gross values before allocation of capital increase expenses (€606k for 2011).

The comments on the cash flow statement are presented in Note 27.

The closing cash position of €131,970k plus accrued interest not paid, i.e. €59k correspond with the item "Cash and cash equivalents under assets", i.e. €132,029k.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€000 AT 31 OCTOBER	CAPITAL	TREASURY SHARES	SHARE PREMIUM RELATED TO CAPITAL	CONSOLIDATED RESERVES & INCOME FOR THE YEAR	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Equity at 31 October 2008	**86 195**	**(79)**	**9 411**	**200 492**	**1 339**	**297 358**	**29 200**	**326 558**
Net income for 2009 financial year	-	-	-	(16 679)	-	(16 679)	9 863	**(6 816)**
Other items	-	-	-	-	581	581	(940)	**(359)**
Global income	**-**	**-**	**-**	**(16 679)**	**581**	**(16 098)**	**8 923**	**(7 175)**
Distribution of dividends	-	-	-	12	-	12	(7 337)	**(7 325)**
Other movements	-	19	-	16 086	-	16 105	(1 869)	**14 236**
Equity at 31 October 2009	**86 195**	**(59)**	**9 411**	**199 911**	**1 920**	**297 377**	**28 917**	**326 294**
Net income for 2010 financial year	-	-	-	(58 054)	-	(58 054)	8 013	**(50 041)**
Other items	-	-	-	-	209	209	1 342	**1 551**
Global income	**-**	**-**	**-**	**(58 054)**	**209**	**(57 845)**	**9 355**	**(48 490)**
Distribution of dividends	-	-	-	-	-	-	(7 650)	**(7 650)**
Other movements	77 446	-	-	-	-	77 446	-	**77 446**
Autres variations	-	22	-	(2 098)	-	(2 076)	(660)	**(2 736)**
Equity at 31 October 2010 (published)	**163 640**	**(37)**	**9 411**	**139 759**	**2 129**	**314 902**	**29 961**	**344 863**

€000 AT 31 OCTOBER	CAPITAL	TREASURY SHARES	SHARE PREMIUM RELATED TO CAPITAL	CONSOLIDATED RESERVES & INCOME FOR THE YEAR	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Impact of CVAE error correction (*)	-	-	-	(2 344)	-	(2 344)	-	(2 344)
Equity at 31 October 2010 (restated)	**163 640**	**(37)**	**9 411**	**137 415**	**2 129**	**312 558**	**29 961**	**342 519**
Net income for 2011 financial year	-	-	-	(6 953)	-	(6 953)	8 989	**2 036**
Other items	-	-	-	-	633	633	1 186	**1 819**
Global income	**-**	**-**	**-**	**(6 953)**	**633**	**(6 320)**	**10 175**	**3855**
Distribution of dividends	-	-	-	-	-	-	(8 573)	**(8 573)**
Capital increase (**)	29 991	-	-	-	-	29 991	-	**29 991**
Other movements	-	(132)	-	(631)	-	(763)	565	**(198)**
Equity at 31 October 2011	**193 631**	**(169)**	**9 411**	**129 831**	**2 761**	**335 465**	**32 128**	**367 594**

(*) Please see note 2.
(**) Net value of the expenses of the share capital increase (€606k)

Comments on the changes in consolidated shareholders' equity are available in note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Notes to the consolidated financial statements are an integral part thereof.

GENERAL PRESENTATION

In the following notes to the financial statements, "Groupe Partouche" and "the Group" define all of the Group and its consolidated subsidiaries. Groupe Partouche SA defines the parent company of Groupe Partouche.

Groupe Partouche is a société anonyme (limited company) governed by French law, subject to all of the texts governing commercial companies in France, particularly the Code of Commerce. It has its registered office at 141 bis rue de Saussure, Paris 17th arrondissement and has been listed on the Paris stock exchange since March 1995.

Groupe Partouche SA, the company and its subsidiaries, are organised around the casino, hospitality and online gaming businesses. The consolidated financial statements were approved for publication by the Executive Board of Groupe Partouche SA on 30 January 2012.

Pursuant to French legislation, the consolidated financial statements for the financial year ended 31 October 2011 will be subject to the approval of the shareholders of the Group at the Shareholders' Meeting convened for 19 April 2012.

NOTE 1. KEY EVENTS DURING THE FINANCIAL YEAR

Capital increase

At the beginning of 2011, as part of a framework agreement aiming at substantially increasing its equity and at funding its investment programme, Groupe Partouche entered into agreement with its banking pool to restructure its syndicated loan; it also called upon Financière Partouche and Butler Capital Partners to assist in its raising funds of 30 million euros, a capital increase underwritten by Butler Capital Partners (BCP).

Both elements led to the execution of a rider on 25 January 2011, whereby significant positive changes were made to the syndicated loan agreement, in particular the amendment of the repayment terms for the Tranche A debt, of applicable bank interest margins and of the terms of application of the surplus cash flow clause. *(Please refer to Chapter 4.1.1 "Liquidity risk").*

A two-fold financial transaction took place in May 2011:

- a capital increase reserved for employees for a gross amount (including issue premiums) of €24.9m underwritten by BCP;
- a capital increase, maintaining the pre-emptive right to subscribe to shares, for an amount of €5.7m fully subscribed by minority shareholders.

Following this financial transaction carried out at the same time as changes in the company's governance, leading to the collection of a gross amount of €30.6m, BCP took a 12.52% stake in Groupe Partouche SA *(please refer to Note 14).*

Comparability of financial years

In order to facilitate the comparison of financial years 2010 and 2011, you are reminded that 2010 had benefited from the recognition of an entry for non-recurring revenue of €9.9, a non-recurring item which the financial year 2011 did not benefit from *(please refer to Note 22 "Segment information -*

comments on revenue").

Moreover, the change in the accounting estimate implemented in 2010 relating to goodwill impairment and the error correction relating to the regional economic contribution (CET) (application retrospective to 2010) are described in Note 2 "Accounting estimates and assumptions".

NOTE 2. DESCRIPTION OF THE ACCOUNTING POLICIES AND VALUATION METHODS APPLIED BY THE GROUP

REGULATORY FRAMEWORK

The financial statements of Groupe Partouche have been prepared under International Financial Reporting Standards (IFRS) as adopted in the European Union, following Regulation n°1606-2002 of 19 July 2002.

The financial information was prepared for the periods presented in compliance with the rules of measurement and recognition under IFRS.

IFRSs, as adopted by the European Union on 31 October 2011, are available in the section IAS/IFRS and SIC-IFRIC interpretations adopted by the Commission on the following website:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm

IFRS AND IFRIC INTERPRETATIONS (INTERNATIONAL FINANCIAL REPORTING STANDARDS COMMITEE)

The accounting policies and valuation methods applied for preparing the consolidated financial statements are the same as those used for the previous year, except for new EU-adopted standards and interpretations that came into force at the beginning of the financial year under review, on 31 October 2010.

Standards and interpretations applied by the Group, as of 1 November 2010

- **Annual improvements (2007-2009) to IFRS**

  On 16 April 2009, the International Accounting Standards Board (IASB) published the annual improvements it made to twelve of its standards and interpretations, in the form of riders. This project continues to make a series of non-urgent but necessary amendments to IFRSs. These amendments did not have any material impact on the Group's annual financial statements.

- **Amendments to IFRS 2 – Group Cash-Settled Share-Based Payment Transactions**

  These amendments explain the accounting treatment of share-based transactions, for which the assets or services provided are paid in cash and the obligation is contracted by a different entity. Amendments to IFRS 2 also include the provisions which were previously included in IFRIC 8 "Scope of application of IFRS 2" and IFRIC 11 IFRS 2. These amendments did not impact on the Group's consolidated statements.

- **IFRIC 19 - Settlement of financial liability with equity instruments**

  The interpretation deals with the accounting treatment of shares issued in order to settle a financial liability. This interpretation did not have any significant impact on the Group's financial statements.

- **Amendment to IAS 32 – Classification of Subscription Rights Issues issued in foreign currencies**

  The objective of this amendment is to provide some clarification on the method of recognising certain rights when the instruments are issued in a currency different from the issuer's functional currency. If these instruments are issued proportionally to the existing shareholders of the issuer for a fixed amount of cash flow, they are considered as equity, even if their exercise price is denominated in a currency different from the issuer's functional currency. This amendment did not have any material impact on the Group's consolidated financial statements.

The Group was not concerned by the application of the other texts that came into force during the period.

STANDARDS AND INTERPRETATIONS ADOPTED OR IN THE COURSE OF BEING ADOPTED BY THE EUROPEAN UNION AND NOT APPLIED IN ADVANCE BY THE GROUP AS AT 1 NOVEMBER 2010:

- Revised IAS 24 – Information on the related parties;
- Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement;
- Annual improvements of IFRS (2008-2010);
- Amendments to IFRS 7 - Information to provide - Transfers of financial assets;
- IFRS 10 - Consolidated financial statements;
- IFRS 11 - Joint agreements;
- IFRS 12 - Information to provide on investments in other entities;
- Amendments to IAS 1- Presentation of items and other items of global income;
- Review of IAS 19 – Restatement commitments;
- IAS 27- Individual financial statements under IFRS;
- IAS 28 - Associates.

ACCOUNTING JUDGMENTS AND ESTIMATES

1. Preparation principles

The consolidated financial statements are prepared on the basis of historic costs, with the exception of certain financial instruments which are recorded as of 1 November 2004, based on their fair value, namely:

- derivative financial instruments;
- available for sale financial assets.

Groupe Partouche closes its financial statements at 31 October. The subsidiaries that do not have a 31 October year-end prepare interim financial statements at that date.

The subsidiaries acquired are consolidated in the Group's financial statements as of the date of their acquisition, commencing on the most recent date of preparation of the most recent consolidated balance sheet.

Preparing the financial statements requires Groupe Partouche to perform estimates and make assumptions liable to have an impact both on the amounts of assets, liabilities, income and expenses and the information provided in the notes to the financial statements. The estimates and assumptions are realised based on comparable historic data and other factors considered to be reasonable in view of the circumstances. They are therefore used as a basis to exercise judgment rendered in determining accounting values. The Group's management reviews these estimates and assumptions continually in order to ensure their pertinence with regard to the current economic environment. Based on the evolution of these assumptions, the items included in its financial statements may differ from current estimates. The impact of changes in accounting estimates is recognised during the period of the change and all affected future periods.

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

- the valuation in the balance sheet of tangible fixed assets, intangible assets and goodwill. The Group regularly reviews certain indicators which would lead where applicable to an impairment test;
- the determination of deferred tax and the level of recognition of deferred tax assets based on the principles described below. Management has established a tax recoverability plan enabling the amount of deferred tax assets that may be recognised in the Group's consolidated balance sheet to be estimated;
- the determination by the Group of the provision for retirement commitments and similar benefits and related expenses depends on the assumptions used in the actuarial provision calculation;
- the analysis of risks and litigation, including the estimate of the probability of the outcomes of litigation in progress and future litigation, which are, by their nature, dependant on necessarily uncertain future events.

The financial statements reflect management's best estimates, on the basis of the information available to them on the date that the financial statements were approved for publication.

2. Change in the accounting estimate of goodwill impairment in 2010

As mentioned in the update of the 2009 Reference Document, which was published in July 2010, the multiple of GGR that is used in the fair value method which is used for goodwill impairment testing became increasingly difficult to corroborate. The absence of recent comparable transactions led Groupe Partouche to no longer base its estimates on the fair value method (which uses comparable multiples), but instead only to use the value in use method, which is based on discounted cash flows.

The effect of this change on the accounting estimate was additional goodwill impairment of €46.8m, which was included in the total impairment of €71.2m as booked in respect of the 2010 financial year.

The method used for the impairment tests is shown below, in the section on accounting principles and valuation methods of intangible assets applied by the Group.

3. Error corrections: accounting treatment of regional economic contribution (CET)

As of 1 January 2010, the taxe professionnelle [French local business tax] has been replaced by a new tax, the regional economic contribution (CET), itself made up of two taxes:

- the cotisation foncière des entreprises [French Businesses' Real Estate Contribution] (CFE) based on the property rental values;
- the cotisation sur la valeur ajoutée des entreprises [French Company Added Value Contribution] (CVAE). The CVAE rate is progressive according to income with a maximum of 1.5% of the added value for revenue exceeding €50m.

In the consolidated financial statements of the financial year ending 31 October 2011, the company chose to reclassify the CVAE and record it in income tax expenses, considering that the CVAE should be analysed as income tax as defined by IAS 8. This error correction was applied retrospectively in accordance with IAS 12, leading to the presentation of restated financial statements at 31 October 2010. The 2009 financial statements were not restated because of the date of entry into force of the CET (1 January 2010).

Recognition of the CVAE at 31 October 2010 led to the recognition of deferred liability tax stock amounting to €3,516k on temporary differences (1.5% of eligible bases) and a deferred tax asset stock amounting to €1,172k (33.33% of deferred liability tax).

Annual changes of these deferred taxes were listed in the income statement at 31 October 2011. Impacts on 2011 and 2010 restated income are as follows:

PRESENTATION IMPACT ON THE CONSOLIDATED INCOME STATEMENT

New heading of the consolidated income statement

IN €000 AT 31 OCTOBER	2011	2010 RESTATED
Reclassification of CVAE in tax on profit or loss (*)	(3 858)	(2 910)
Deferred CVAE tax (temporary CVAE differences)	585	(3 516)
CVAE tax section Consolidated income statement	**(3 273)**	**(6 426)**

(*) No impact on net income.

Impact on profit tax

IN €000 AT 31 OCTOBER	2011	2010 RESTATED
Deferred "Income tax" tax on deferred CVAE tax	(195)	1 172
Income tax	(10 059)	(5 737)
Tax on profit of consolidated income statement	**(10 254)**	**(4 565)**

Impact on net income

IN €000 AT 31 OCTOBER	2011	2010 RESTATED
Deferred CVAE tax (CVAE timing differences)	585	(3 516)
Deferred "income tax" tax on deferred CVAE tax	(195)	1 172
Net impact on net income	**390**	**(2 344)**

The various aforementioned taxes change the consolidated financial statements published in 2010 as follows:

IMPACT ON THE FINANCIAL SITUATION 2010

The detailed impacts on the income statement 2010 are the following:

IN €000 AT 31 OCTOBER	2010 PUBLISHED	ERROR CORRECTION	2010 RESTATED
Non-current assets	727 459	-	727 459
Current assets	152 542	-	152 542
Assets held for sale	1 245	-	1 245
Total assets	**881 246**	**-**	**881 246**

IN €000 AT 31 OCTOBER	2010 PUBLISHED	ERROR CORRECTION	2010 RESTATED
Equity (Group share)	314 902	(2 344)	312 558
Minority interests	29 961	-	29 961
Equity	**344 863**	**(2 344)**	**342 519**
Non-current liabilities	248 472	2 344	250 816
Current liabilities	287 003	-	287 003
Held for sale liabilities	907	-	907
Total liabilities	**881 246**	**-**	**881 246**

IMPACT ON THE INCOME STATEMENT 2010

€000 AT 31 OCTOBER	2010 PUBLISHED	ERROR CORRECTION	2010 RESTATED
Taxes and related expenses	(23 750)	2 910	(20 840)
Current operating profit	**47 821**	**2 910**	**50 731**
Operating profit	**(25 945)**	**2 910**	**(23 035)**
Profit before tax	**(44 269)**	**2 910**	**(41 359)**
Corporate income tax	(5 737)	1 172	(4 565)
Company value-added contribution (cotisation sur la valeur ajoutée, CVAE)	-	(6 426)	(6 426)
Income after tax	**(50 006)**	**(2 344)**	**(52 350)**
Share in earnings of equity affiliates	(35)	-	(35)
Total net income	**(50 041)**	**(2 344)**	**(52 385)**
Of which, Group share	(58 054)	(2 344)	(60 398)
O/w minority interests	8 013	-	8 013

IMPACT ON THE CASH FLOW STATEMENT

€000 AT 31 OCTOBER	2010 PUBLISHED	ERROR CORRECTION	2010 RESTATED
Total net profit	**(50 041)**	**(2 344)**	**(52 385)**
Elimination of tax expense (income)	5 737	5 254	10 991
Impact of the change in WCR	(698)	-	(698)
Tax paid	(4 104)	(2 910)	(7 013)
Net cash flow from operating activities	**66 522**	**-**	**66 522**
Cash flow from investing activities	**(24 825)**	**-**	**(24 825)**
Cash flow from financing activities	**(13 857)**	**-**	**(13 857)**
Change in cash and cash equivalents	**28 740**	**-**	**28 740**
Opening cash position	**78 856**	**-**	**78 856**
Closing cash position	**107 596**	**-**	**107 596**

The amounts at 31 October 2010 shown in the following tables take into account the error correction.

CONSOLIDATION METHODS

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

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

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

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

Business combinations are recognised as provided by IFRS3.

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

The acquisition of minority interests was not covered by IFRS until the adoption of IAS 27 Amended, which was applicable by the Group as of 1 November 2009. Until 31/10/2009, in the absence of any specific rules, Groupe Partouche had applied the method used by the parent company in accordance with French legislation and authorised under IFRS; in the event that additional shares in a subsidiary were acquired, the difference between the price paid and the carrying amount of the acquired minority interest, as determined from the financial statements prior to the acquisition, was recorded as goodwill. As of 1 November 2009, pursuant to IAS 27 Amended, this difference has been recorded as a deduction of consolidated equity.

2. ACCOUNTING TREATMENT OF CALL OPTIONS ON MINORITY INTERESTS

Under IFRS, call options on minority interests are recorded within «Current financial debt» under Current financial instruments in the balance sheet. Pursuant to the provisions of IAS27 Amended, an offsetting entry related to these future transactions between shareholders is recorded in equity.

FOREIGN CURRENCY TRANSLATION METHODS

1. TRANSLATION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

The consolidated financial statements are presented in euros, which is the functional and presentation currency of the company.

Foreign companies' financial statements are initially prepared in each subsidiary's functional currency. Balance sheet items are translated into euros on the basis of the exchange rates prevailing at the balance sheet date. Equity items are translated on the basis of the historical exchange rates, with translation differences from the previous financial year being aggregated under the heading "translation differences" included in the statement of recognised gains and losses.

The income statement and cash flow headings are translated using average rates during the financial year.

2. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Receivables and payables expressed in foreign currencies are translated on the basis of the exchange rate prevailing at the balance sheet date. Income, expenses and transaction flows are translated on the basis of the exchange rate prevailing at the date they were recognised. The gains and losses resulting from the translation of the assets and liabilities are listed in the income statement.

3. MAIN CONVERSION RATES

The main exchange rates applied outside the euro zone are as follows:

CURRENCIES / EURO	CLOSING RATE 31/10/2011	AVERAGE RATE 31/10/2011	CLOSING RATE 31/10/2010	AVERAGE RATE 31/10/2010	CLOSING RATE 31/10/2009	AVERAGE RATE 31/10/2009
USD US dollar	**1,4001**	**1,39294**	1,3857	1,34716	1,48000	1,33163
CHF Swiss franc	**1,2191**	**1,24783**	1,3708	1,41292	1,51230	1,49346
TND Tunisian dinar	**1,95153**	**1,977353**	1,935551	1,895630	1,915716	1,83626
EGP Egyptian pound	**8,349356**	**8,23048**	8,003119	7,47608	8,092914	7,40734
GBP Pound sterling	**0,8731**	**0,86788**	0,8686	0,86524	0,89375	0,86151

INTANGIBLE ASSETS

Intangible assets with indefinite useful lives are not amortised. In light of the Group's sectors of activity, they represent assets in respect of which it is possible to verify the change in value. They are subject to periodic impairment testing.

Intangible assets with definite useful lives are amortised based on their expected useful lives and are impaired where there is an indication of impairment in value.

Other intangible assets notably include operating rights acquired to operating licences, client lists and lease rights.

1. DETERMINATION OF GOODWILL

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

Goodwill is the difference between the acquisition cost of shares and the Group's share in the fair value of any identifiable assets and liabilities. All of the expenses representing external costs directly related to the acquisition are included in the acquisition cost. Most of the goodwill has been generated by external growth operations. However, as of 1 November 2009, and where no change in control has occurred, this difference is recorded directly as a reduction in equity, in accordance with IAS 27 Amended. Goodwill is accounted for in the functional currency of the acquired entity and is converted in the consolidated financial statements according to the rules of conversion as previously defined.

Moreover, the Group's acquisitions within the scope of its online and interactive activities generated goodwill that remains dependent on the prospects of growth of the French online gaming market, Law N°2010-476 of 12 May 2010. France's online gaming regulatory authority (ARJEL) awarded Groupe Partouche an online poker licence, the effective date of which was 25 June 2010.

Upon the sale of a subsidiary, the amount of goodwill attributable to the company sold is included in the calculation of the gain or loss on disposal.

2. IMPAIRMENT TESTING OF GOODWILL

Goodwill is not amortized, but is subject to impairment tests annually or more frequently if there is any indication of identified impairment in value. Besides external indicators that measure any loss in value related to the economic climate, the Group mainly uses changes in the following internal indicators: Gross Gaming Revenue, revenue and EBITDA.

For the purposes of carrying out impairment testing, each goodwill item is allocated to a cash generating unit (CGU) representing the lowest level at which goodwill is monitored for the purposes of monitoring for internal management purposes. The Group falls within the scope of application of paragraph 135 of IAS 36.

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

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

As mentioned in the section on the change in accounting estimates introduced in 2010, the method for calculating the fair value had to be revised for the impairment tests conducted in 2010. Fair value had previously been determined on the basis of recent market transactions in similar assets, which, in this case, meant casinos (representing around 90% of the Group's recorded goodwill), through the use of a multiple of Gross Gaming Revenue, the main performance indicator for the casino gaming sector. Due to the lack of comparable transactions that are sufficiently recent to justify the use of this multiple, the multiple became increasingly difficult to corroborate. To conduct impairment tests, the Group therefore decided no longer to base its estimates on the fair value method (which uses comparable multiples), but instead only to use the value in use method, which is based on discounted future cash flows.

The value in use of a CGU is determined by discounting the future cash flows generated by its assets. The data used for the value in use method is extracted from the annual budgets and multi-annual plans drawn up by management for a period of five years. Beyond this period, a terminal value is added corresponding to the capitalisation, for an unlimited time, of cash flows from the final year of the plan. Their use leads to calculating values that are incorporated within the yield, which is estimated at between 2% and 2.5%, depending on the sector of activity concerned and the risk premium specific to these activities. The discount rate used is the weighted average cost of capital (WACC).

Should the tests, once performed, yield a loss in value, the impairment is deducted from goodwill. It is charged to «Impairment of non-current assets» under current operating profit. Under IFRS as adopted by the European Union, a recorded impairment of goodwill can never be reversed.

3. IMPAIRMENT SENSITIVITY TESTS

For each CGU, the Group performs impairment sensitivity tests on goodwill, referring to the following two parameters:

- the discount rate;
- the growth rate to infinity used in cash flow forecasts.

PROPERTY AND EQUIPMENT

1. EVALUATION

The Group's property and equipment is recognised at acquisition cost (acquisition price and acquisition costs of the fixed assets) or at their production cost.

Borrowing costs directly attributable to the acquisition, construction or production of certain assets until the date on which they are brought into service are recognised in addition to the value of the corresponding asset.

Property and equipment is valued at each balance sheet date, based on the amortised cost model: at cost less depreciation and any impairment losses.

Assets under construction correspond to fixed assets for which the acquisition or production is not yet complete, with the result being that the expected initial return has yet to be realised.

2. DEPRECIATION METHOD AND PERIOD

The main depreciation method used by the Group is the straight-line method.

Land is not depreciated. Depreciation is applied based onthe expected useful life of the assets. The main useful livesfall within the following ranges:

Buildings - structures	20 to 50 years
Buildings - fluids	15 to 20 years
Buildings - fittings	8 to 15 years
Equipment, fixtures and fittings	5 to 10 years
Other fixed assets	3 to 7 years

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

The residual values and useful lives of the assets are reviewed and, where applicable, are adjusted at the balance sheet date. The carrying amount of an asset is immediately impaired to bring it in line with its net realisable value when the carrying amount of the asset is higher than its estimated net realisable value.

Gains and losses on disposal are determined by comparing the proceeds on sale with the carrying amount of the asset sold. They are recognised in the income statement under "other current operating income and expenses", or "other non-current operating income and expenses" based on the principles described above.

INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

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

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

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

FINANCIAL ASSETS

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

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

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

2. ASSETS HELD TO MATURITY

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

3. LOANS, RECEIVABLES AND DEBT ISSUED BY THE COMPANY

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

4. OTHER AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets are derivates attached to this category or those which do not fall within another category. They are included under non-current assets unless Management intends to sell such assets within 12 months following the balance sheet date.

Investments in equity instruments in which the Company owns less than 20% of the shares in circulation or the voting rights of the issuing entity, and which are neither controlled by, nor under the significant influence of the Company, are classified as available for sale financial assets and are recognised under "Other non-current financial assets" within non-current assets. Quoted instruments are measured at fair value and changes in fair value taken directly to equity. Non-quoted instruments are recognised as follows:

- if the fair value of the unquoted instruments is determinable by valuation techniques that are appropriate to the type of security, they are recognised at fair value and the changes in fair value are taken directly to equity;
- if the fair value cannot be determined reliably, the instruments are measured at cost.

Gains and losses recognised on the sale of equity investments are recognised in the consolidated income statement.

Any impairment loss representing a non-permanent impairment loss is recognised in the period in which such a loss of value arose. At each balance sheet date, the Group measures the impairment in value of a financial asset or a group of financial assets if there is an indication of a loss of value of a financial asset or a group of financial assets.

INVENTORIES

Inventories are stated at their acquisition cost. The costs of inventories sold are determined on the basis of the first-in-first-out method. An impairment loss is recognised when the carrying amount of inventories is higher than their net realisable value.

RECEIVABLES AND OTHER DEBTORS

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

DEFERRED TAX

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

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

Deferred tax is calculated by applying the most recent tax rate enacted at the balance sheet date applicable to the period in which temporary differences reverse.

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

All deferred tax liabilities are recognised unless the tax results from the initial recognition of goodwill.

In accordance with paragraph 39 of IAS 12, the Group did not recognise a deferred tax liability relating to the difference between the book value of equity-accounted investments and their tax bases.

Deferred taxes are classified as non-current assets and liabilities.

CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes cash at bank and in hand as well as all immediately available short-term investments.

These investments are made in SICAV-type or FCP-type mutual fund units, the value of which is not subject to changes in stock market prices and which can be converted easily into a cash amount subject to negligible risk of change in value.

Cash and cash equivalents are financial assets held for trading and are valued at their fair value. Changes in value are recorded as results from financial items.

Cash presented in the consolidated cash flow statement includes cash and cash equivalents such as defined above, net of current bank overdrafts, which are an integral part of the Group's cash management.

DISCONTINUED OR DISCONTINUING OPERATIONS

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

FINANCIAL DEBT

Financial debt is recognised at face value, net of related issuing costs and premiums. Subsequently, these borrowings are recognised at amortised cost using the effective interest-rate method, the difference between cost and repayment value being recognised in the income statement over the term of the borrowings.

The cost of net financial debt includes interest payable on borrowings calculated using the effective interest-rate method, interest receivable on investments, and income from other dividends.

Income from interest is recognised in the income statement when it is acquired, using the effective interest-rate method.

Income from dividends is recognised in the income statement when the Group acquires the right to collect the payments.

Financial debt is classified under current liabilities unless the Group has the unconditional right to defer the settlement of the debt at least twelve months after the balance sheet date, in which case these borrowings are classified as non-current liabilities.

PROVISIONS

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

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

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

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

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

The Group uses cash flow hedges to manage risks on financial flows related to floating-rate borrowings.

According to IAS 39, the application of hedge accounting requires the company to demonstrate and document the effectiveness of the hedging relationship upon its establishment and throughout its life. The effectiveness of the hedge with respect to accounting is verified by the relationship among changes in value of the derivative and of the underlying hedged asset.

Derivative instruments are recognised in the balance sheet for their market value at the closing date. The market value is established by reference to market data and according to commonly used models.

In the case of hedging future interest expense, the hedged financial debt continues to be recognised at amortised cost, with the change in value of the effective portion of the hedging instrument being recorded in equity within "Consolidated reserves".

The change in value of the ineffective portion of hedging instruments is recorded in the result from financial items.

EMPLOYEE BENEFITS

1. Retirement plans

The Group has set up various defined-contribution or defined-benefit retirement plans.

The provision recognised in the balance sheet for defined benefit plans relates to the discounted value of the commitment for defined benefits at the closing date, less the fair value of the plan's assets at that date, adjusted for unrecognised actuarial gains or losses, and less the cost of past service. The provision relating to defined-benefit plans is calculated annually according to the projected unit of credit method. The discounted value of commitments under defined-benefit plans is determined by discounting future disbursements with a market rate at the closing date based on first-class corporate bonds, corresponding to the currency and to the estimated schedule of benefit payments.

For defined-contribution plans, the Group pays contributions to private or public insurance companies on a mandatory, contractual or voluntary basis. The Group's commitments are limited to contributions paid. Contributions are recorded in expenses when they are due. Contributions paid in advance are deferred to assets insofar as the payment in advance will result in a decrease in future payments or a cash reimbursement.

2. OTHER POST-EMPLOYMENT BENEFIT PLANS

Nearly all employees of the Company are covered by health insurance plans and life insurance plans financed by the government. Consequently, the Company has no significant commitment in respect of its employees in terms of post-employment benefits other than retirement benefits; as a result, no provision has been established to this effect.

3. TERMINATION BENEFITS

Termination benefits are employee benefits payable as a result of either the Group's decision to terminate an employee before the normal retirement date or an employee's decision to accept benefits in connection with a voluntary redundancy. The Group recognises these termination benefits when, and only when, it is demonstrably committed either to terminate the employment contract of a staff member in accordance with a detailed official plan without any real possibility of withdrawal or to grant termination benefits as a result of an offer made to encourage voluntary redundancy.

INCOME FROM ORDINARY ACTIVITIES

Consolidated turnover recognised for the Group corresponding to income from ordinary activities as defined under IAS 18 mainly includes income generated by the following activities:

- Net gaming revenue
- Sales of services

Turnover is recognised on the accrual basis for net gaming revenue or in relation to the degree of completion for sales of services and lease agreements, provided that a contract exists between the parties, that the price is fixed or may be determined and that the corresponding receivable is likely to be recovered. Turnover is measured at the fair value of the consideration received or to be received.

1. NET GAMING REVENUE

This item corresponds to gross gaming revenue, less the corresponding gaming levies, in accordance with the chart of accounts for casinos. Net gaming revenue (the net win from gaming less gaming levies) is known and recognized when the service is performed.

2. SALES OF SERVICES

Turnover generated by sales of services includes proceeds arising from restaurant, hotel and entertainment activities constituting the full range of leisure services provided to the clientele of the Group's establishments in addition to gaming activities.

LEASE AGREEMENTS

The lease agreements referenced at the level of the Group as a whole are in large part operating leases under which the lesser retains a significant portion of the risks and benefits inherent in ownership of the asset under lease. Payments made under these leases are recognised in expenses on a straight-line basis over the term of the leases. Only significant finance-lease agreements for fixed assets are restated. They give rise to recognition of an asset, the leased property, and a liability, the financial debt. These assets are depreciated in accordance with the schedule defined by the Group in respect of the fixed assets concerned.

OPERATING PROFIT

In order to aid in the understanding of its financial performance, the Group considers that it is pertinent to divide its operating profit into two components on its income statement: current operating profit and non-current operating profit.

1. CURRENT OPERATING PROFIT (COP)

Current operating profit combines all of the income and expenses directly related to the Group's businesses to the extent that these items are recurring, usual items of the operating cycle or that they result from ad hoc events or decisions related to the Group's operations. This indicator used by the Group allows for the presentation of a level of operating performance able to facilitate a forward-looking approach to recurring performance. This aggregate is the operating profit before impairment of goodwill and other non-recurring operating income and expenses defined as follows: net gains/losses from the disposal of assets and exceptional items, income and expenses which are unusual in their frequency, nature or amount.

2. NON-CURRENT OPERATING PROFIT (NCOP)

Non-current operating profit comprises all non-current events that are not usually part of the operating cycle: it therefore comprises impairments of fixed assets, the net gain or loss from the sale of consolidated investments, the net gain or loss on the sale of assets or other non-current operating income and expenses that are not related to the normal operating cycle.

COVENANTS: CONSOLIDATED EBITDA

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

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

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

SEGMENT INFORMATION

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

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

- Casinos
- Hotels
- Interactive
- Other activities

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

Geographic segment information in the notes is based on a breakdown of turnover by geographic regions in which the Group operates.

- France
- Europe excluding France
- Rest of the world

SPECIFICITIES OF THE GROUP'S ACCOUNTING RULES

1. The chart of accounts for casinos (Order of 27 February 1984) involves the application of particular rules with respect to capital subsidies arising from the applicable levy.

The applicable levy relates to the additional revenue earned by the casinos using the new progressive levy scale (26 August 2009), 50% of which must be earmarked for capital investment designed to improve tourist facilities, as provided by Decree. The capital subsidies appearing in equity of the subsidiaries' individual company financial statements are, depending on their scheduled due date, recorded in the line item "Other current liabilities" or in the line item "Other non-current assets" in the consolidated balance sheet.

2. Groupe Partouche sets aside provisions for progressive jackpots at the end of the financial year. This provision is recognised in the line item "Current provisions" in the consolidated balance sheet. The jackpot provision is calculated at the closing date on the basis of the jackpot amount displayed on all progressive slot machines, minus the amounts at the start of the period for each of these jackpots in addition to the amount saved in levies relating to the jackpot payout.

3. Since 31 October 1997, and in order to comply with an interpretation of the chart of accounts applicable to spa resort casinos, Groupe Partouche casinos has not accounted for the inventory face values of coins and chips under cash at bank and in hand and other liabilities. Only coins and chips in circulation are recorded under "Trade and other accounts payable" in the consolidated balance sheet.

NOTE 3. CHANGES IN THE SCOPE OF CONSOLIDATION

Groupe Partouche SA's consolidated financial statements, prepared at 31 October 2011, include the financial statements of the companies listed in Note 34.

The table below summarises the number of entities consolidated by the full consolidation, proportional consolidation and equity methods.

	2011			2010			2009		
Number of companies	FRANCE	EURO AREA (EXCLUDING FRANCE)	OTHER COUNTRIES	FRANCE	EURO AREA (EXCLUDING FRANCE)	OTHER COUNTRIES	FRANCE	EURO AREA (EXCLUDING FRANCE)	OTHER COUNTRIES
Fully consolidated companies	94	13	8	96	14	8	100	14	8
Proportionally consolidated companies	-	-	-	2	-	-	2	-	-
Equity-method companies	2	-	1	-	-	1	1	-	1
TOTAL	**96**	**13**	**9**	98	14	9	103	14	9

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

CHANGE IN PERCENTAGE INTEREST AND CONTROL

COMPANIES	CONTROL 2011	INTEREST 2011	CONTROL 2010	INTEREST 2010	CONTROL 2009	INTEREST 2009
FORGES THERMAL	59,48	59,48	59,49	59,49	59,25	59,25
SIKB Belgique	-	-	100,00	100,00	100,00	99,90
SCI DE L'ARVE	100,00	99,91	100,00	99,89	100,00	99,88
CINEMA ELYSÉE PALACE	99,98	91,81	96,00	88,15	96,00	88,11
CASINO D'ANNEMASSE	99,91	99,91	99,89	99,89	99,88	99,88
CASINO DE PORT BARCARÈS	97,30	97,30	97,60	97,60	97,60	97,60
SCI LA TREMBLADE	100,00	99,04	100,00	70,06	100,00	70,06
CASINO DE LA TREMBLADE	99,03	99,03	69,76	69,76	69,76	69,76
CASINO DU HAVRE	100,00	100,00	99,99	99,99	99,99	99,99
CASINO DE CALAIS	90,10	90,10	90,05	90,05	90,05	90,05
CASINO D'AGON COUTAINVILLE	89,56	89,56	89,41	89,41	89,41	89,41
HOTEL LYON HILTON	97,25	97,25	97,00	97,00	97,00	97,00
CASINO LA SEYNE-SUR-MER	-	-	97,66	97,65	97,66	97,65
SIKB IMMO	100,00	100,00	-	-	-	-
SLUIS	-	-	60	59,94	60	59,94
CASINO DE SAINT-NECTAIRE	-	-	100	100	100	100
GRAND CASINO DE LYON	97,25	97,25	97	97	97	97

REMOVALS FROM THE CONSOLIDATION SCOPE

At the beginning of the first half 2011, Groupe Partouche disposed of the companies Casino Sluis (Netherlands) and Casino de Saint-Nectaire. These companies were deconsolidated at 1 November 2010 and were accounted for under IFRS 5 Assets - Liabilities Held for Sale at 31 October 2010.

During the first half 2011, the company Casino des Sablettes in La Seyne-sur-Mer was liquidated.

During the second half 2011, Groupe Partouche partially disposed of the assets of the company SIKB (Belgium). This operation resulted in the disposal of the company SIKB holding the related operating license, Groupe Partouche having transferred the assets to the company SIKB Immo, created following the operation.

IMPACT OF THE TRANSITION FROM THE PROPORTIONAL METHOD TO THE EQUITY METHOD FOR THE CONSOLIDATION OF THE GRASSE COMPANIES ON THE PRESENTATION OF THE CONSOLIDATED INCOME STATEMENT AND ON THE FINANCIAL SITUATION AT 31 OCTOBER 2011

At the end of financial year 2011, the Group was confronted with the non-issuance, by the managers of the companies Casino de Grasse and SCI de Grasse, of the annual financial statements of both these companies, which, up until then, were consolidated using the proportional method in the Group's consolidated financial statements.

This situation led the Group to recognise loss of control over these two companies, and, therefore to decide to consolidate these two companies by using the equity method based on the last financial statements provided, i.e. for the first half-year ending 30 April 2011.

The impact of the transition of the Grasse companies to the equity method is af follows :

€000 AT 31 OCTOBER	CASINO GRASSE	SCI DE GRASSE	TOTAL 2010	TOTAL 2011
Turnover	**771**	**7**	**778**	**-**
Purchases and external expenses	(308)	(42)	(350)	-
Tax	(47)	-	(47)	-
Personnel costs	(483)	-	(483)	-
Depreciation, amortisation and impairment on fixed assets	(68)	(3)	(71)	-
Other current operating income and expenses	(72)	35	(37)	-
Current operating profit	**(206)**	**(3)**	**(209)**	**-**
Non-current operating profit	**(509)**	**(115)**	**(624)**	**-**
Operating Income	**(714)**	**(119)**	**(833)**	**-**
Financial income	**(2)**	**-**	**(2)**	**-**
Income before tax	**(716)**	**(119)**	**(835)**	**-**
Corporate income tax	-	-	-	-
Income after tax	**(716)**	**(119)**	**(835)**	**-**
Income of Equity Affiliates (2011)	**-**	**-**	**-**	**(7)**

NOTE 4. INTANGIBLE ASSETS

€000 AT 31 OCTOBER	CONCESSIONS, PATENTS, BRANDS	INTERNALLY-GENERATED GOODWILL	OTHER INTANGIBLE ASSETS	TOTAL
Gross value at 31 October 2009	**4 762**	**12 989**	**7 272**	**25 023**
Accumulated amortization and impairment losses at 31 October 2009	(2 387)	(6 258)	(4 807)	(13 451)
Net value at 31 October 2009	**2 375**	**6 731**	**2 466**	**11 572**
Acquisitions	1 394	1	416	1 811
Disposals	-	-	(128)	(128)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	(68)	(153)	(4)	(226)
Translation difference	-	-	35	35
Assets transferred and scrapped	37	-	(112)	(75)
Change in depreciations	(1 088)	(118)	(424)	(1 630)
Gross value at 31 October 2010	**6 125**	**12 837**	**7 479**	**26 441**
Accumulated amortization and impairment losses at 31 October 2009	(3 475)	(6 376)	(5 230)	(15 081)
Net value at 31 October 2010	**2 650**	**6 460**	**2 249**	**11 359**
Acquisitions	1 172	-	818	1 989
Disposals	-	-	(127)	(127)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	(1)	-	(1)
Transition from the proportional method to the equity method (*)	-	-	(5)	(5)
Translation difference	-	-	43	43
Assets transferred and scrapped	105	-	(407)	(301)
Change in depreciations	(1 369)	(148)	(651)	(2 168)
Gross value at 31 October 2011	**7 402**	**12 836**	**7 801**	**28 039**
Accumulated amortization and impairment losses at 31 October 2009	(4 844)	(6 524)	(5 881)	(17 249)
Net value at 31 October 2011	**2 559**	**6 312**	**1 920**	**10 790**

(*) Casino de Grasse and SCI de Grasse

NOTE 5. GOODWILL

€000 AT 31 OCTOBER	2011	2010	2009
Net goodwill, excluding impairment for the financial year	336 702	408 103	420 809
Impairment for the financial year	(7 843)	(71 149)	(8 686)
TOTAL	**328 859**	**336 954**	**412 123**

The impairment of goodwill for the 2011 financial year amounted to €7.8M. The impairment of goodwill for the casino CGUs amounted to €4.3 on the basis of the utility value in use.

BREAKDOWN OF CHANGES IN GOODWILL BY ACTIVITY

€000 AT 31 OCTOBER	2011	2010	2009
Casinos	303 872	308 186	356 373
Hotels	6 553	6 553	9 024
Interactive Division	6 737	8 436	21 615
Other	11 696	13 778	25 112
TOTAL	**328 859**	**336 954**	**412 123**

BREAKDOWN OF CHANGES

NET VALUE AT 31 OCTOBER 2010	336 954
Decreases	(252)
Depreciation (Impairment) (*)	(7 843)
NET VALUE AT 31 OCTOBER 2011	328 859

Of which

DECREASES (DEPRECIATION EXCLUDED)	(252)
SIKB	(252)

DEPRECIATION (*)	(7 843)
Casino Andernos	(2 358)
Casino Arcachon	(1 956)
Partouche Images	(963)
Partouche Technologies	(736)
Cannes Balnéaires	(1 830)

(*) Impairment losses were recognised under the heading "Impairment of non-current assets" within the aggregate "Non-current operating profit".

IMPAIRMENT OF GOODWILL BY THE OWNING COMPANIES

The tests performed on the Group's goodwill on 31 October 2011 led to the recognition of additional impairment in the amount of €7,843 thousand, as shown in the previous table.

The breakdown of accumulated net goodwill above €10m, as at 31 October 2011 is as follows:

€000 AT 31 OCTOBER	2011	2010
Casino La Grande Motte	33,2	33,2
Casino Divonne	30,7	30,7
Casino Bandol	30,6	30,6
Casino Pornichet	30,1	30,1
Casino Annemasse	27,2	27,2
Casino Hyères	26,4	26,4
Casino Pornic	19,3	19,3
Casino Roche-Posay	16,9	16,9
Casino Ostende	15,3	15,3
Casino Plouescat	12,9	12,9
SUBTOTAL	**243**	**243**
Other (cumul)	86	94
TOTAL	**329**	**337**

INFORMATION ON IMPAIRMENT TESTS

The tests performed by the Group were based on the discounted cash flow method, using estimated future cash flows based on 2012 budget data and the most recent forecasts drawn up by the operating segments. These forecasts are drawn up by each operating segment, drawing on their financial targets and assumptions on the following factors: discount rate, the long-term growth rate used to calculate the terminal value, EBITDA, investment expenditure, competition environment, regulatory environment, changes in technology and level of marketing and selling costs.

The main assumptions used are shown below:

OPERATING SEGMENTS	DISCOUNT RATE	GROWTH RATE	WEIGHTED SEGMENT BETA	MARKET PREMIUM
	2011	2011	2011	2011
Casinos	6,5 %	2 %	0,62	5 %
Hotels	10 %	2,4 %	0,95	5 %
Interactive Division	10,5 %	2,2 %	0,86	5 %
Other	6,7 %	2 %	0,86	5 %

SENSITIVITY TESTS

Sensitivity tests of realisable value based on reasonably possible changes of a key assumption were carried out, and more specifically, sensitivity tests to changes of 0.5% of the discount rate and the growth rate to infinity. They did not reveal any situations in which the realisable value of CGU would become lower than the carrying amount, with the exception of the main sensitive CGU values mentioned below:

CGU	€M IMPACT OF A 1/2 POINT INCREASE OF			
	UPDATE RATE		INFINITE GROWTH RATE	
	+1/2 POINT	-1/2 POINT	+1/2 POINT	-1/2 POINT
Casino Grande Motte	(3,3)	4,1	3,7	(3)
Casino Andernos	(1,1)	1,4	1,3	(1)
Casino Arcachon	(0,5)	0,6	0,6	(0,5)
Casino Hyères	(0,6)	5,3	4,9	(0,3)
Casino Bandol	(2,8)	3,6	3,4	(2,6)
Casino Val-André	(0,3)	0,7	0,7	(0,3)
Casino Ostende	(0,8)	2,1	1,9	(0,6)
Casino Coutainville	(0,8)	1,1	1,0	(0,7)
Hôtel 3.14	(0,8)	0,9	0,8	(0,7)

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

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

The estimates used in the business plan (please refer to "Company forecasts and objectives" mentioned in Chapter 13 of this Annual Report) are on the whole consistent with those used in the scope of goodwill impairment testing. They were established with a view to assess the Group's capacity to honor its commitments, on the basis of conservative assumptions.

NOTE 6. PROPERTY AND EQUIPMENT

€000	LAND	BUILDINGS	TECHNICAL INSTALLATIONS	OTHER TANGIBLE FIXED ASSETS	TOTAL
Gross value at 31 October 2009	**38 516**	**491 865**	**192 501**	**105 879**	**828 760**
Accumulated depreciation and amortization at 31 October 2009	(5 314)	(210 527)	(148 762)	(77 796)	(442 399)
Accumulated impairment losses at 31 October 2009	-	-	-	-	-
Net value at 31 October 2009	**33 202**	**281 338**	**43 739**	**28 083**	**386 362**
Acquisitions	72	4 702	12 216	5 207	22 197
Disposals	(1)	(1 261)	(3 636)	(1 927)	(6 824)
Additions to the consolidation scope	-	-	-	-	-
Removals from the consolidation scope	(333)	(4 703)	(2 523)	(891)	(8 450)
Translation difference	29	685	1 320	330	2 364
Assets transferred and scrapped	158	383	(1 702)	(1 775)	(2 939)
Depreciation and impairment charges/reversals (*)	(525)	(19 367)	(9 474)	(3 169)	(32 536)
Impairment losses for the period (*)	-	-	-	-	-
Gross value at 31 October 2010	**38 440**	**491 672**	**198 176**	**106 823**	**835 111**
Accumulated depreciation and amortization at 31 October 2010	(5 839)	(229 895)	(158 236)	(80 965)	(474 935)
Accumulated impairment losses at 31 October 2010	-	-	-	-	-
Net value at 31 October 2010	**32 601**	**261 777**	**39 940**	**25 858**	**360 176**
Acquisitions	19	6 605	13 198	9 870	29 691
Disposals	(4)	(2 827)	(6 728)	(3 426)	(12 986)
Additions to the consolidation scope	-	-	-	-	-
Removals from the consolidation scope	-	-	(924)	(3)	(927)
Transition from the proportional method to the equity method ❖	-	(209)	(331)	(713)	(1 253)
Translation difference	(15)	691	1 848	309	2 834
Assets transferred and scrapped	(158)	(3 866)	570	(780)	(4 234)
Depreciation and impairment charges/reversals (*)	(605)	(18 524)	(8 655)	(1 658)	(29 441)
Impairment losses for the period (*)	-	-	-	-	-
Gross value at 31 October 2011	**38 282**	**492 065**	**205 809**	**112 079**	**848 235**
Accumulated depreciation and amortization at 31 October 2011	(6 444)	(248 419)	(166 891)	(82 623)	(504 376)
Accumulated impairment losses at 31 October 2011	-	-	-	-	-
Net value at 31 October 2011	**31 838**	**243 647**	**38 918**	**29 456**	**343 859**

❖ *Casino de Grasse and SCI de Grasse.*

(*) the impairments in value were recorded in "Impairment of fixed assets" under current operating profit.

Buildings:

The main change in the entry concerns renovation and fixtures and fittings that the Group's establishments had installed, mainly accounted for by: Casino Palm Beach for €1,066 thousand, Casino du Val-André for €463 thousand, the Juan-les-Pins division for €2,318 thousand.

Technical equipment:

The main acquisitions during the financial year concern the renewal of the slot machines stock, representing an investment of €9,141 thousand apportioned across all casinos of the Group.

Other tangible fixed assets:

The acquisition of other tangible fixed assets concern an increase in assets under construction including changes specified in the following paragraph.

The other acquisitions mainly comprise the Hôtel Aquabella for €622k, Casino d'Aix-en-Provence for €408k and Casino de Dieppe for €369k.

ASSETS UNDER CONSTRUCTION

The line item "Other tangible fixed assets" includes assets under construction in the net amount of €7,579k at the balance sheet date, which involved works carried out mainly at Partouche Immobilier for €5,510k (in particular on the Grande Motte Pasino for €3,881k and on La Ciotat Pasino for €1,629k) and Casino Royat for €1,171k.

NOTE 7. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

The Group's investments in equity-accounted associates and the percentage ownership interest are presented in the note relating to the scope of consolidation. The financial information relating to the Group's equity accounted associates are summarised below:

Balances relating to investments in companies accounted for under the equity method

€000 AT 31 OCTOBER	2009	2010	SHARE IN PROFIT	TRANSLATION DIFFERENCE	CHANGE IN SCOPE (*)	2011
Investments in equity-accounted associates	3	-	(18)	21	(3)	-
Provision for share of negative equity (*)	(467)	(510)	-	-	(503)	**(1 013)**
TOTAL	**(464)**	**(510)**	**(18)**	**21**	**(506)**	**(1 013)**
Of which, goodwill relating to equity-accounted associates	-	-	-	-	-	-

(*) The provision includes at 31 October 2011 the net quota-share of the Grasse division companies, following the translation of these companies from proportional method to equity method. Moreover, the change in this account is disclosed in Note 16.

Balance sheet of equity-accounted associates

€000 AT 31 OCTOBER	2011	2010	2009
Total assets	1 729	869	8 307
Total debt	4 422	2 570	7 483
TOTAL NET ASSETS	**(2 693)**	**(1 701)**	**824**

Income statement of equity-accounted associates

€000 AT 31 OCTOBER	2011	2010	2009
Total revenue	952	327	34 812
Total net profit or loss	(53)	(118)	804

Information related to equity-accounted associates

€000 AT 31 OCTOBER	% OWNED 2011	NET ASSETS 2011	NET INCOME 2011	NET ASSETS 2010	NET INCOME 2010	NET ASSETS 2009	NET INCOME 2009
Casino international of Madrid	**17,85 %**	**(1 666)**	**(35)**	(1 701)	(118)	(1 574)	(300)
Palais de la Méditerranée (Nice) ❖	**100 %**	**-**	**-**	-	-	2 385	(8 227)
Fairplayers	**0% Removal 2010**	**-**	**-**	-	-	13	4
Société Française d'Invest. Hôtel et Casino	**0% Removal 2009**	**-**	**-**	-	-	-	13 070
Hôtel du Palais de la Méditerranée	**0% Removal 2009**	**-**	**-**	-	-	-	(3 741)
Casino de Grasse	**Addition 2011 (PM to EM)**	**(568)**	**(7)**	-	-	-	-
SCI du Casino de Grasse	**Addition 2011 (PM to EM)**	**(460)**	**(10)**	-	-	-	-
TOTAL		**(2 693)**	**(53)**	**(1 701)**	**(118)**	**824**	**(804)**

❖ *Casino du Palais de la Méditerranée was fully consolidated for the first time in the period under review, with effect from 31 October 2009. It was accounted for using the equity method until that date. Consequently, the share in the profit or loss of this entity for the period ending 31 October 2009 was accounted for using the equity method and its assets and liabilities were fully consolidated with effect from 31 October 2009.*

NOTE 8. OTHER NON-CURRENT FINANCIAL ASSETS

€000 AT 31 OCTOBER	2011	2010	2009
Non-consolidated investments	2 772	2 711 (*)	506
Other financial assets	1 726	1 873	2 505
Other non-current financial assets	**4 498**	**4 584**	**3 011**

(*) During the financial year, Groupe Partouche acquired an 18% stake in Casino de Saint-Julien for €2,224 thousand.

Non-consolidated investment securities

€000 AT 31 OCTOBER	GROSS VALUE 2011	IMPAIRMENT	NET VALUE 2011	NET VALUE 2010	NET VALUE 2009
Non-consolidated companies owned > 50%	406	(406)	-	-	8
Non-consolidated companiesowned 20 to 50%	234	(142)	91	24	24
Non-consolidated companiesowned less than 20%	3 738	(1 057)	2 680	2 687	474
TOTAL	**4 378**	**(1 606)**	**2 772**	**2 711**	**506**

Due dates of other non-current financial assets

€000 AT 31 OCTOBER 2010	AMOUNT	1 TO 5 YRS	+ 5 YRS
Non-current investment securities	37	-	37
Employee loans	176	176	-
Loans, guarantees and other receivables	1 829	1 219	610
Receivables attached to investments	351	351	-
GROSS AMOUNT	**2 392**	**1 746**	**647**
Provision	(666)	(351)	(316)
NET AMOUNT	**1 726**	**1 396**	**331**

NOTE 9. OTHER NON-CURRENT ASSETS

€000 AT 31 OCTOBER	2011	2010	2009
Receivables from the French State (1)	4 171	7 767	9 012
Other non-current receivables (2)	1 474	1 980	5 871
OTHER NON-CURRENT ASSETS	**5 645**	**9 747**	**14 883**

(1) The account Receivables from the French State includes €4.1m relating to a carry back observed by Groupe Partouche. These receivables are payable and the total amount attributed breaks down according to the schedule below:

€000 AT 31 OCTOBER 2011	1 TO 5 YRS	+ 5 YRS
Breakdown of carry back Groupe Partouche	4 101	-

(2) Other non-current receivables includes:

- €3.230k related to the divestment of SFC to the company Tête Dans Les Nuages (TDN). At 31 October 2011, the Group reclassified under non-current receivables the portion maturing in more than one year of the receivable on the sale of the stake held in SFC to TDN. The portion falling due in less than one year amounting to €170 thousand was recorded in "Trade receivables and other debtors";
- €1.200k related to the divestment of St Honoré Casino for €800k and St Nectaire casino for €400k, provisioned for €200k.

NOTE 10. INVENTORIES AND SEMI-FINISHED GOODS

€000 AT 31 OCTOBER	2011	2010	2009
Inventories – Solids	755	723	727
Inventories – Liquids	1 803	2 004	1 925
Inventories – Other consumed purchases	193	214	226
Inventories – Production in progress	87	87	85
Inventories – Finished and semi-finished products	66	50	-
Inventories – Merchandise inventories	759	859	738
GROSS AMOUNT	**3 662**	**3 937**	**3 701**
Provision	(132)	(97)	(129)
NET AMOUNT	**3 531**	**3 840**	**3 572**

NOTE 11. TRADE RECEIVABLES AND OTHER DEBTORS

€000 AT 31 OCTOBER	2011	2010	2009
Trade receivables	19 453	22 065	22 372
Provisions for trade accounts receivables	(8 914)	(8 538)	(8 043)
Other debtors	36 562	36 314	28 061
Provision for other debtors	(23 766)	(22 458)	(12 282)
TOTAL TRADE ACCOUNTS RECEIVABLES AND OTHER DEBTORS	**23 335**	**27 383**	**30 108**

BREAKDOWN OF OTHER DEBTORS

€000 AT 31 OCTOBER	2011	2010	2009
Trade accounts payable, advances and down payments	1 219	1 220	867
Receivables from personnel – advances and downpayments	102	91	113
Receivables from social security organisations	390	512	547
Tax receivables – excluding corporate income tax	4 638	4 846	5 904
Current accounts – assets	15 264	15 032	7 069
Receivalbes in respect of sales of property, plant and equipment	-	-	-
Receivables in respect of sales of securities	170	1 134	1 067
Other receivables	11 779	11 599	10 476
Other income receivables	2 999	1 881	2 018
TOTAL OF OTHER DEBTORS	**36 561**	**36 314**	**28 061**

At 31 October 2011, current receivables from disposals of securities correspond in their entirety to a single receivable in the amount of €170k representing the current balance receivable in connection with the divestment of the SFC unit (see Note 9).

Other receivables include in particular €6.8m from a third party that has yet to deliver a property title acquired under contract and against which proceedings have been filed. This receivable is provided for in full.

Provisions in respect of other debtors also include the provision recognised by Compagnie Européenne de Casinos in the amount of €2.3m for a foreign company, and the provision made in respect of Groupe Partouche SA's current account in respect of Casino de Beaulieu, in the amount of €8.3m (a company that was deconsolidated as of 31 October 2010).

NOTE 12. OTHER CURRENT ASSETS

€000 AT 31 OCTOBER	2009	2010	INCREASE	DECREASE	2011
Accrued interest/receivables andloans	36	44	6	-	50
Employee loans	194	175	261	(292)	144
Loans, guarantees	699	591	86	(78)	599
Receivables from the French State	5 899	4 735	1 249	(90)	5 894
Prepaid expenses	8 016	7 258	504	(87)	7 676
TOTAL GROSS VALUE	**14 844**	**12 803**	**2 106**	**(547)**	**14 363**
Provision/Impairment	0	(44)	(6)	-	(50)
NET VALUE	**14 844**	**12 759**	**2 100**	**(547)**	**14 313**

NOTE 13. CASH AND CASH EQUIVALENTS

€000 AT 31 OCTOBER	2011	2010	2009
Financial management and highly liquid cash assets	42 649	2 797	2 131
Cash	89 380	104 814	76 735
Cash and cash equivalents	**132 029**	**107 611**	**78 866**

The Group's cash position reflects the fact that casinos are required, at the close of each monthly period, to have on deposit in a specific bank account an amount equivalent to the gaming levies (see Note 20 Current tax liabilities).

In addition, regulations related to the Swiss gaming industry; do not allow these establishments to transfer free cash flow, with the exception of payment of dividends. This concerns two of the Group's casinos (Casino du Lac Meyrin and Casino de Crans-Monana) which had cash net of levies of €20.7m at 31 October 2011 (compared with €12.3m at 31 October 2010).

€000 AT 31 OCTOBER	2011	2010	2009
Cash and cash equivalents (assets)	132 029	107 611	78 866
Cash (liabilities)	(59)	(26)	(21)
Neutralisation of impairment provision	-	11	11
Cash position per consolidated financial statements	**131 970**	**107 596**	**78 856**

BREAKDOWN OF FINANCIAL MANAGEMENT CASH ASSETS

€000 AT 31 OCTOBER	2011	2010	2009
SICAV-type mutual fund units	42 649	2 739	2 061
FCP-type mutual fund units	-	69	79
Accrued interest / SICAV & FCP	-	-	2
Provision for impairment	-	(11)	(11)
Financial management cash assets	**42 649**	**2 797**	**2 131**

BREAKDOWN OF POSITIVE CASH BALANCES

€000 AT 31 OCTOBER	2011	2010	2009
Bank	78 517	93 023	65 353
Cash	10 732	11 771	11 364
Interest receivable	131	20	18
Positive cash balances	**89 380**	**104 814**	**76 735**

CASH BALANCE AFTER LEVIES

€000 AT 31 OCTOBER	2011	2010	2009
Cash and cash equivalents (assets)	132 029	107 611	78 866
- Levies	- 34 157	- 32 929	- 36 104
= Cash after levies	97 872	74 682	42 762

NOTE 14. EQUITY

CAPITAL – SHARES IN CIRCULATION

SHARE CAPITAL AT 31 OCTOBER	2011	2010	2009
Amount of share capital	193 631 182 €	163 640 414 €	86 194 836 €
Shares issued, fully paid up	96 815 591	81 820 207	43 097 418
Nominal value	2 €	2 €	2 €

On 5 May 2011, Groupe Partouche carried out two capital increases totalling €30,596,993, under the following conditions:

- Capital increase reserved to the company Butler Capital Partners and to the venture capital investment fund (FCPR) France Private Equity III (of which the company Butler Capital Partners is the management company, by issuing 12,124,500 new shares at an issue price of €2.05 (including an issue premium of €0.05 per share), i.e. €24,855,225 of which €606,225 in issue premiums;
- Capital increase with shareholders' pre-emptive right of subscription, by issuing 2,870,884 new shares at an issue price of €2, i.e. €5,741,768.

Financière Partouche, the reference shareholder, did not participate in the capital increase.

Following the operation, Financière Partouche held a 66.45% interest in Groupe Partouche, compared with its previous stake of 80.83%, FCPR held a 12.99% interest, following its acquisition of an equity stake in Groupe Partouche.

The share capital is fully paid up at 31 October 2011. Shares may be in registered or bearer form, based on the choice of the shareholder. In accordance with the Articles of Association, all of the shares have one voting right.

TREASURY SHARES

€000 AT 31 OCTOBER	2011	2010	2009
Treasury shares at historic cost	168 767	168 767	168 767
Provision	-	(131 776)	(109 352)
Total treasury shares	**168 767**	**36 991**	**59 415**
Number of treasury shares held	19 166	19 166	19 166

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

In the consolidated financial statements, treasury shares are recorded as a reduction of consolidation reserves for an amount of €168,767.

CONSOLIDATED RESERVES

€000 AS AT 31 OCTOBER	2011	2010	2009
Revaluation reserves	(42 663)	(42 663)	(42 663)
Other reserves and retained earnings	156 168	235 201	236 067
Legal reserve	8 619	8 619	8 620
Group consolidation reserves	1 003	(17 002)	911
Other Group reserves	13 657	13 657	13 655
Consolidated reserves	**136 784**	**197 812**	**216 590**

The change in consolidated reserves includes the appropriation of N-1 Group negative income of €60m.

MINORITY INTERESTS

€000 AT 31 OCTOBER	2011	2010	2009
Non-group reserves	20 810	20 806	19 254
Non-group translation reserves	2 329	1 143	(199)
Non-group earnings	8 989	8 013	9 863
Minority interests	**32 128**	**29 961**	**28 917**

NOTE 15. EMPLOYEE COMMITMENTS

These commitments were subject to an actuarial valuation based on the prospective method. The entire expense corresponding to rights acquired by the employees is determined based on the agreements in force at each company.

Provisions are calculated taking into account the probabilities of employees remaining at the Group until retirement (65 years), mortality based on gender, voluntary redundancy by the employee at retirement and on the following bases:

AT 31 OCTOBER	2011	2010	2009
Discount rate	3,28 %	2,70 %	3,5 %
Salary inflation rate	1,5 %	1,5 %	1,5 %
Social charge provision rate	42 %	42 %	42 %

€000 AT 31 OCTOBER	2011	2010	2009
Provision at the beginning of the financial year	9 913	8 371	6 748
Net charge for the financial year	205	1 889	1 721
Use	(612)	(260)	(98)
Change in the scope of consolidation	(2) (**)	(86)	-
Total employee commitments	**9 505**	**9 913**	**8 371**
Including non-current provision	9 463	9 889	8 285
Including current provision (*)	41	24	86

(*) The current portion of the provision is included in the line item "Other current provisions" in the consolidated financial statements.
(**) The removal from the scope of consolidation of Cinéma Elysée Vichy stated at the closing, as provided by IFRS 5.

NOTE 16. OTHER CURRENT AND NON-CURRENT PROVISIONS

NON-CURRENT PROVISIONS

€000 AT 31 OCTOBER	2009	2010	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RE-CLASS.	REMOVALS FROM CONSO-LIDATION SCOPE	2011
Provisions for lawsuits	3 282	2 911	1 105	-	(460)	22	-	-	**3 578**
Provisions for tax risk	-	(7)	3	-	(7)	-	-	55	**44**
Provisions for net equity of companies accounted for under the equity method (*)	467	510	-	-	-	-	503	-	**1 013**
Other non-current provisions	1 724	965	1 032	(16)	(217)	-	(39)	-	**1 725**
TOTAL	**5 473**	**4 377**	**2 140**	**(16)**	**(684)**	**22**	**464**	**55**	**6 360**

(*) The provision includes at 31 October 2011 the net quota-share of the Grasse division companies, following the translation of these companies from proportional method to equity method. Moreove, detailed information on companies accounted for using the equity method is provided in Note 7.

CURRENT PROVISIONS

€000 AT 31 OCTOBER	2009	2010	CHARGES	REVERSALS NOT USED	REVERSALS USED	TRANSLATION DIFFERENCE	RECLASS.	CHANGE IN THE SCOPE OF CONSO-LIDATION	2011
Jackpot provisions	1 510	611	607	-	(545)	1	(4)	-	**670**
Other current provisions	3 101	1 375	1 000	(12)	(544)	(5)	(33)	-	**1 780**
TOTAL	**4 611**	**1 985**	**1 607**	**(12)**	**(1 089)**	**(4)**	**(38)**	**-**	**2 450**

(*) «Other non-current provisions» include for €41k the provision in respect of personnel commitments for less than one year.

NOTE 17. CURRENT AND NON-CURRENT BORROWINGS

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

BREAKDOWN OF BORROWINGS

	CURRENT PORTION 2011	NON-CURRENT PORTION 2011	TOTAL 2011	CURRENT PORTION 2010	NON-CURRENT PORTION 2010	TOTAL 2010	CURRENT PORTION 2009	NON-CURRENT PORTION 2009	TOTAL 2009
Bank borrowings	23 594	246 829	270 423	140 066	158 847	298 913	7 661	298 621	306 282
Accrued interest / loans	7	-	7	8	-	8	12	-	12
Restated capital lease	-	-	-	-	-	-	701	-	701
Bank overdrafts	59	-	59	26	-	26	24	-	24
Sub-total bank borrowings	**23 660**	**246 829**	**270 489**	**140 100**	**158 847**	**298 947**	**8 398**	**298 621**	**307 019**

	CURRENT PORTION 2011	NON-CURRENT PORTION 2011	TOTAL 2011	CURRENT PORTION 2010	NON-CURRENT PORTION 2010	TOTAL 2010	CURRENT PORTION 2009	NON-CURRENT PORTION 2009	TOTAL 2009
Other borrowings	0	30 504	30 504	-	25 408	25 408		100 281	100 281
Employee profit-sharing	927	4 392	5 319	855	4 965	5 820	600	6 195	6 795
Deposits and guarantees	6	112	118	5	246	251	-	405	405
Liabilities in respect of share-holdings in associated entities	-	4	4	-	963	963	-	963	963
Valuation of rate hedging instruments	2 294	3	2 297	3 075	2 139	5 214	3 115	3342	6 457
TOTAL	**26 887**	**281 844**	**308 731**	**144 035**	**192 568**	**336 603**	**12 113**	**409 807**	**421 920**

A syndicated loan of €267m constitutes most of the Group's bank loans.

The current portion of loans presented here includes the portion of the surplus cash flow allocated to the early reimbursement of the loan *(see the following paragraph "Change in bank loans" and Chapter 4.1.1 "Financial risks - Liquidity Risks").* There is no surplus cash flow to be repaid for financial year 2011.

The line item "Other borrowings" includes a €30.5m advance from Financière Partouche to Groupe Partouche SA and the interest it generates, in accordance with the shareholder advance agreement signed on 29 August 2003 and the modified agreements signed on 30 September 2005 and 30 December 2009.

MATURITY DATES OF FINANCIAL DEBT

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

€000 AT 31 OCTOBER 2010	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Bank borrowings	298 913	140 066	158 847	-
Accrued interest / loans	8	8	-	-
Restated capital leases	-	-	-	-
Bank overdrafts	26	26	-	-
Other borrowings	25 408	-	-	25 408
Employee profit-sharing	5 820	855	4 850	115
Deposits and guarantees	251	5	164	82
Liabilities in respect of investments in associates	963	-	963	-
Valuation of rate hedging instruments	5 214	3 075	2 139	-
TOTAL	**336 603**	**144 035**	**166 963**	**25 605**

Following the agreement signed on 25 January 2011 with the banking pool, the repayment terms of the syndicated loan were amended (please refer to the paragraph hereinafter "Change in bank loans"), which explains the reduction of the portion to less than one year compared with the previous financial year.

There is no existing foreign currency debt.

CHANGE IN BANK LOANS

€000 AT 31 OCTOBER	2009	2010	CHANGE IN THE SCOPE OF CONSOLIDATION	INCREASE	DECREASE	2011
Bank borrowings	306 282	298 913	(31)		**(28 459)**	**270 423**

A syndicated loan of €267m constitutes most of the Group's bank loans. Modifications were made on 25 January 2011 and 19 December 2011 via a rider to the contract, as described in Section 4.1.1 Financial Risks - Liquidity Risks. The main characteristics of the loan at the balance sheet are as follows:

- **Original loan amount:** 431,000,000 euros;
- **Principal amount outstanding at period-end:** 267,168,000 euros;
- **Repayment terms and conditions:**

The principal amount outstanding comprises three tranches; the net proceeds from asset disposals reimburse in advance preferentially tranche A with regard to its next instalment.

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

MATURITY DATES	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2012	1 940 000	20 000 000	-	21 940 000
31/10/2013	15 000 000	20 000 000	-	35 000 000
31/10/2014	25 000 000	20 000 000	-	45 000 000
31/10/2015	55 083 000	20 000 000	90 145 000	165 228 000
TOTAL	**97 023 000**	**80 000 000**	**90 145 000**	**267 168 000**

- **Interest rates:**

The annual interest rates by tranche are as follows:

Tranche A: Euribor for the period plus the bank interest margin, equal to 4.0% per year, falling to 3.0% once €30m has been amortised, and to 2.5% once €60m has been amortised;

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

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

Guarantees

1. Covenants

Groupe Partouche is required to respect coverage ratios for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale. The financial ratio commitments were reviewed during the first half of the financial year 2011 in order to take into account the improvement of the financial situation of the Group.

R1 FINANCIAL EXPENSE COVERAGE:

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

- 3.8x at 31 October 2011;
- 3.8x at 30 April 2012;
- 3.9x at 31 October 2012.

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

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

R2 FIXED COST COVERAGE:

The ratio of Restated Cash Flow to Consolidated Debt Servicing Cost must be greater than or equal to:

- 1x at 31 October 2011;
- 1x at 30 April 2012;
- 1x at 31 October 2012.

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

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

Consolidated Debt Servicing Cost is the sum of (a) debt-related consolidated net financial expenses and (b) net amortisation of debt.

R3 GEARING:

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

- 3.2x at 31 October 2011;
- 3.2x at 30 April 2012;
- 3.1x at 31 October 2012.

Consolidated Net Debt represents the Group's debt after offsetting its available net cash flow.

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

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

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

2. INVESTMENT LIMITS

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

3. DEBT LIMITS

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

- €294m at 31 October 2011;
- €283m at 30 April 2012;
- €267m at 31 October 2012.

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

Repayment of surplus cash flow

In order to reduce its debt more quickly, Group Partouche has to allocate part of its Consolidated Surplus Cash Flow to reimbursing its debt.

Consolidated Surplus Cash Flow will be broken down as follows:

A specific proportion, i.e. 30% in 2011, then 20% over subsequent years is retained by Groupe Partouche.

The balance is allocated as follows:

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

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

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

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

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

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

Please refer to Chapter 4.1.2 «Interest Rate Risk».

€000 AT 31 OCTOBER	BEFORE INTEREST RATE HEDGING 2011	AFTER INTEREST RATE HEDGING 2011	BEFORE INTEREST RATE HEDGING 2010	AFTER INTEREST RATE HEDGING 2010	BEFORE INTEREST RATE HEDGING 2009	AFTER INTEREST RATE HEDGING 2009
Fixed-rate loans	31	160 031	343	100 343	391	100 391
Variable-rate loans	270 392	110 392	298 570	198 570	305 892	205 892
Bank loans at the period-end	**270 423**	**270 423**	**298 913**	**298 913**	**306 282**	**306 282**
Average interest rate –fixed	3,35 %	6,11 %	3,41 %	7,49 %	4,15 %	7,49 %
Average interest rate –variable	4,78 %	5,07 %	4,91 %	5,22 %	4,56 %	4,85 %
Weighted average interest rate at the period-end	**4,78 %**	**5,69 %**	**4,91 %**	**5,98 %**	**4,56 %**	**5,68 %**

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

Given the significant exposure to rate variability, and in order to hedge against rate increases, Groupe Partouche entered into a cancellable swap in May 2007 matched against a repayment amount of €100m fixing the interest payments at 4.25% and with a potential maturity of July 2012. Although the swap worked in Groupe Partouche's favour until January 2009, since then it has been less beneficial due to the steep decline in market rates. In September 2011, another hedge was put in place to cover the €1m Euribor, i.e. a 1% swap expiring on 31 July 2012.

Finally, a €50m collar was subscribed in October, with a deferred start date at 31 July 2012 and expiring at 31 October 2014, in order to hedge against future rate changes: the thresholds range from 0.9% to 1.99%.

Since the end of the financial year, two other interest rate swap hedge contracts were entered into:

- The first amounting to €40m starting 31 December 2011 and expiring 31 October 2013 at 1%;
- The second amounting to €30m starting 31 July 2012 and expiring 31 October 2015 at 1.35%.

NET FINANCIAL DEBT

€000 AT 31 OCTOBER	2011	2010	2009
Bank loans and restated capital leases	270 423	298 913	306 983
Accrued interest	7	8	12
Other borrowings	30 504	25 408	108 444
Financial instruments – assets	(102)	-	-
Financial instruments – liabilities	2 297	5 214	6 457
Bank overdrafts	59	26	24
Gross Financial Debt	**303 188**	**329 569**	**421 920**
Net cash position *(see Note 13)*	**97 872**	**74 682**	**42 762**
Net financial debt	**205 316**	**254 887**	**379 158**

NOTE 18. OTHER CURRENT AND NON-CURRENT LIABILITIES

€000 AT 31 OCTOBER	2011	2010	2009
Liabilities to suppliers of fixed assets	-	2	653
Tax liabilities	645	1 021	1 363
Other liabilities	447	650	570
Deferred income – non-current portion	5 703	8 398	8 474
Total other non-current liabilities	**6 795**	**10 071**	**11 060**
Deferred income – current portion	1 865	1 821	1 971
Total other current liabilities	**1 865**	**1 821**	**1 971**

The deferred income are mainly in respect of investments subsidies.

NOTE 19. TRADE ACCOUNTS PAYABLE AND OTHER CREDITORS

€000 AT 31 OCTOBER	2011	2010	2009
Customers, advances and down payments received	6 104	6 893	6 697
Trade accounts payable	19 671	21 059	27 938
Liabilities in respect of fixed asset acquisitions	5 904	5 152	3 785
Personnel	5 298	5 874	5 916
Employee profit-sharing	5 229	6 096	4 256
Social security organisations	8 754	8 381	7 819
Paid vacation	18 401	18 199	18 077
Applicable levy	4 533	4 093	3 431
Current account liabilities and partners	646	6 202	5 966
State – VAT	3 239	3 216	3 694
State – expenses payable	8 946	8 891	11 989
Other	13 834	10 974	12 964
TOTAL	**100 560**	**105 030**	**112 532**

NOTE 20. CURRENT TAX LIABILITIES

€000 AT 31 OCTOBER	2011	2010	2009
State – gaming levies	34 157	32 929	36 104
State – Corporate income tax	385	1 203	515
TOTAL	**34 543**	**34 132**	**36 619**

NOTE 21. TRANSFER CURRENT OPERATING PROFIT TO EBITDA

TRANSFER FROM CURRENT OPERATING PROFIT TO EBITDA AT 31 OCTOBER 2011

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

TRANSFER FROM CURRENT OPERATING PROFIT TO EBITDA AT 31 OCTOBER 2010

€000 AT 31 OCTOBER	COP 2010	RESTATEMENT RE-CLASSIFICATION	EBITDA 2010
Turnover	478 126	-	478 126
Purchases and external charges	(146 410)	118	(146 292)
Taxes and levies	(20 840)	(27)	(20 868)
Personnel costs	(206 384)	3 040	(203 344)
Depreciation, amortisation and impairment of fixed assets	(47 140)	47 140	-
Other current operating income and expenses	(6 620)	(2 607)	(9 227)
Transfer from COP to EBITDA	**50 731**	**47 665**	**98 395**

NOTE 22. SEGMENT REPORTING

Under IFRS 8 Operating Segments, the divisions shown are based on the internal reporting used by management to assess the performance of the Group's different divisions. The Group comprises four divisions:

- the Casino division, which comprises the gaming, catering and entertainment,
- the Hotel division, which comprises the services of accommodation,
- the Interactive gaming division, comprising all the activities contributing to organising and operating gaming in which participants use remote communication (TV, internet, etc.).
- the Group's other activities, mainly comprise the business of Groupe Partouche SA, the Group's parent company, and all the other secondary businesses.

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

PROFIT (LOSS) FROM RECURRING OPERATIONS BY DIVISION

€'000	CASINOS	HOTELS	INTERACTIVE DIVISION	OTHER	TOTAL
	2011	2011	2011	2011	2011
Revenue	417 710	34 593	6 932	5 070	464 304
Other purchases and expenses	(106 130)	(12 425)	(12 354)	(13 816)	(144 725)
Taxes and related expenses	(16 165)	(1 698)	(431)	(1 148)	(19 442)
Personnel expenses	(173 039)	(15 849)	(7 176)	(7 554)	(203 619)
Depreciation, amortisation and impairment of fixed assets	(35 098)	(3 379)	(2 345)	(4 003)	(44 825)
Other current operating revenues and expenses	(12 897)	995	2 108	(1 823)	(11 617)
Current operating profit (loss)	**74 380**	**2 237**	**(13 266)**	**(23 274)**	**40 076**

€'000 AT 31 OCTOBER	CASINOS		HOTELS		INTERACTIVE DIVISION		OTHER		TOTAL	
	2010 RESTATED	2009	2010 RESTATED	2009	2010 RESTATED	2009	2010 RESTATED	2009	2010 RESTATED	2009
Revenue	431 557	406 071	31 917	32 594	7 529	7 498	7 123	6 830	478 126	452 993
Other purchases and expenses	(109 305)	(102 783)	(11 533)	(11 522)	(11 194)	(9 201)	(14 379)	(17 224)	(146 410)	(140 731)
Taxes and related expenses	(17 538)	(22 417)	(1 679)	(1 971)	(501)	(217)	(1 122)	(1 408)	(20 840)	(26 014)
Personnel expenses	(177 093)	(172 254)	(15 347)	(14 026)	(6 387)	(6 582)	(7 557)	(7 511)	(206 384)	(200 373)
Depreciation, amortisation and impairment of fixed assets	(37 655)	(35 439)	(3 601)	(4 183)	(1 718)	(1 404)	(4 166)	(4 539)	(47 140)	(45 565)
Other current operating revenues and expenses	(7 552)	(13 684)	551	(449)	2 704	1 741	(2 322)	1 117	(6 620)	(11 274)
Current operating profit (loss)	**82 414**	**59 494**	**307**	**443**	**(9 567)**	**(8 165)**	**(22 422)**	**(22 735)**	**50 731**	**29 036**

BALANCE SHEET ITEMS BROKEN DOWN BY DIVISION

€000 AT 31 OCTOBER	SEGMENT ASSETS		OF WHICH EQUITY-ACCOUNTED	
	2011	2010	2011	2010
CASINOS	673 345	694 225	-	-
HOTELS	50 152	53 325	-	-
INTERACTIVE DIVISION	18 500	19 640	-	-
OTHER	133 379	114 056	-	-
TOTAL	**875 376**	**881 246**	**-**	**-**

€000 AT 31 OCTOBER	SEGMENT LIABILITIES	
	2011	2010
CASINOS	160 107	165 371
HOTELS	12 456	12 018
INTERACTIVE DIVISION	7 168	6 131
OTHER	328 051	355 207
TOTAL	**507 782**	**538 727**

FINANCIAL STATEMENT RECONCILIATION OF DIVISION LIABILITIES

€000 AT 31 OCTOBER	2011	2010
Segment liabilities	507 782	538 727
Equity	367 594	342 519
TOTAL LIABILITIES AND EQUITY	**875 376**	**881 246**

CASH FLOW ITEMS BY BUSINESS DIVISION

€000 AT 31 OCTOBER	INTANGIBLE ASSETS INVESTMENTS		TANGIBLE FIXED ASSETS INVESTMENTS		DEPRECIATION, AMORTISATION AND PROVISIONS	
	2011	2010	2011	2010	2011	2010
CASINOS	(209)	(238)	(21 474)	(18 051)	39 238	79 916
HOTELS	(2)	(18)	(2 031)	(1 594)	3 241	5 911
INTERACTIVE DIVISION	(1 375)	(2 285)	(1 070)	(1 063)	4 116	15 213
OTHER	(88)	(569)	(3 929)	(717)	8 234	15 101
TOTAL	**(1 674)**	**(3 110)**	**(28 505)**	**(21 426)**	**54 828**	**116 142**

REVENUE BY GEOGRAPHICAL AREA

€'000 AT 31 OCTOBER	2011	%	2010	%	2009	%
France	393 682	84,8 %	406 204	85,0 %	382 290	84,4 %
Europe (excl. France)	69 114	14,9 %	69 505	14,5 %	68 530	15,1 %
Outside France	1 508	0,3 %	2 417	0,5 %	2 172	0,5 %
TOTAL	**464 304**	**100,0 %**	**478 126**	**100,0 %**	**452 993**	**100,0 %**

COMMENTS ON CONSOLIDATED REVENUE

Consolidated revenue for the financial year ended 31 October 2010 was boosted by the impact of the tax measure that introduced distinct levy scales for table games and slot machines (Law N°2010-476).

This measure, the application of which is retroactive as of 1 November 2008, had a dual impact on the annual accounts of the financial year ended 31 October 2010:

- A €9.6m saving on gaming levies, on account of recording the impact of distinct levy scales in the 2010 financial statements;
- Recording revenue of €9.9m in respect of 2009, on account of the Law being retroactive.

The first impact is recurring but the second is exceptional so it is necessary to neutralise it in order to compare financial year 2010 with 2011.

NOTE 23. OTHER PURCHASES AND EXTERNAL CHARGES

€000 AT 31 OCTOBER	2011	2010	2009
Raw materials	44 745	44 258	43 406
Lease payments on current assets	229	91	193
Fixed assets leases	11 080	12 651	12 193
Current assets leases	7 641	7 921	6 913
Maintenance	11 005	10 494	9 978
Insurance premiums	1 322	1 549	1 894
External staff	2 709	2 528	1 983
Professional fees	15 435	18 798	19 145
Advertising	28 390	24 614	23 131
Entertainment	2 676	2 837	2 409
Post and telecoms	3 058	3 643	3 765
Banking fees	3 424	3 623	3 623
Subcontracting expenses	11 589	11 707	10 847
Other	1 420	1 694	1 251
TOTAL	**144 725**	**146 410**	**140 731**

NOTE 24. PERSONNEL COSTS AND WORKFORCE

PERSONNEL COSTS

€000 AT 31 OCTOBER	2011	2010	2009
Wages and salaries	143 690	143 825	142 021
Social security costs	55 280	57 013	54 629
Employee profit sharing	4 648	5 546	3 724
TOTAL	**203 619**	**206 384**	**200 373**

AVERAGE WORKFORCE

AT 31 OCTOBER	2011	2010	2009
France	4 808	4 981	5 125
Other countries	598	623	645
TOTAL	**5 406**	**5 604**	**5 770**

2,393 people work in the gaming sector.

BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY

€000 AT 31 OCTOBER	2011	2010	2009
Executive staff	960	984	991
Junior executive staff	320	316	312
Other non-manual labourers	3 881	4 046	4 225
Manual labourers	245	257	242
TOTAL	**5 406**	**5 604**	**5 770**

NOTE 25. OTHER CURRENT OPERATING INCOME AND EXPENSES

OTHER CURRENT OPERATING INCOME AND EXPENSES

€000 AT 31 OCTOBER	2011	2010	2009
Net gain (loss) on asset disposals	494	(226)	(76)
Changes in provisions for current assets	(4 588)	(3 008)	(412)
Changes in provisions for liabilities	(1 941)	3 018	(2 770)
Sundry current operating income and expenses	(5 582)	(6 404)	(8 016)
Total	**(11 617)**	**(6 620)**	**(11 274)**

In respect of 2011, the line item “Sundry current operating income and expenses” includes in particular:

€000 AT 31 OCTOBER	2011
Charges related to specifications	(12 198)
Tax relief for manifestations artistiques de qualité (high-quality artistic productions)	1 137
Investments subsidies taken to income for the period	1 837
Other income and expenses	3 642
TOTAL “Sundry current operating income and expenses”	**(5 582)**

OTHER NON-CURRENT OPERATING REVENUES AND EXPENSES

€000 ON 31 OCTOBER	2011	2010	2009
Net gain (loss) on asset disposals	994	-	3 371
Sundry operating income and expenses	(5 534)	(283)	(1 854)
Total	**(4 540)**	**(283)**	**1 517**

NOTE 26. FINANCIAL INCOME

€000 AT 31 OCTOBER	2011	2010	2009
Cost of debt	(15 987)	(17 361)	(19 209)
Cost of interest rate hedging	(3 018)	(3 564)	(1 587)
Investment income	1 105	550	1 150
Net financial income (expenses)	**(17 899)**	**(20 374)**	**(19 646)**
Expenses related to hedges evaluation	3 019	1 243	(4 383)
Cost of financial debt (a)	**(14 880)**	**(19 131)**	**(24 029)**
Foreign exchange gains	1 695	3 055	2 094
Foreign exchange losses	(388)	(384)	(2 072)
Other	699	(513)	(1)
Financial provision charges and reversals	(488)	(1 351)	(948)
Other financial income and expenses (b)	**1 519**	**807**	**(927)**
NET FINANCIAL INCOME (a + b)	**(13 361)**	**(18 324)**	**(24 956)**

Cost of debt decreased due to:

- the reduction of Financière Partouche's shareholder advance payment, following its investment in the capital increase completed in August 2010;
- the increase in cash flow particularly following the two capital increases in May 2011.

The slight increase of interest rates over the financial year was fully offset by the successive decreases of margins on Groupe Partouche's loan implemented in February and June 2011.

Changes in fair values of hedges represented a €3.0m profit, mainly due to the shortening of the hedging period relating to the revocable swap, with the maturity date of 31 July 2012.

NOTE 27. COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

NET CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities represented an inflow of €57.4m compared with €66.5m in 2010. Cash flow 2011 was mainly marked by:

- a self-financing capacity before change in WCR, financial interest and tax, totalling €80.9m, compared with €91.6m in 2010 restated. This decrease is mainly related to the presence in 2010 of non-recurring revenue of €9.9m for the previous financial year;
- a change in positive working capital requirement of €6.3m (negative up to -0.7% in 2010) due to:
  - a €4.4m reduction of assets requirement (including in particular a decrease in Trade receivables),
  - a positive change of €1.9m on the liabilities side of the balance sheet;
- a reduction of €1.4m of interest paid;
- an increase of tax paid of €6.8m (€13.8m for 2011 compared with €7.1m for 2010 restated), comprising €5.9m of impôt sur les societés (IS) (French corporate tax) and €0.9m for the increase of CVAE (French Company Added Value Contribution) between both financial years

CASH FLOW FROM INVESTING ACTIVITIES

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

- Buildings, fittings and technical installations at a cost of €10.7m, which include maintenance and renovation works, carried out over the whole Group, the largest works concerning the Casino-Hôtel in Juan-les-Pins at a cost of €2.2m, and disbursement related to the building of the La Grande Motte Pasino at a cost of €1.0m;
- Purchases of slot machines at a cost of €9.1m.

Conversely, disposals of property assets generated resources totalling €2.1m and disposals of consolidated companies generated €1.2m.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities represented a net cash outflow of €7.6m (compared with an outflow of €13.9m in N-1) resulting from the following three items:

- The two capital increases completed in May 2011 generated a cash inflow of €30.6m;
- The reimbursement of loans totalled €29.6m, including €25.9 relating to the syndicated loan (€20.0 under the current schedule, €3.1m for early reimbursement from

disposals and €2.9m via the mechanism of repayment of surplus cash flow);

- Dividends paid to minorities of €8.6m.

The sum of these cash flows and the impact from the change of foreign currency exchange recorded for the financial year, an increase if €1.1m, led to a net increase in the cash position of €24.4m.

NOTE 28. CORPORATE INCOME TAX

ANALYSIS OF THE TAX EXPENSE

€000 AT 31 OCTOBER	2011	2010 RESTATED	2009
Profit before tax	15 581	(41 359)	(3 726)
Current tax expense	(6 787)	(9 226)	(3 774)
Change in deferred tax	(3 467)	4 661	2 606
CVAE tax expense	(3 273)	(6 426)	-
Total tax expense	**(13 527)**	**(10 991)**	**(1 169)**
Total tax expense - CVAE tax excluded (*)	(10 254)	(4 565)	(1 169)
Effective tax rate - CVAE tax excluded	**65,81 %**	**-11,04 %**	**31,37 %**

RATIONALISATION OF THE EFFECTIVE TAX RATE - TAX PROOF

€000 AT 31 OCTOBER	2011	2010 2010 RESTATED	2009
Net profit before tax for companies in the tax consolidation group	**15 581**	**(41 359)**	**(3 726)**
French corporate income tax rate	33,33 %	33,33 %	33,33 %
Tax charge based on current corporate income tax rate (theoretical)	**(5 194)**	**13 785**	**1 242**
Temporary timing differences	(293)	1 892	(741)
Permanent differences	14 774	10 444	19 219
Net effect of consolidation operations	(9 421)	(9 237)	(18 311)
Tax losses generated by Group companies during the year	(23 619)	(32 881)	(24 112)
Impact of tax consolidation	14 980	16 565	19 189
Income taxed at the reduced tax rate and impact of differences in foreign companies' tax rates	(2 323)	(11 783)	1 814
Use of unrecognised tax loss carried forward	971	6 706	430
Tax credit and other	(128)	(57)	102
Group tax charge - CVAE tax excluded (*)	**(10 254)**	**(4 565)**	**(1 169)**
Consolidated net income before tax	**15 581**	**(41 359)**	**(3 726)**
Reconstituted Group tax rate	**65,81 %**	**-11,04 %**	**31,37 %**

(*) the tax expense of the Group for fiscal years ending 31 October 2010 and 2011 does not take into account the restatement of CVAE (see note 2)

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

- Groupe Partouche SA : (Groupe Partouche SA, Baratem, C.D.T.H, Cannes Balnéaires, Casino d'Evaux-les-Bains, Casino de Contrexéville, Casino de Gréoux-les-Bains, Casino de la Grande-Motte, Casino de Palavas, Casino de Salies-de-Béarn, Casino de St Amand, Casino 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, Casino de bourbon Lancy, Eden Beach Casino, Grand casino de Bandol, Grand casino de Beaulieu, Grands hôtels du Parc, Hôtel Cosmos, Jean Metz, Ludica, Numa, Plombinoise de casino,SACBM, SATHEL, SEK, Société du casino d'Arcachon, Sté de brasserie et casino Les Flots Bleus, Holding Garden Pinède, Aquabella, Casino Palm Beach, Sci des Thermes, Thermpark, Centre de balnéothérapie d'Aix en Provence, Casino de Pornichet, Casino de Pornic, Casino d'Andernos, Casino Val André, Sinoca, Casino de Lydia investissement,Grand Casino du Havre, Grand Casino de la Trinité, S.T.T.H.DIVONNE, Société du Grand Casino D'Annemasse, Sci de l'Arve, Société Casino Hauteville Lompnes., Hôtel International de Lyon and grand Casino de Lyon, Partouche Spectacles & Productions, Casino de Cabourg, SCI Vittel et Contrexéville, Partouche Immobilier, Partouche technologie *, Partouche tournoi*, Partouche interactive*, Casino du Palais de la méditérrannée, Société d'exploitation du Casino de Divonne (*), Partouche Gaming France (*).

(*) Companies having entered the Groupe Partouche SA tax consolidation group as of 1 November 2010

- Casino de Vichy and cinema of the Casino de Vichy.

DEFERRED TAX ASSETS AND LIABILITIES

€000 AT 31 OCTOBER	2011	2010 RESTATED	2009
Deferred tax – Assets	2 379	4 639	2 397
Deferred tax – Liabilities	(34 356)	(33 911)	(33 180)
Net deferred tax	**(31 977)**	**(29 272)**	**(30 783)**

IMPACT OF REFORM OF THE TAXE PROFESSIONNELLE (FRENCH LOCAL BUSINESS TAX)

The CVAE (cotisation sur la valeur ajoutée des entreprises, French Company Added Value Contribution) is determined by applying a rate to the added value generated by the company during the financial year. Insofar as the amount of added value is a net amount of income and expenses, the CVAE meets the definition of income tax, as set in IAS 12.2. Therefore, the amount of taxes relating to the CVAE is presented as of the financial year ending 31 October 2011, under "Income tax" in the consolidated income statement, as stated in Note 2 "Accounting estimates assumptions", paragraph "Error corrections: accounting treatment of regional economic contribution (CET)".

TAX LOSSES CARRIED FORWARD

Deferred tax assets related to tax loss carry-forwards are recognised and activated only once the amounts recoverable in the future have been determined.

At 31 October 2011, the total amount of non-activated tax loss carry-forwards was €26.7m (French companies).

At 31 October 2011, deferred tax assets to tax loss carryforwards concerned the losses of Groupe Partouche SA's tax consolidation division, in the amount of €5m.

To assess the value of the capitalisation of tax losses carried forward in the consolidated accounts at 31 October 2011, the Group carried out an analysis based on estimates for 2012 and of future taxable income of companies from the 2012 tax consolidation unit.

The estimates taken into account in this analysis are the same as those used for the value in use method: they are extracted from the annual budgets and multi-annual plans drawn up by the Group management.

€000 AT 31 OCTOBER	TAX LOSSES CARRIED FORWARD	LESS THAN 1 YEAR	MORE THAN 1 YEAR
Tax consolidation scope of the Group	14,2	8,2	6
Interest on tax consolidation	0,5	0,5	-
Cannosta	1,7	-	1,7

NOTE 29. COMMERCIAL AND FINANCIAL COMMITMENTS

COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET AND RELATED TO THE SCOPE

Commitments given at 31 October 2011:

€000	2011	PAYMENTS DUE PER PERIOD			2010	2009
		LESS THAN 1 YEAR	ONE TO 5 YEARS	MORE THAN 5 YEARS		
Commitments related to the Pasino of La Grande Motte	9 511	9 511	-	-	0	0
TOTAL	**9 511**	**9 511**	**-**	**-**	**0**	**0**

Commitments received at 31 October 2011:

€000	2011	2010	2009
Other commitments	188	0	0
TOTAL	**188**	**0**	**0**

These commitments are in respect of the renovation of the casino of Royat and the construction of the Pasino of La Grande Motte.

COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET AND RELATED TO FINANCING

Commitments given at 31 October 2011:

€000	2011	PAYMENTS DUE PER PERIOD			2010	2009
		LESS THAN 1 YEAR	ONE TO 5 YEARS	MORE THAN 5 YEARS		
Long term liabilities (bank debts with guarantees)	270 159	23 410	246 749	-	298 399	305 525
Finance lease obligations (other than hire purchase)	270	174	96	-	476	599
TOTAL	**270 429**	**23 584**	**246 845**	**-**	**298 875**	**306 124**

Commitments received at 31 October 2011:

€000	2011	2010	2009
Other commitments	4 400	4 400	3 400
TOTAL	**4 400**	**4 400**	**3 400**

The commitments received in the amount of €4,400 thousand is the sum of the €3,400k debt owed by the company Tête Dans les Nuages to Groupe Partouche and the €1,000k debt owed by Casino de St-Honoré-les-Bains.

COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET AND RELATED TO OPERATING ACTIVITIES

Commitments given at 31 October 2011:

€000	2011	PAYMENTS DUE PER PERIOD			2010	2009
		LESS THAN 1 YEAR	LESS THAN 1 YEAR	LESS THAN 1 YEAR		
Operating lease contracts (leases, non-real estate lease contracts)	62 051	7 191	22 614	32 246	62 565	69 581

€000	2011	PAYMENTS DUE PER PERIOD			2010	2009
		LESS THAN 1 YEAR	LESS THAN 1 YEAR	LESS THAN 1 YEAR		
Other commitments (collateral or mortgages)	1 406	-	1 406	-	1 406	1 406
Other obligations (sureties and deposits)	8 129	-	8 129	-	8 114	6 890
Notes issued	352	352	-	-	707	577
Liability guarantee	-	-	-	-	-	-
Other financial commitments	-	-	-	-	-	-
Other commercial commitments	42 449	7 119	17 769	17 562	34 559	36 685
TOTAL	**114 387**	**14 662**	**49 918**	**49 808**	**107 351**	**115 139**

Commitments received at 31 October 2011:

€000	2011	2010	2009
Sureties and deposits	275	275	275
Liability guarantee	-	-	-
TOTAL	**275**	**275**	**275**

To the best of our knowledge, there are no other off-balance sheet commitments.

NOTE 30. RELATED PARTIES

DIRECTORS' COMPENSATION

For the financial year ended 31 October 2011, the amount of gross compensation allocated to the management and supervisory bodies of Groupe Partouche SA amounts to €1,908,974, and no directors' fees were received by the members of the Supervisory Board for the period under review. These components of compensation are comprised uniquely of short-term benefits.

RELATED PARTY TRANSACTIONS

Transactions with Financière Partouche SA

Groupe Partouche SA rents from Financière Partouche SA the premises of its registered office. The total rent, including charges and tax, was €277,423 for financial year 2010-2011.

Groupe Partouche SA benefits from a shareholder advance of €100m from Financière Partouche SA, which was reduced by €74,591,686 following the capital increase carried out on 13 August 2010. Since that date the balance amounts to €25,408,314. This advance is remunerated at the rate of Euribor plus 2%, which represents for financial year 2010-2011, a financial charge of €957,257.

Groupe Partouche has a shareholder current account with Financière Partouche SA of €5,095,627 and interest of €105,813 at 31 October 2011

Agreement between Financière Partouche SA and Butler Capital Partners (BCP)

An investment agreement was executed on 19 April 2011 in order to define the terms and conditions of the entry of BCP in the share capital of the company, with the approval of the principal shareholder Financière Partouche SA. This agreement led in May 2011 to two capital increases as described in Note 14.

Services with Shal & Co

Shal & Co, controlled and chaired by Mr. Hubert Benhamou, provides assistance with the management activities of certain Groupe Partouche casinos. The corresponding remuneration received for financial year 2010-2011 was €506,900.

Services with Ispar Holding SA

Ispar Holding SA, controlled and chaired by Mr. Isidore Partouche, provides assistance and advice to the Swiss casinos. The corresponding remuneration received for financial year 2010-2011 was €380,441.

Other transactions

The other transactions in financial year 2010-2011 with related parties as part of ordinary activities are not considered significant for the Group and were carried out at market conditions.

NOTE 31. ACTIVITIES IN THE PROCESS OF BEING DIVESTED

Subsequent to the end of the 2011 financial year, Groupe Partouche disposed of Cinéma Elysée Palace in Vichy. This resulted in the Group considering that the assets concerned were held for sale in the consolidated balance sheet at 31 October 2011.

Two companies were divested by Groupe Partouche before the end of financial year 2010 : Casino de Saint Nectaire and Casino Sluis (Netherlands).

BALANCE SHEET ASSETS €000 AT 31 OCTOBER	2011	2010	2009
Non-current assets	2 728	966	NA
Cinéma de Vichy	2 728	-	
Saint Nectaire	-	673	
Sluis	-	292	
Current assets	40	278	NA
Cinéma de Vichy	40	-	
Saint Nectaire	-	53	
Sluis	-	226	
Total assets held for sale	**2 768**	**1 245**	**NA**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2011	2010	2009
Non-current liabilities	2 008	416	NA
Cinéma de Vichy	2 008		
Saint Nectaire	-	136	
Sluis	-	280	
Current liabilities	652	490	NA
Cinéma de Vichy	652		
Saint Nectaire	-	265	
Sluis	-	225	
Total liabilities held for sale	**2 660**	**907**	**NA**

BREAKDOWN OF NON-CURRENT ASSETS HELD FOR SALE

€000 AT 31 OCTOBER	2011	2010	2009
Intangible Assets	-	360	NA
Tangible fixed assets	135	606	NA
Other financial non current assets	48	-	NA
Differed tax	1	-	-
Other non current assets	2 544	-	-
Non-current assets	**2 728**	**966**	**NA**

NOTE 32. POST BALANCE SHEET EVENTS AND TRANSACTIONS IN PROGRESS

The programme to build three Pasinos in the South of France was scaled down with the following changes for various sites:

- The building work in progress at La Grande Motte Pasino should end before the summer, with an estimated cost of €18m (building, fixtures and fittings);
- The future La Ciotat Pasino is subject to a request for another building permit; the estimated building amount

shall therefore be reduced and its estimated costs shall subsequently be known; the works are expected to start end of 2012;

- The Bandol Pasino project has been abandoned as the land was declared unsuitable for development; the current casino will undergo renovations which should not exceed €10m and should also start end of 2012.

In addition and subsequent to year-end, the company of the Cinéma de l'Elysée Palace in Vichy was disposed of and accounted for under IFRS 5 "Assets - Liabilities Held for Sale" at 31 October 2011.

As detailed in Chapter 4.1.1, the company signed rider n°3 to the syndicated loan on 19 December 2011.

NOTE 33. MARKET RISKS AND DERIVATIVE INSTRUMENTS

Groupe Partouche could be exposed to the liquidity risks and foreign exchange risks in the line of its activity. This exposure is detailed in § 4.1.1 "Liquidity Risks", § 4.1.2 "Interest Rates Risks" and 4.1.3. "Exchange Rates Risks".

NOTE 34. CONSOLIDATION SCOPE

The following companies were consolidated by SA GROUPE PARTOUCHE:

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	INTEREST PERCENTAGE 2009	CONSOLIDATION METHOD
SA GROUPE PARTOUCHE	France				Parent company
FULLY CONSOLIDATED COMPANIES					
CASINOS					
SA CASINO DE SAINT-AMAND	France	100	100	100	FC
SA GRAND CASINO DE CABOURG	France	100	100	100	FC
SA CASINO DU GRAND CAFÉ	France	61,9	61,9	61,9	FC
SA GRAND CASINO DE BEAULIEU	France	-	-	100	FC
SA FORGES THERMAL	France	59,48	59,49	59,25	FC
SA CASINO & BAINS DE MER DE DIEPPE	France	100	100	100	FC
SA JEAN METZ	France	100	100	100	FC
SA LE TOUQUET'S	France	90,1	90,05	90,05	FC
SA CASINOS DU TOUQUET	France	99,53	99,53	99,53	FC
SA CASINOS DE VICHY	France	91,83	91,83	91,78	FC
CASINO DE CONTREXÉVILLE	France	100	100	100	FC
SA NUMA	France	100	100	100	FC
SA GRAND CASINO DE LYON	France	97,25	97	97	FC
PALM BEACH CASINO	France	99,99	99,99	99,99	FC
SA ECK	Belgium	99,9	99,9	99,9	FC
SA LE GRAND CASINO DE DJERBA	Tunisia	99,9	99,9	84,91	FC
CASINO NUEVO DE SAN ROQUE	Spain	98,9	98,9	98,9	FC
SA SATHEL	France	99,86	99,86	99,86	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	INTEREST PERCENTAGE 2009	CONSOLIDATION METHOD
SA CASINO MUNICIPAL DE ROYAT	France	99,86	99,86	99,86	FC
SA CASINO LE LION BLANC	France	99,87	99,87	99,86	FC
SA EDEN BEACH CASINO	France	99,65	99,65	99,65	FC
SA CASINO MUNICIPAL D'AIX THERMAL	France	99,41	99,41	99,41	FC
SA CASINO DES FLOTS BLEUS	France	99,39	99,39	99,38	FC
SA CASINO DE PALAVAS	France	99,88	99,88	99,87	FC
CASINO DE PORNICHET	France	100	100	100	FC
CASINO DE PORNIC	France	100	100	100	FC
CASINO D'ANDERNOS	France	99,79	99,79	99,78	FC
CASINO D'ARCACHON	France	98,7	98,7	98,65	FC
CASINO DE SALIES-DE-BÉARN	France	100	100	100	FC
CASINO DE LA GRANDE MOTTE	France	99,98	99,98	99,98	FC
CASINO DE GRÉOUX	France	100	100	100	FC
CASINO DE SAINT-NECTAIRE	France	-	100	100	FC
CASINO D'EVAUX-LES-BAINS	France	100	100	100	FC
CASINO DE SAINT-HONORÉ	France	-	-	97,22	FC
CASINO DE PLOMBIÈRES	France	100	100	100	FC
CASINO D'OOSTENDE	Belgium	99,98	99,98	99,98	FC
CHAUDFONTAINE LOISIRS	Belgium	99,99	99,99	99,99	FC
CASINO DE LA ROCHE-POSAY	France	89,7	89,7	89,7	FC
CASINO D'AGON COUTAINVILLE	France	89,56	89,41	89,41	FC
CASINO DE HYÈRES	France	99,9	99,9	99,9	FC
CASINO DE VAL-ANDRÉ	France	100	100	100	FC
CASINO DE PLOUESCAT	France	97	97	97	FC
CASINO DE BANDOL	France	100	100	100	FC
CASINO LAC MEYRIN	Switzerland	40	40	40	FC
SA LYDIA	France	97,30	97,6	97,6	FC
CASINO DU HAVRE	France	100	99,99	99,99	FC
CASINO DE LA TRINITÉ	France	100	100	100	FC
CASINO DU PALAIS DE LA MÉDITERRANÉE	France	100	100	100	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	INTEREST PERCENTAGE 2009	CONSOLIDATION METHOD
CASINO DE DIVONNE	France	98,7	98,7	98,7	FC
CASINO D'ANNEMASSE	France	99,91	99,89	99,88	FC
CASINO DE HAUTEVILLE-LOMPNES	France	100	100	100	FC
CASINO DE CRANS-MONTANA	Switzerland	57	57	57	FC
CASINO DE LA TREMBLADE	France	99,03	69,76	69,76	FC
CASINO DE DINANT	Belgium	100	100	100	FC
CASINO TABARKA	Tunisia	99,89	99,89	84,9	FC
HOTELS					
SA ELYSÉE PALACE HÔTEL	France	91,7	91,7	91,65	FC
SA HÔTEL INTERNATIONAL DE LYON	France	97,25	97	97	FC
SNC GARDEN BEACH HÔTEL	France	99,66	99,66	99,65	FC
SARL AQUABELLA	France	99,79	99,79	99,79	FC
HÔTEL 3.14	France	99,99	99,99	99,99	FC
GRANDS HÔTELS DU PARC	France	100	100	100	FC
HÔTEL COSMOS	France	100	100	100	FC
SARL SINOCA	France	100	100	100	FC
INTERACTIVE DIVISION					
PARTOUCHE INTERACTIVE	France	95,99	95,99	95,99	FC
QUARISMA	France	91,26	91,26	76,93	FC
PARTOUCHE PRODUCTION	France	72,42	72,42	72,42	FC
PARTOUCHE TECHNOLOGIES	France	96	96	96	FC
PARTOUCHE IMAGE	France	72,44	72,44	72,44	FC
PARTOUCHE TOURNOIS (ex Partouche Gammon)	France	96	96	96	FC
WORLD SERIES OF BACKGAMMON	Great Britain	96	96	96	FC
APPOLONIA FRANCE	France	67,2	67,2	67,2	FC
PARTOUCHE INTERACTIVE HOLDING	Gibraltar	96	96	96	FC
PARTOUCHE INTERACTIVE GIBRALTAR	Gibraltar	96	96	96	FC
PARTOUCHE BETTING	Malta	96	96	96	FC
PARTOUCHE INTERACTIVE MALTA	Malta	96	96	96	FC
PARTOUCHE GAMING FRANCE	France	96	96	-	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	INTEREST PERCENTAGE 2009	CONSOLIDATION METHOD
SOCIÉTÉ D'EXPLOITATION DU CASINO DE DIVONNE	France	96	96	-	FC
OTHER					
SA CANNES BALNÉAIRE PALM BEACH	France	99,99	99,99	99,99	FC
SA CHM	France	86,89	86,89	86,84	FC
SA BARATEM	France	99,25	99,25	99,25	FC
SA HOLDING GARDEN PINÈDE	France	100	100	100	FC
SCI HÔTEL GARDEN PINÈDE	France	100	100	100	FC
SCI RUE ROYALE	France	99,99	99,99	99,99	FC
ELYSÉE PALACE EXPANSION	France	91,66	91,66	91,61	FC
ELYSÉE PALACE SA	France	91,63	91,63	91,59	FC
SCI LYDIA INVESTISSEMENT	France	97	97	97	FC
SCI LES THERMES	France	99,99	99,99	99,99	FC
SARL THERM'PARK	France	99,99	99,99	99,99	FC
SA GROUPE PARTOUCHE INTERNATIONAL	Belgium	99,9	99,9	99,9	FC
SA SIKB (*)	Belgium	-	100	99,9	FC
SARL SEK	France	99,87	99,87	99,86	FC
SCI EDEN BEACH CASINO	France	99,87	99,87	99,86	FC
SCI PALAVAS INVESTISSEMENT	France	99,88	99,88	99,88	FC
CAFÉ CARMEN	France	-	-	99,95	FC
CBAP CENTRE BALNÉOTHÉRAPIE	France	99,99	99,99	99,99	FC
VILLA DU HAVRE (T)	France	-	-	99,99	FC
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	France	100	100	100	FC
EUROPÉENNE DE CASINO HOLDING	France	100	100	100	FC
BELCASINOS	Belgium	100	100	100	FC
CASINO CHAUDFONTAINE	Belgium	99,9	99,9	99,98	FC
SCI GAFA	France	89,81	89,81	89,81	FC
CASINO VIRGINIAN DE RENO	United States	100	100	100	FC
SCI MIAMI (T)	France	-	-	99,78	FC
SCI LES MOUETTES	France	100	100	100	FC
SCI LES JARRES	France	100	100	100	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE 2011	INTEREST PERCENTAGE 2010	INTEREST PERCENTAGE 2009	CONSOLIDATION METHOD
HOLDING LUDICA	France	100	100	100	FC
GIE EUROP GESTION COMPANY	France	100	100	100	FC
SCI LERICHE ROSTAGNE (T)	France	-	-	100	FC
SCI JMB	France	100	100	100	FC
CASINO DE LA SEYNE-SUR-MER	France	-	97,65	97,65	FC
VZW	Belgium	100	100	100	FC
SCI PARC DE POSAY	France	89,71	89,71	89,71	FC
SARL PARC DU CHÂTEAU	France	71,76	71,76	71,76	FC
CINÉMA ELYSÉE VICHY	France	91,81	88,15	88,11	FC
CASINO SLUIS NV	Netherlands	-	59,94	59,94	FC
SCI DE L'ARVE	France	99.91	99,89	99,88	FC
SCI LA TREMBLADE	France	99,04	70,06	70,06	FC
PARTOUCHE IMMOBILIER	France	100	100	100	FC
PARTOUCHE SPECTACLES	France	100	100	100	FC
KIOUSK	France	99,99	99,99	99,99	FC
GROUPEMENT DE MOYEN DES CASINOS	France	100	100	100	FC
GIE IMCJC	France	100	100	100	FC
INTERNATIONAL GAMBLING SYSTEMS	Belgium	19	19	-	FC
ÉTABLISSEMENT THERMAL CONTREXÉVILLE (T)	France	-	-	100	FC
SIKB IMMO (*)	Belgium	100	-	-	FC
COMPANIES CONSOLIDATED USING THE EQUITY METHOD					
CASINOS					
INTERNATIONAL CASINO OF MADRID	Egypt	17,85	17,85	17,63	ME
SA CASINO DE GRASSE ❖	France	49,74	49,74	49,73	ME en 2011 IP avant
OTHER					
SCI DU CASINO DE GRASSE ❖	France	49,77	49,77	49,77	ME en 2011 IP avant

(*) During the second half, Groupe Partouche partially disposed of the assets of the company SIKB (Belgium). This operation resulted in the disposal of the company SIKB holding the related operating licence, Groupe Partouche having transferred the assets to the company SIKB Immo, created following the operation.

❖ At the end of financial year 2011, as stated in Note 3, both companies of the Casino de Grasse were consolidated by using the equity method. Until 31 October 2011, both companies were consolidated by using the proportional method.

(T) Transmission universelle de patrimoine 2010.

20.2.2 FINANCIAL STATEMENTS OF THE COMPANY ON 31 OCTOBER 2011

BALANCE SHEET ASSETS (NET VALUES) €000 AT 31 OCTOBER	NOTES	2011	2010	2009
FIXED ASSETS				
Intangible assets	**2.1 / 2.2**			
Concession and similar rights		393	439	390
Internally generated goodwill		72 928	73 004	73 081
Deposits and down payments on fixed assets		0	191	18
Tangible fixed assets	**2.1 / 2.2**			
Land		67	67	67
Buildings		2 863	3 151	3 438
Technical equipment		11	0	131
Other tangible fixed assets		845	983	1 106
Assets under construction		35	15	15
Deposits and down payments		0	0	0
Financial investments				
Other investments in associates	2.3 / 2.4	544 430	538 161	565 904
Other investments	2.3	-	-	-
Loans	2.5	37	50	63
Other financial investments	2.4 / 2.5	176	161	160
Total fixed assets		**621 785**	**616 221**	**644 373**
CURRENT ASSETS				
Merchandise		96	204	43
Advances and down payments to suppliers		19	319	6
Trade receivables	2.5	71	80	9
Other receivables	2.4 / 2.5	206 382	211 267	287 480
Marketable securities		41 031	1 025	848
Cash and cash equivalents		1 221	19 676	1 036
Prepaid expenses	2.5 / 2.10	2 139	1 595	1 475
Total current assets		**250 958**	**234 166**	**290 899**
REGULARISATION ACCOUNTS				
Capitalised expenses		687	1 436	2 186
Translation adjustment – asset		235	222	299
TOTAL ASSETS		**873 665**	**852 046**	**937 756**

BALANCE SHEET LIABILITIES AND EQUITY €000 AT 31 OCTOBER	NOTES	2011	2010	2009
Share capital (o/w fully paid: 193,631) (1)	2.13	193 631	163 640	86 195
Share premium, merger and contribution reserves		54 285	54 285	54 285
Revaluation reserve (2)		-	-	-
Legal reserve		8 619	8 619	8 619
Statutory reserve (3)		-	-	-
Other reserves		14 423	14 423	14 423
Retained earnings		152 285	231 318	232 184
NET INCOME FOR THE YEAR (PROFIT OR LOSS)		3 162	(79 033)	(866)
Equity	**2.12**	**426 405**	**393 252**	**394 840**
Provisions for contingencies	2.4	313	301	378
Provisions for losses	2.4	-	-	-
Provisions for contingencies and losses		**313**	**301**	**378**
Bank loans (5)	2.6	267 168	296 280	305 470
Other borrowings	2.6	25 431	26 390	100 982
Advances and deposits on outstanding orders		-	-	-
Trade creditors	2.6	1 956	980	7 666
Tax and social security liabilities	2.6	2 858	2 892	2 809
Liabilities in respect of fixed assets	2.6	80	80	80
Other liabilities	2.6	149 432	131 850	125 511
Deferred income	2.6 / 2.11	21	21	20
Total (4)		**446 946**	**458 493**	**542 538**
Translation adjustment - liability		-	-	-
TOTAL EQUITY AND LIABILITIES		**873 665**	**852 046**	**937 756**
(1) Capitalised revaluation differential		294	294	294
(2) Includes a special revaluation reserve (1959)				
Free revaluation reserve				
Revaluation reserve (1976)				
(3) Includes a statutory reserve for long-term capital gains				
(4) Liabilities and deferred income falling due or to be released in less than one year		177 083	277 499	149 455
(5) Includes current account bank balances and bank overdrafts		0	3 197	7 387

INCOME STATEMENT - €000 ON 31 OCTOBER	NOTES	2011	2010	2009
Sales of goods held for resale		330	111	132
Sales of services		13 981	14 293	13 538
Net turnover	2.14	**14 311**	**14 405**	**13 670**
Fixed services		0	0	876
Operation Subsidies		0	1	25
Reversals of depreciation, amortisation, provisions and expense transfers (7)		592	457	703
Other revenue		0	0	1
Total operating revenue (2)		**14 903**	**14 863**	**15 274**
OPERATING EXPENSES				
Purchases of goods (and custom duties)		232	272	101
Change in goods		108	(161)	31
Other purchases and external expenses (6bis)		13 191	10 659	14 338
Tax		424	402	418
Personnel costs		3 670	3 469	3 261
Social security expenses		1 448	1 461	1 332
Depreciation and amortisation charges and provision on fixed assets		1 624	1 641	1 688
Impairment of current assets		19	46	0
Other expenses		1	3	2
Total operating expenses		**20 717**	**17 793**	**21 171**
OPERATING INCOME		**(5 814)**	**(2 930)**	**(5 896)**
Income allocated or loss transferred		29	31	31
Loss borne or income transferred		0	0	1
Income from associates (5)	2.16	32 290	26 991	26 419
Income from other marketable securities and receivables (5)		0	1	1
Other interest income (5)		7 432	10 365	11 167
Provision reversals and expense transfers		1 473	3 286	7 416
Positive foreign exchange differences		35	1	0
Net gains on the disposal of marketable securities		78	4	10
Total financial income		**41 307**	**40 648**	**45 013**
FINANCE COSTS				
Depreciation, amortisation and provision charges		24 084	70 311	32 707
Interest expense (6)		21 861	61 341	24 767
Negative foreign exchange differences		3	21	24
Total finance costs		**45 948**	**131 673**	**57 499**
FINANCIAL ITEMS		**(4 641)**	**(91 025)**	**(12 485)**
CURRENT INCOME BEFORE TAX		**(10 425)**	**(93 924)**	**(18 352)**
Exceptional income on management transactions		162	35	25
Exceptional income on capital transactions		692	235	2 926
Provision reversals and expense transfers		0	0	407

INCOME STATEMENT - €000 ON 31 OCTOBER	NOTES	2011	2010	2009
Total exceptional income		**854**	**270**	**3 358**
Exceptional expense on management transactions		67	20	1 103
Exceptional expense on capital transactions		275	225	3 958
Exceptional depreciation, amortisation and provision charges		1 904	1 700	0
Total exceptional expense		**2 246**	**1 945**	**5 061**
EXCEPTIONAL ITEMS	2.17	**(1 392)**	**(1 675)**	**(1 703)**
Employee profit-sharing				
Corporate income tax	2.18	(14 980)	(16 565)	(19 189)
Total income		**57 093**	**55 812**	**63 676**
Total expense		**53 931**	**134 845**	**64 542**
NET PROFIT OR LOSS		**3 162**	**(79 033)**	**(866)**
(2) Includes property rental income		582	582	628
(2) Includes operating revenue relating to prior financial years		162	35	24
(4) Includes operating revenue relating to prior financial years		12	20	979
(5) Includes income from associated entities		38 824	37 046	37 156
(6) Includes interest from associated entities		4 350	42 961	9 357
(6bis) Includes contributions made to organisations deemed to be in the public interests		28	16	1
(7) Includes expense transfers		585	457	568

Notes to the parent company financial statements

Notes to the balance sheet before appropriation for the financial year ending 31 October 2011 which totals €873,665k and the income statement for the financial year, presented in list format, showing total income of €57,093k and a net profit of €3,162k.

The financial year under review is the 12-month period from 1 November 2010 to 31 October 2011.

The key highlights of this financial year were as follows:

- A reserved capital increase of a gross amount (including premium) of €24,9m subscribed by Butler Capital Partners (BCP) and FCPR France Private Equity III (managed by BCP);
- A capital increase with shareholders' preferential right of subscription,of €5,7m fully subscribed by minority shareholders.

This operation generated a gross amount of €30,6m.

The notes and tables below are an integral part of the annual financial statements.

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

1 - ACCOUNTING POLICIES AND PRESENTATION

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

- CRC Regulation 2002.10,
- The new 1999 chart of accounts adopted by the CRC on 29 April 1999 (Regulation 9903),
- Law 83-353 of 30 April 1983,
- Decree 83-1020 of 29 November 1983.

As a reminder, for the year ending 31 October 2005, the company had carried out an analysis of its buildings based on three components contributing to the net carrying value of these assets as of 31 October 2005 which breaks down as follows:

- Structures: 51%
- Fluids: 24%
- Fixtures and fittings: 25%

The main accounting policies applied are as follows:

1.1 INTANGIBLE ASSETS

Intangible assets related to software licences are written off over a period of 1 to 4 years.

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

1.2 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated in the balance sheet at their historical acquisition cost (supplemented by acquisition expenses), at their production cost or at their contribution value in respect of SIHB SA fixed assets contributed as part of the merger-renunciation agreement concluded in 1994 with retroactive effect as of 1 November 1993.

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

BUILDINGS:	20 TO 50 YEARS
EQUIPMENT:	3 TO 8 YEARS
FIXTURES AND FITTINGS:	5 TO 10 YEARS
EQUIPMENT USED FOR EVENTS:	3 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.

The securities contributed under the terms of the Transmission Universelle du Patrimoine in Groupe de Divonne SA , were acquired at their carrying amount.

1.4 RECEIVABLES

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

1.5 RECEIVABLES AND DEBTS DENOMINATED IN FOREIGN CURRENCIES

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

1.6 CASH AND CASH EQUIVALENTS

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

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

1.7 DEFERRED CHARGES

Deferred charges consist of renegotiation expenses for the debt contracted in September 2005.

These charges are spread over a period of 7 years, the maturity of the loan.

The accounting item initially applied at the date of the flotation of the loan remained unchanged when the rescheduling of the debt was carried out at the end of the financial year, the later being in respect of reimbursements and not the issuing of a new debt.

1.8 DIVIDENDS

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

1.9 CONTINGENCY AND LOSS PROVISIONS

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

1.10 DISTINCTION BETWEEN CURRENT PROFIT AND EXCEPTIONAL ITEMS

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

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

2.1 NOTE ON INTANGIBLE AND TANGIBLE FIXED ASSETS

€000 AT 31 OCTOBER 2011	GROSS VALUE OF FIXED ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR	INCREASES	
		REVALUATION DURING THE YEAR	ACQUISITION, CREATION, INTER-ACCOUNT
Setup costs, research			
Other intangible assets	**76 032**		**258**
Land	67		-
Buildings on own land	2 145		-
Buildings on other land	2 239		-
Fixtures and fittings – buildings	2 031		-
Machinery and equipment	0		12
Other equipment, fixtures and fittings	1 225		12
Vehicles	279		-
Office and computer equipment, furniture	355		57
Fixed assets under construction	15		21
Advances and down payments	0		-
Total fixed assets	**8 356**		**101**

€000 AT 31 OCTOBER 2011	DECREASES		GROSS VALUE OF ASSET AT END OF FINANCI AL YEAR	LEGAL RE-VALUATION OF ORIGINAL VALUE AT END FINANCIAL YEAR
	INTER-ACCOUNT TRANSFER	BY SALE OR WITHDRAWAL		
Setup costs, research	-	-	-	-
Other intangible assets	**35**	**156**	**76 099**	**-**
Land	-	-	67	-
Buildings on own land	-	-	2 145	-
Buildings on other land	-	-	2 239	-
Fixtures and fittings – buildings	-	-	2 031	-
Machinery and equipment	-	-	13	-
Other equipment, fixtures and fittings	-	-	1 237	-
Vehicles	-	74	205	-
Office and computer equipment, furniture	-	-	412	-
Fixed assets under construction	-	-	35	-
Advances and down payments	-	-	0	-
Total fixed assets	**0**	**74**	**8 382**	**-**

The company carried out an analysis of its buildings into three distinct components as indicated above, with a view to the application of CRC Regulation 2002.10.

2.2 DEPRECIATION AND AMORTISATION

€000 AT 31 OCTOBER 2011	POSITIONS AND MOVEMENTS DURING THE FINANCIAL YEAR			
	BEGINNING OF THE FINANCI AL YEAR	APPROPRIATION DURING THE FINANCIAL YEAR	DECREASE DURING FINANCIAL YEAR	END OF FINANCIAL YEAR
Setup costs, research	-	-	-	-
Other intangible assets	**2 399**	**380**		**2 778**
Land	-	-	-	-
Buildings on own land	733	71	-	804
Buildings on other land	1 268	112	-	1 380
Fixtures and fittings – buildings	1 263	104	-	1 367
Machinery and equipment	0	1	-	1
Other equipment, fixtures and fittings	387	120	-	506
Vehicles	254	24	74	204
Office and computer equipment, furniture	236	63	-	298
Recoverable packaging and other	-	-	-	-
TOTAL	**4 140**	**495**	**74**	**4 561**
GRAND TOTAL	**6 539**	**874**	**74**	**7 339**

Depreciation and amortization charges for intangible and tangible fixed assets amount to €874k.
Allocations to deferred expenses amount to €749k.
The aggregate of these two charges totals €1,624k *(cf "Depreciation, amortisation and provisions on fixed assets" in the income statement).*

2.3 INVESTMENTS IN ASSOCIATES

€000 AT 31 OCTOBER 2011	GROSS VALUE AT BEGINNING OF THE FINANCIAL YEAR	ACQUISITION, INTER-ACCOUNT TRANSFER
Equity-accounted investments	-	-
Other investments in associates	597 148	9 387
Other long-term investment securities	-	-
Loans and other long-term investments	211	28
TOTAL	**597 359**	**9 416**

€000 AT 31 OCTOBER 2011	DECREASE BY INTER-ACCOUNT TRANSFER	DECREASE BY SALE OR WITHDRAWAL	GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	LEGAL REVALUATION OF ORIGINAL VALUE AT END FINANCIAL YEAR
Equity-accounted investments	-	-	-	-
Other investments in associates	11	-	606 524	-
Other long-term investment securities	-	-	0	-
Loans and other long-term investments	27	-	212	-
TOTAL	**39**	**-**	**606 736**	**-**

The main movements of the period are as follows:

The increase in the item "Other investments in associates" was primarily attributable to the incorporation of the receivables from our subsidiaries Casino de Cabourg, Grand Casino du Havre, Casino d'Hauteville and Casino de la Tremblade for a total amount of €9,180k and to a complementary investment in Hôtel International de Lyon for €200k.

2.4 PROVISIONS

€000 AT 31 OCTOBER 2011	BEGINNING OF THE FINANCIAL YEAR	INCREASE ALLOCATION	DECREASE RECOVERY	END OF FINANCIAL YEAR
Provisions				
For litigation	79	-	-	79
For foreign exchange losses	222	235	222	235
For tax	-	-	-	-
Other contingency and loss provisions	-	-	-	-
TOTAL	**301**	**235**	**222**	**313**
For property, plant and equipment	-	-	-	-
Provisions for investments in associates	58 987	3 107	0	62 094
Provisions for financial investments	-	-	-	-
Provisions for trade accounts receivables	88	19	-	107
Other provisions for impairment	101 505	22 646	1 258	122 893
TOTAL	**160 580**	**25 773**	**1 258**	**185 095**
GRAND TOTAL	**160 881**	**26 008**	**1 480**	**185 408**
Including:				
Operating allocations and recoveries		19	7	
Financial provision charges and reversals		24 084	1 473	
Exceptional allocations and reversals		1 904	-	
Movements by balance sheet accounts following the TUP		-	-	
Impairment of shares in equity accounted affiliates		-	-	

The provision for disputes in the amount of €79k was recognised in respect of the TUP of SARL Thermes de Vittel carried out in the 2007/2008 financial year. This relates to a dispute between the latter and the CPAM (French national health service office) for the Vosges region.

Provisions for investments in associates were recognised in respect of subsidiaries whose net financial position deteriorated over the period. They increased by €3,107k at 31 October 2011.

“Other provisions for impairment” relates to:

- Certain current account receivables, which were provisioned in respect of the Group’s subsidiaries in light of their net financial positions (see chapter 1.3). At 31 October 2011, these provisions amounted to €111,348k.
- The balance of other provisions, at the period-end, represented by receivables from third parties, notably for €6,860k from a third party that has not delivered assets acquired under contract, against whom a legal procedure is in progress, in addition to a Jatek receivable which is fully provisioned for €714k. These provisions were recognised in prior periods;
- Given that a debtor has been placed in receivership, its receivable has been provisioned in the amount of €1.904k.
- Treasury shares held through subsidiaries, which were provisioned in the amount of €3k for the period.
- The reversal of provisions follows the waiver of receivables granted for the financial year.

2.5 MATURITIES OF RECEIVABLES

€000 AT 31 OCTOBER 2011	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR
Loans	37	37	-
Other financial investments	176	176	-
Other trade receivables	178	178	-
Employee accounts payable	3	3	-
Social security and other social benefits	-	-	-
Corporate income tax	4 327	156	4 171
VAT	1 476	1 476	-
Other taxes	-	-	-
Other receivables	-	-	-
Subsidiaries and associates	297 038	297 038	-
Sundry receivables	27 069	23 839	3 230
Prepaid expenses	2 139	2 139	-
GRAND TOTAL	**332 442**	**325 041**	**7 401**
Loans granted during the financial year	-	-	-
Repayment of loans during the financial year	13	-	-

2.6 MATURITIES OF DEBTS

€000 AT 31 OCTOBER 2011	GROSS AMOUNT	1 YEAR MAXIMUM	+1 YEAR	MORE THAN 5 YEARS
Bank loans and overdrafts	267 168	21 940	245 228	-
Sundry loans and debts	25 431	22	25 408	-
Trade accounts payable	1 956	1 956	-	-
Liabilities to personnel	233	233	-	-
Social security and other social benefits	293	293	-	-
State and other public authorities				
Corporate income tax	-	-	-	-
VAT	2 194	2 194	-	-
Other taxes	138	138	-	-
Miscellaneous	-	-	-	-
Liabilities to fixed asset suppliers	80	80	-	-
Subsidiaries and associates	149 566	149 566	-	-
Other liabilities	639	639	-	-
Deferred income	21	21	-	-
GRAND TOTAL	**447 719**	**177 083**	**270 636**	**-**
Bank loans contracted during the financial year	-	-	-	-
Bank loan repayments during the financial year	25 915	-	-	-

2.7 ELEMENTS RELATED TO MORE THAN ONE BALANCE SHEET ITEM

GROSS AMOUNT IN RESPECT OF AFFILIATED UNDERTAKINGS (PARTICIPATING INTERESTS) €000 AT 31 OCTOBER 2011	AMOUNT
Fixed assets	
Participating interests	542 013
Current assets	
Trade receivables	0
Other receivables	199 972
Prepaid expenses	9
Debts	
Loans, sundry financial debts	25 431
Trade accounts payable	126
Other liabilities	148 384
Deferred income	21

The information relating to financial income and expenses is mentioned in Notes 5 and 6 of the income statement.

2.8 ACCRUED INCOME

ACCRUED INCOME RECOGNISED IN THE FOLLOWING BALANCE SHEET ACCOUNTS €000 AT 31 OCTOBER 2011	MONTANT
Accrued interest	-
Other financial investments	**0**
Trade receivables	**0**
State, income receivable	**0**
Trade accounts payable – credit notes receivable	0
Accrued income – social security bodies	0
Accrued income – management fees	15 366
Accrued income – other	415
Other receivables	**15 781**
Banks – accrued interests	**100**
TOTAL	**15 881**

2.9 ACCRUED EXPENSES INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS

€000 AT 31 OCTOBER 2011	MONTANT
Bank loans and overdrafts	0
Trade notes and accounts payable	0
Personnel – paid vacation and social charges	295
Tax and social security liabilities	159
Other liabilities	626
Accrued interest on overdrafts	0
TOTAL	**1 080**

2.10 PREPAID EXPENSES

€000 AT 31 OCTOBER 2011	AMOUNT
Prepaid operating expenses	2 139
Prepaid expenses	0
Total prepaid expenses	**2 139**

2.11 DEFERRED INCOME

€000 AT 31 OCTOBER 2011	AMOUNT
Deferred income	21
Total deferred income	**21**

2.12 STATEMENT OF CHANGES IN EQUITY

€000 at 31 October 2011

EQUITY	BALANCE 31/10/2010	APPROPRIATION OF 2010 PROFIT	POSITION AFTER APPROPRIATION	FINANCIAL YEAR MOVEMENTS	BALANCE 31/10/2011
Share capital	163 640		163 640	29 991	193 631
Share premium account, merger reserve	7 881		7 881		7 881
Contribution reserve	46 404		46 404		46 404
Revaluation reserve	0		0		0
Legal reserve	8 619		8 619		8 619
Statutory reserve	0		0		0
Other reserves	14 423		14 423		14 423
Retained earnings	231 318	(79 033)	152 285		152 285
Net profit (loss) for the year	(79 033)	79 033	0	3 162	3 162
Net shareholders' equity carried forward	**393 252**	**0**	**393 252**	**33 153**	**426 405**

The expenses generated by the capital increase were accounted as issuing premium for €606k and the balance as charges.

2.13 BREAKDOWN OF SHARE CAPITAL

CATEGORIES OF SECURITIES	YEAR-END	NUMBER OF SHARES ISSUED DURING THE FINANCIAL YEAR	NOMINAL VALUE	TOTAL
Ordinary shares	96 815 591	14 995 384	2 €	193 631 182 €

19,166 shares have been self-held by the Company since the Extraordinary Shareholders' Meeting of 10 November 2003. These treasury shares are presented under marketable securities.
The share price of Groupe Partouche at 31 October 2011 was €1.76.

2.14 BREAKDOWN OF NET TURNOVER

€000 AT 31 OCTOBER 2011	FRANCE	REST OF WORLD	TOTAL AMOUNT
Merchandise sales	330		330
Group management fees	11 170	1 979	13 149
Rent	582		582
Other	250		250
TOTAL	**12 332**	**1 979**	**14 311**

2.15 EXPENSE TRANSFERS

€000 AT 31 OCTOBER 2011	AMOUNT
Miscellaneous operating expense transfers	585
Total operating expense transfers	**585**

2.16 FINANCIAL INCOME FROM ASSOCIATES

€000 AT 31 OCTOBER 2011	AMOUNT
Dividends distributed by subsidiaries	32 290
TOTAL	**32 290**

2.17 BREAKDOWN OF EXCEPTIONAL ITEMS

€000 AT 31 OCTOBER 2011	EXCEPTIONAL EXPENSE	EXCEPTIONAL INCOME
Late payment penalties, fines	0	-
Disposal of equity investments	0	0
Disposal of fixed assets	156	156
Disposal of property and equipment	0	1
Litigations indemnities	74	-
Various exceptional income and expenses for the period	100	536
Various exceptional income and expenses in respect of prior periods	12	162
Exceptional contingencies and losses charge and reversal	1 904	-
TOTAL	**2 246**	**854**

2.18 BREAKDOWN OF CORPORATE INCOME TAX

€000 AT 31 OCTOBER 2011	PROFIT BEFORE TAX	TAX DUE	NET INCOME AFTER TAX
Current Income	(10 425)	(14 500)	4 075
Exceptional items	(1 392)	(479)	(913)
Accounting Income	**(11 817)**	**(14 980)**	**3 162**

N.B. Groupe Partouche SA is head of a tax consolidation group comprising 60 subsidiaries.

2.19 FINANCIAL COMMITMENTS

Commitments not included in the balance sheet and related to subsidiaries

€000 AT 31 OCTOBER 2011	
COMMITMENTS GIVEN	AMOUNT
Sureties and deposits	7 249
TOTAL	**7 249**
COMMITMENTS RECEIVED	AMOUNT
Claw back commitments	60 426
TOTAL	**60 426**

Commitments not included in the balance sheet and related to financing

€000 AT 31 OCTOBER 2011	
COMMITMENTS GIVEN	AMOUNT
Guaranteed bank debt	267 168
TOTAL	**267 168**
COMMITMENTS RECEIVED	AMOUNT
Other commitments received	3 400
TOTAL	**3 400**

Commitments not included in the balance sheet and related to activity

€000 AT 31 OCTOBER 2011	
COMMITMENTS GIVEN	AMOUNT
Sureties and deposits	4 743
Retirement indemnities	64
Operating lease contract	2 774
Other commitments given	38
TOTAL	**7 619**
COMMITMENTS RECEIVED	AMOUNT
Operating lease contract	2 874
TOTAL	**2 874**

2.20 OTHER INFORMATION

A €267m syndicated loan constitutes the major portion of the company's accounting line "bank loans". Modifications were made on 25 January 2011 and 19 December 2011 via endorsements to the contract, as described in Section 4.1.1 Liquidity risks. The main characteristics of the loan at the balance sheet, before the abovementioned modifications, are as follows:

- **Original loan amount:** €431,000,000.
- **Principal amount outstanding at period-end:** €267,168,000.
- **Repayment terms and conditions:** The outstanding principal is divided in three tranches; the net income of the assets divestments is used as early repayment of Tranche A, for its nearest maturity date.

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

MATURITY DATES	TRANCHE A	TRANCHE B	TRANCHE C	TOTAL
31/10/2012	1 940 000	20 000 000	-	21 940 000
31/10/2013	15 000 000	20 000 000	-	35 000 000
31/10/2014	25 000 000	20 000 000	-	45 000 000
31/10/2015	55 083 000	20 000 000	90 145 000	165 228 000
TOTAL	**97 023 000**	**80 000 000**	**90 145 000**	**267 168 000**

INTEREST RATES

The annual interest rates by tranche are as follows:

Tranche A: Euribor for the period plus the bank interest margin, equal to 4.0% per year, falling to 3.0% once €30m has been amortised, and to 2.5% once €60m has been amortised;

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

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

GUARANTEES

1. Covenants

Groupe Partouche is required to respect coverage ratios for its financial expenses, fixed costs and debt on a half-yearly basis with a 12-month sliding scale. The financial ratio commitments were reviewed during the first half of the financial year 2011 in order to take into account the improvement of the financial situation of the Group.

R1 Financial expense coverage:

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

- 3.8x at 31 October 2011
- 3.8x at 30 April 2012;
- 3.9x at 31 October 2012.

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

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

R2 Fixed cost coverage:

The ratio of Restated Cash Flow to Consolidated Debt Servicing Cost must be greater than or equal to:

- 1x at 31 October 2011
- 1x at 30 April 2012
- 1x at 31 October 2012

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

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

Consolidated Debt Servicing Cost is the sum of (a) debt-related consolidated net financial expenses and (b) net amortisation of debt.

R3 Gearing:

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

- 3.2x at 31 October 2011;
- 3.2x at 30 April 2012;
- 3.1x at 31 October 2012.

Consolidated Net Debt represents the Group's debt after offsetting its available net cash flow.

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

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

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

2. Investment limits

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

3. Debt limits

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

- €294m at 31 October 2011;
- €283m at 30 April 2012;
- €267m at 31 October 2012.

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

Repayment of surplus cash flow

In order to reduce its debt more quickly, Group Partouche has to allocate part of its Consolidated Surplus Cash Flow to reimbursing its debt.

Consolidated Surplus Cash Flow will be broken down as follows:

A specific proportion, i.e. 30% in 2011, then 20% over subsequent years is retained by Groupe Partouche.

The balance is allocated as follows:

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

20% will be used to cover interest payments accruing on the shareholder advance from Financière Partouche.

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

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

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

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

"Other borrowings" includes a €30.5m advance from Financière Partouche SA to Groupe Partouche SA and interest generated by it, pursuant to a shareholders' agreement signed on 29 August 2003, amended on 30 September 2005 and 31 December 2009.

2.21 AVERAGE WORKFORCE

AT 31 OCTOBER 2010	STAFF
Executives	20
Non-executives	13
TOTAL	**33**

2.22 COMPENSATION ALLOCATED TO THE EXECUTIVE AND SUPERVISORY BOARD MEMBERS

These compensations amounted to €1,278,520 and consisted of:

- remuneration allocated to the members of the Supervisory Board: €457,950
- remuneration allocated to the members of the Executive Board: €820,570

No directors' fees were allocated to the members of the Supervisory Board.

2.23 COMMITMENTS FOR PENSIONS AND OTHER RETIREMENT COSTS

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

2.24 SUNDRY INFORMATION

Given the significant exposure to rate variability, and in order to hedge against rate increases, Groupe Partouche entered into a cancellable swap in May 2007 matched against a repayment amount of €100m fixing the interest payments at 4.25% and with a potential maturity of July 2012. Although the swap worked in Groupe Partouche's favour until January 2009, since then it has been less beneficial due to the steep decline in market rates. In September 2011, another hedge was put in place for 1M Euribor covering €60m, i.e. a 1% swap expiring on 31 July 2012.

Finally, a €50m collar was subscribed in October, with a deferred start date at 31 July 2012 and expiring at 31 October 2014, in order to hedge future rate changes: the thresholds range from 0.9% to 1.99%.

Following the closing of the financial year, two other swap hedge agreements were entered into:

- the first amounting to €40m starting 31 December 2011 and expiring 31 October 2013 at 1%;
- the second amounting to €30m starting 31 July 2012 and expiring 31 October 2015 at 1.35%.

2.25 DEFERRED TAX

€000 AT 31 OCTOBER 2011	AMOUNT
Tax to be paid on:	
Pre-deducted expenses	(307)
Prepaid tax on:	
Temporarily non-deductible expenses (to be deducted on the following financial year)	259
Taxed profit to be deducted at a later date	0
Net deferred tax	**(48)**

2.26 POST BALANCE SHEET EVENTS

On 19 December 2011, the company signed the Addendum 3 to the syndicated loan agreement (detailed in chapter 4.1.1).


JACKPOT
CRÉATEUR
MILLIONNAIRES
CASH
TICKET
MAIN EVENT
CANNES
MEGAPOT

3 – SUBSIDIARIES AND ASSOCIATED ENTITIES AT 31/10/2011

Information in €000

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY (*)
SUBSIDIARIES (MORE THAN 50% OF SHARE CAPITAL)			
Cie EUROPÉENNE DE CASINOS	PARIS	24 813	263 838
HOLDING GARDEN PINÈDE	JUAN-LES-PINS	15 418	14 681
HÔTEL COSMOS	CONTREXÉVILLE	50	(3 207)
SOC EXPLOIT° CASINO ET HÔTELS CONTREXÉVILLE	CONTREXÉVILLE	75	(576)
SOCIÉTÉ DU CASINO DE ST-AMAND-LES-EAUX	ST-AMAND-LES-EAUX	17 786	24 035
SOCIÉTÉ DU GRAND CASINO DE CABOURG	CABOURG	300	514
GRAND CASINO DE LA TRINITÉ-SUR-MER	TRINITÉ-SUR-MER	75	(3 580)
GRAND CASINO DE BEAULIEU (société en liquidation judiciaire)	BEAULIEU	150	NC
JEAN METZ	BERCK-SUR-MER	80	534
NUMA	BOULOGNE-SUR-MER	80	851
SA DU CASINO ET DES BAINS DE MER	DIEPPE	396	782
SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	CONTREXÉVILLE	50	164
GRAND CASINO DU HAVRE	LE HAVRE	150	(691)
SCI LES THERMES	AIX-EN-PROVENCE	150	(909)
SCI DE LA RUE ROYALE	PARIS	134	163
SOCIÉTÉ CANNES BALNÉAIRE	CANNES	2 551	(45 920)
GROUPE PARTOUCHE INTERNATIONAL	BELGIQUE	144	(30 201)
SATHEL	LA TOUR SALVAGNY	323	22 737
CASINO DES 4 SAISONS	LE TOUQUET	392	1 653
SA LYDIA INVEST	LE BARCARÈS	40	(11 858)
SCI LYDIA INVESTISSEMENT	LE BARCARÈS	2	190
HÔTEL INTERNATIONAL DE LYON	LYON	300	4 946
LE TOUQUET'S	CALAIS	92	1 131
CASINOS DE VICHY	VICHY	240	(13 053)
ELYSÉE PALACE EXPANSION	VICHY	40	(815)
ELYSÉE PALACE HÔTEL	VICHY	40	(860)
SOC. CHEMINS FER ET HÔTELS MONTAGNE PYRÉNÉES	VICHY	701	910
CASINO DE LA TREMBLADE	LA TREMBLADE	39	(28)

% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET INCOME
100,00 %	0	316 504	316 504	0	-	0	9 732
100,00 %	0	336	336	3 802	-	0	302
100,00 %	0	50	0	3 453	-	1 821	(509)
100,00 %	0	6 833	3 291	720	-	2 467	(533)
100,00 %	4 069	18 371	18 371	10 194	-	22 751	3 031
100,00 %	0	2 769	2 769	1 843	-	5 046	(240)
100,00 %	0	76	0	7 224	-	1 852	(779)
100,00 %	0	152	0	8 276	-	-	NC
100,00 %	470	3 025	3 025	9	-	3 892	445
100,00 %	500	3 458	3 458	245	-	4 759	446
100,00 %	0	4 611	4 611	0	-	6 301	260
100,00 %	75	50	50	1 154	-	306	105
100,00 %	0	4 650	4 650	17 023	-	11 361	(1 476)
99,99 %	0	0	0	4 868	-	1 304	847
99,99 %	0	534	534	0	-	75	32
99,99 %	0	48 424	0	60 636	-	922	(9 764)
99,90 %	0	153	0	38 370	-	0	(1 161)
99,87 %	15 100	93 520	93 520	6 353	-	28 487	9 493
99,53 %	561	5 593	5 593	198	-	3 508	465
97,30 %	0	444	0	11 518	-	0	(504)
97,00 %	0	2 023	0	0	-	0	989
97,25 %	3 108	4 207	4 207	11 371	-	14 207	4 165
90,10 %	360	4 668	4 668	0	-	4 221	330
79,93 %	0	371	0	14 976	-	3 565	(7 601)
79,76 %	0	1 308	1 308	4 295	-	0	(103)
79,80 %	0	1 240	0	607	-	0	(77)
76,63 %	0	602	602	0	-	56	(28)
99,03 %	0	1 178	0	27	-	1 609	(300)

NAME	HEAD OFFICE	SHARE CAPITAL	EQUITY (*)	
FORGES THERMAL	FORGES-LES-EAUX	15 600	41 881	
TTH DIVONNE	DIVONNE-LES-BAINS	2 442	6 610	
CASINO D'ANNEMASSE – SGCA	ANNEMASSE	200	2 838	
CASINO DE CRANS-MONTANA	CRANS-MONTANA (Suisse)	4 101	10 098	
CASINO D'HAUTEVILLE-LOMPNES – SCHL	HAUTEVILLE-LOMPNES	60	(232)	
PARTOUCHE INTERACTIVE	PARIS	370	(3 973)	
PARTOUCHE IMMOBILIER	PARIS	12 000	11 919	
PARTOUCHE SPECTACLES ET ÉVÉNEMENTS	PARIS	37	(1 158)	
CENTRE FORMATION PROFESSIONNEL CASINOS	FORGES-LES-EAUX	8	(169)	
ASSOCIATED ENTITIES (10 TO 50% OF SHARE CAPITAL)				
SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL	AIX-EN-PROVENCE	2 160	19 118	
SOCIÉTAT DE L'OCI DELS PYRENEUS	ESCALDES ENGORDANY	38	NC	
BASTIDE II RICH TAVERN	MONTPELLIER	46	NC	
PALAVAS INVESTISSEMENT	PALAVAS-LES-FLOTS	8	(341)	
CASINO DE SAINT-JULIEN-EN-GENEVOIS	SAINT-JULIEN-EN-GENEVOIS	210	7 632	
GREAT EASTERN QUAYS CASINO LTD	LONDRES (GB)	NC	NC	
OTHER INTERESTS				
CASINO DE PALAVAS	PALAVAS-LES-FLOTS	330	1 505	
CASINO MUNICIPAL DE ROYAT	ROYAT	240	1 841	
EDEN BEACH CASINO	JUAN-LES-PINS	1 056	11 739	
SCI TREMBLADE	LA TREMBLADE	1	41	
SEMTEE	ESCALDES ENGORDANY	25 242	40 345	
CASINO D'AGON COUTAINVILLE	AGON COUTAINVILLE	51	7 899	
CASINO D'ARCACHON	ARCACHON	60	1 353	
SOCIÉTÉ THERMALE DE PLOMBIÈRES-LES-BAINS	PLOMBIÈRES-LES-BAINS	38	NC	
CASINO LE LION BLANC	ST-GALMIER	240	1 703	
CASINO LES FLOTS BLEUS	LA CIOTAT	200	872	
CASINO LE MIAMI	ANDERNOS	758	1 863	
CASINO DU PALAIS DE LA MÉDITERRANÉE	NICE	281	(1 358)	
CASINO DE LA ROCHE-POSAY	LA ROCHE-POSAY	177	35 608	
SCI DE L'ARVE	ANNEMASSE	381	1 500	

(*) Equity includes share capital, reserves and retained earnings, income of the financial year as well as the investments subsidies and the statutory provisions.

% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF INVEST-MENTS	NET VALUE OF INVEST-MENTS	LOANS, ADVANCES IN GROSS VALUE	GUARANTEES	TURNOVER	NET INCOME
59,48 %	1 071	11 572	11 572	0	-	23 171	794
98,70 %	1 085	25 075	25 075	0	-	24 590	1 690
99,91 %	2 797	10 389	10 389	0	-	12 272	2 490
57,00 %	2 453	1 857	1 857	5	-	13 364	4 736
100,00 %	0	4 350	0	2 450	-	1 727	(719)
96,00 %	0	9 706	9 706	32 864	-	0	(5 440)
100,00 %	0	12 600	12 600	4 322	-	564	62
100,00 %	0	37	0	1 268	-	49	(277)
100,00 %	0	8	0	144	-	76	(35)
38,63 %	522	2 780	2 780	0	-	30 002	755
33,00 %	-	13	13	50	-	NC	NC
25,00 %	-	46	0	-	-	NC	NC
10,00 %	-	122	122	279	-	212	165
18,00 %	-	2 224	2 224	0	-	6 860	577
15,00 %	-	0	0	463		NC	NC
9,09 %	90	183	183	0	-	7 246	751
1,91 %	29	73	73	0	-	6 849	1 256
1,44 %	0	155	155	797	-	8 285	(1 545)
1,00 %	0	0	0	2 517		301	51
0,61 %	0	181	181	0	-	12 423	2 012
0,05 %	0	2	2	0	-	2 672	409
0,03 %	0	1	1	0	-	3 418	(19)
0,00 %	-	2	0	0	-	NC	NC
0,16 %	2	0	0	0	-	6 479	1 283
0,02 %	0	0	0	0	-	3 509	445
0,00 %	0	0	0	0	-	3 001	384
0,03 %	0	0	0	865	-	9 513	(1 255)
0,00 %	0	0	0	9	-	8 469	2 787
0,04 %	0	0	0	0	-	900	410

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

Contributing company:	SIHB Company absorbed by Cie Fermière des Eaux (now Groupe PARTOUCHE)
Beneficiary company:	Groupe Partouche 141 bis rue de Saussure - 75017 PARIS
Nature of the operation:	Merger
Date of the operation:	Extraordinary Shareholders' Meeting of 29 July 1994 which authorised the merger with retroactive effect as of 1/11/1993

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

LAND

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Cliff	1	-	(1)

INVESTMENTS IN ASSOCIATES

NAME	NUMBER OF SHARES	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
SA CASINO DES 4 SAISONS 26 rue St-Jean 62520 Le Touquet	22 050	1 210	5 488	4 278
SA EDEN BEACH CASINO Boulevard Edouard Baudouin 06160 Juan-les-Pins	924	305	155	(150)
SA FORGES THERMAL Avenue des Sources 76440 Forges-les-Eaux	6 210	2 310	9 072	6 762
SA JEAN METZ Avenue du Général de Gaulle 62600 Berck-sur-Mer	992	27	3 025	2 998
SA NUMA 37 rue Félix Adam 62200 Boulogne-sur-Mer	4 930	113	3 457	3 344
SA CASINO ET BAINS DE MER DIEPPE Boulevard de Verdun 76200 Dieppe	4 600	991	3 825	2 834
SA SATHEL 200 avenue du Casino 69890 Tour de Salvagny	10 008	10 965	29 104	18 139
SA LE TOUQUET'S 59 rue Royale 62100 Calais	1 801	210	4 668	4 458
SUBTOTAL		**16 131**	**58 794**	**42 663**

RECEIVABLES

DESIGNATION	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
JATEK	778	778	-

CAPITAL GAINS ON DEPRECIABLE ASSETS (*)

BUILDING

DESIGNATION	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
GRANVILLE cellar	-	1	1
SAINT-PLACIDE apartment	19	76	57
Subtotal	**19**	**77**	**58**
TOTAL	**16 929**	**59 649**	**42 720**

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

4BIS - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: SA Groupe de Divonne
141 bis rue de Saussure – 75017 PARIS

Beneficiary company: Groupe Partouche
141 bis rue de Saussure – 75017 PARIS

Nature of the operation: "Transmission universelle de patrimoine"

Date of the operation: 2/11/2007

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

NON-DEPRECIABLE ASSETS	TAX VALUE	BOOK VALUE	BALANCING AMOUNT RECEIVED	BALANCING AMOUNT TAXED	EXCHANGE OR CONTRIBUTION VALUE
Internally-generated goodwill		71 719			71 719
Other intangible assets					
Land					
Investments in associates	40 368	40 347			40 347
Other financial investments - Loan of securities	15	15			15

CAPITAL GAINS ON DEPRECIABLE ASSETS

DEPRECIABLE ASSETS	REINTEGRATION PERIOD	CAPITAL GAINS REALISED	AMOUNT PREVIOUSLY REINTEGRATED	AMOUNT AS A PROPORTION OF NET PROFIT FOR THE YEAR	AMOUNT REMAINING TO BE REINTEGRATED
Patents					
Other intangible rights					
Land used for business operations			NONE		
Buildings					
Machinery and equipment					
Other tangible fixed assets					

5 – RESULTS OF THE LAST FIVE YEARS (EXPRESSED IN EUROS)

INDICATION	YEAR ENDED 31/10/2007 (12 MONTHS)	YEAR ENDED 31/10/2008 (12 MONTHS)	YEAR ENDED 31/10/2009 (12 MONTHS)	YEAR ENDED 31/10/2010 (12 MONTHS)	YEAR ENDED 31/10/2011 (12 MONTHS) BEFORE AGM APPROVAL
I- SHARE CAPITAL AT THE END OF THE FINANCIAL YEAR					
Share capital	86 194 836	86 194 836	86 194 836	163 640 414	193 631 182
Number of existing ordinary shares	43 097 418	43 097 418	43 097 418	81 820 207	96 815 591
Number of shares carrying priority	-	-	-	-	-
dividends (without voting rights)	-	-	-	-	-
Maximum number of shares that may be created in the future	-	-	-	-	-
By conversion of bonds	-	-	-	-	-
By exercising share subscription options	-	-	-	-	-
II- RESULTS FOR THE FINANCIAL YEAR					
Turnover excluding tax	14 841 731	14 811 850	13 670 179	14 404 586	14 310 681
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	18 642 656	29 122 471	6 409 212	-25 186 673	14 333 847
Corporate income tax	-15 367 897	-14 858 226	-19 188 997	-16 565 318	-14 979 568
Employee profit-sharing for the financial year	0	0	0	0	0
Depreciation, amortisation and provision charges	10 052 695	21 895 836	26 464 308	70 411 732	26 151 335
Net profit	23 957 858	22 084 860	-866 100	-79 033 087	3 162 080
Distributed profit	0	0	0	0	0

INDICATION	YEAR ENDED 31/10/2007 (12 MONTHS)	YEAR ENDED 31/10/2008 (12 MONTHS)	YEAR ENDED 31/10/2009 (12 MONTHS)	YEAR ENDED 31/10/2010 (12 MONTHS)	YEAR ENDED 31/10/2011 (12 MONTHS) BEFORE AGM APPROVAL
III- EARNINGS PER SHARE					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	0,79	1,02	0,59	-0,11	0,30
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	0,56	0,51	-0,02	-0,97	0,03
Dividend per share	0,00	0,00	0,00	0,00	0,00
IV- PERSONNEL COSTS					
Average workforce during the financial year	45	45	45	46	47
Payroll for the financial year	4 582 816	3 989 574	3 261 394	3 468 842	3 669 742
Social benefits paid for the financial year	1 744 407	1 551 827	1 331 574	1 461 183	1 447 761

20.3 Verification of annual historic financial information

20.3.1 STATUTORY AUDITORS' REPORTS

Report of the statutory auditors on the consolidated financial statements Financial year ended 31.10.11

Ladies and Gentlemen,

In accordance with our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby report to you for the financial year ended 31 October 2011 on:

- the audit of the consolidated financial statements of Groupe Partouche SA, as attached to this report;
- the justification of our assessments;
- the special verification required by law.

The consolidated financial statements were approved for publication by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, on a test basis, or using other sampling methods, the evidence substantiating the amounts shown and disclosures made in the consolidated financial statements. An audit also includes assessing the accounting principles adopted and the significant estimates made in drawing up the financial statements, as well as assessing their overall presentation. We believe that the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position and its assets and liabilities, and of the results of the operations of the group of persons and entities included in the scope of consolidation for the year then ended, in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 2 of the notes to the consolidated financial statements (paragraph "Description of the accounting policies and valuation methods applied by the Group"), which reports as follows in paragraph "Accounting estimates and assumptions":

- Error correction in relation to the accounting treatment of the CET (territorial economic contribution), pursuant to IAS 12, Income tax;
- Change in the accounting estimate of goodwill impairment booked in 2010

II - JUSTIFICATION OF ASSESSMENTS

In accordance with Article L. 823-9 of the French Commercial Code (Code de commerce) governing the justification of our assessments, we hereby report as follows:

- As mentioned in the first part of this report, Note 2 to the notes "Description of the accounting policies and valuation methods applied by the Group" (paragraph "Accounting estimates and assumptions") presents error corrections in relation with accounting treatment of the territorial economic contribution, pursuant to IAS 12. In accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors", information relating to the financial year ending 31 October 2010, presented in the consolidated financial statements, was restated in order to retrospectively take into consideration the accounting treatment as of 1 January 2010, date of the entry into force of the CET. Consequently, comparative information differs from the consolidated financial statements published for the financial year ending 31 October 2010.

In the scope of our assessment of accounting policies followed by your company, we have examined the appropriate restatement of the financial statement for the financial year ending 31 October 2010 and the information given for that purpose in Note 2 of the notes to the consolidated financial statements.

- At each financial year-end, the company performs tests to determine any impairment in the value of goodwill, in accordance with the methods described in Note 2 of the notes to the consolidated financial statements "Description of the accounting policies and valuation methods applied by the Group" (paragraph "Intangible assets"). We have examined the methods used for these goodwill impairment tests as well as the estimates of cash flows and principal assumptions used, and we have verified that the Notes 2 and 5 of the notes to the consolidated financial statements give appropriate information. As specified in Note 2 of the notes to the consolidated financial statements, these estimates are based on assumptions, which, by nature, have an uncertain characteristic, therefore the performance may differ, sometimes significantly, from the estimates.

The assessments on these matters were performed in the context of our audit approach for the consolidated statements taken as a whole and therefore contributed to the expression of our opinion in the first part of this report.

III - SPECIFIC AUDIT PROCEDURE

In accordance with professional standards applicable in France, we also verified the specific disclosures required by law to be included in the group's management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Marseille et Paris, le 27 février 2012

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

REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS AT 31 OCTOBER 2011

LADIES AND GENTLEMEN,

In accordance with our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby report to you for the financial year ended 31 October 2011 on:

- the audit of the accompanying annual financial statements of Groupe Partouche SA as appended to this report;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

The financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I - OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves the verification, either on a test basis or using other sampling methods, of the evidence substantiating the amounts and disclosures appearing in the annual financial statements. An audit also includes assessing the accounting principles adopted and the significant estimates made in drawing up the financial statements, as well as assessing their overall presentation. We believe that the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of October 31, 2011 and of the results of its operations for the year then ended, in accordance with French accounting regulations.

II - JUSTIFICATION OF ASSESSMENTS

In accordance with Article L. 823-9 of the French Commercial Code (Code de commerce) governing the justification of our assessments, we hereby report on:

Note 1.3 to the annual accounts, which sets out the accounting principles and methods applicable to noncurrent financial assets applied by the company, notably the assessment criterion for the book value compared to value in use of investment securities or their fair market value. As part of our assessment of the accounting methods and principles adopted by your group, we verified the appropriateness of the abovementioned accounting policies and that of the disclosures in the notes to the financial statements and have ascertained that they were properly applied.

These assessments were made in the context of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III - SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the Executive Board's management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

We checked the disclosures made pursuant to Article L. 225-102-1 of the Code of Commerce concerning the remuneration and benefits paid to the corporate officers and the commitments entered-into in their favour, for consistency with the financial statements or with the data used to draw up those financial statements and, where applicable, with the information provided to your company by the companies controlled by it or that it controls. On the basis of our audit, we hereby certify the truthfulness and accuracy of, and fair view provided by this information.

Pursuant to the law, we have verified that the Executive Board's report contains the appropriate disclosures as to the identity of and percentage interests and votes held by shareholders.

Marseille and Paris, on 27 February 2012

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

20.3.2 OTHER INFORMATION VERIFIED BY THE STATUTORY AUDITORS

The statutory auditors issued a report in respect of the outlook of the company, presented in Chapter 13.

20.3.3 FINANCIAL INFORMATION NOT CONTAINED IN THE FINANCIAL STATEMENTS

Groupe Partouche published on 21 February 2012 its revenue for the first quarter of the financial year in progress, which has been reproduced in Chapter 12. This internally sourced financial information has not been verified by the statutory auditors.

20.4 Dividend distribution policy

The net dividends distributed for the previous five financial years, tax paid (tax credit) and the total corresponding income are as follows:

FINANCIAL YEAR FOR WHICH THE DIVIDEND WAS PAID YEAR ENDED 31 OCTOBER	NET DIVIDEND PAR SHARE (IN €)	TAX ALREADY PAID (TAX CREDIT)	TOTAL INCOME
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-

During the financial year ending 31 October 2011, no interim dividend was paid.

Any dividend that remains unclaimed within five years of falling due is payable under applicable legal provisions to the French state (Service des domaines French government estates commission).

No dividend has been proposed in respect of the financial year ending 31 October 2011.

Groupe Partouche has not distributed any dividends for a number of years, since its priority is to reimburse the bank debt contracted in connection with external growth transactions (Compagnie Européenne de Casinos in 2002 and Groupe de Divonne in 2005). The October 2009 agreement with the syndicated-loan banking pool entails a covenant in an amendment to the subordination agreement restraining the Group from voting dividend payments or other distributions of earnings until the loan is fully repaid, i.e. until 31 October 2015.

20.5 Legal and arbitration proceedings

See Note 2 to the consolidated financial statements, "Description of the accounting policies and valuation methods applied by the Group".
See also Note 16 to the consolidated financial statements, "Other current and non-current provisions".

ACCOUNTING OPTIONS FOR CONTINGENCIES AND CLAIMS

A legal claim is only provisioned when the obligation towards a third party is deemed likely to lead to an outflow of resources without consideration.

CLAIMS

- A claim dating back to April 2000 results from the failure by Mr Jean Rouch to execute an agreement for the sale of the assets of Riviera SA in Cannes in August 1999. Mr Jean Rouch has declared himself debtor and Groupe Partouche is seeking to ensure that this undertaking is honoured. The receivable in the amount of €6,860k has been provided for in full.
- Active tax-related claims have been estimated on the basis of information available at the balance sheet date. Evaluations of any tax-related claims are conducted within each subsidiary, on a case-by-case basis and in detail with respect to each of the grounds presented for reassessment. Provisions are recognised for any claims for which a favourable outcome does not seem likely.

CLAIMS INVOLVING THE COMPANY INDIRECTLY

To the best of the company's knowledge, there are no governmental, legal or arbitration proceedings, including any proceedings that might be suspended or threatened, which may have or which have had a material impact on the company's or the Group's financial position or profitability during the past twelve months.

20.6 Significant changes in the financial or trading position

No significant change in the financial or trading position of the Group has occurred since the end of the financial year for which verified financial statements or interim financial statements have been published.

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21 ADDITIONAL INFORMATION

21.1 Share capital

21.1.1 SHARE CAPITAL AT 31 OCTOBER 2011

At 31 October 2011, the share capital amounts to €193,631,182 (One hundred ninety three million six hundred thirty one thousand and one hundred and eighty two Euros).

It comprises 96,815,591 shares (ninety six million eight hundred fifteen thousand five hundred and ninety one) of 2 (two) euro each, with their nominal value fully paid up.

21.1.2 SECURITIES THAT DO NOT REPRESENT THE SHARE CAPITAL

There are no securities that do not represent the share capital, since all of the shares issued are the same type.

21.1.3 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

PURCHASE TRANSACTION RELATING TO THE SHARES OF THE COMPANY BY THE COMPANY IN RESPECT OF FINANCIAL YEAR 2010-2011

Since the Shareholders' Meeting of 24 April 1998, Groupe Partouche SA has an authorisation relating to the purchase each year of treasury shares in compliance with the provisions of Article L.225-209 of the Code of Commerce.

The implementation of the purchase by the company of its own shares is being carried out in accordance with the provisions of European Regulation 2273/2003 dated 22 December 2003, stipulated by the general regulation of AMF dated 2005. The Executive board meeting held on 19 August 2010 decided to re-allocate these shares as follows :

- In case of free allocation to personnel and executives as provided by Article L225-209, § 5 of the Code of Commerce
- Attribution to owners of property values, giving access to the share capital
- Assignment or transfer by all means as provided by Article L225-209, § 4 of the Code of Commerce.

NUMBER OF TREASURY SHARES HELD

Groupe Partouche holds 19,166 of its own shares at 31 October 2011. Since 2000, no repurchase programme was implemented. These shares are presented in the balance sheet of Groupe Partouche for a nominal value of 38,332 euro and a carrying amount of 33,732 euro.

EXISTING AUTHORISATION

The Extraordinary Shareholders' Meeting of 29 April 2011 renewed its authorisation to the Executive Board to repurchase its own shares on the stock market under the provisions of Article L.225-209 of the Code of Commerce, primarily in order to remit shares in exchange for payment, particularly with respect to external growth transactions, either with a view to awarding share purchase options in favour of the Group's personnel and senior management.

The maximum purchase price has been set at 15 euro per share and the minimum sale price is 1 euro. This authorisation, which is valid for a maximum period of 18 months, will expire on 28 October 2012, has not been used.

21.1.4 OTHER SECURITIES GIVING ACCESS TO THE CAPITAL

None

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

The Executive Board benefits from the following authorizations granted by the Extraordinary Shareholders' Meeting of 29 April 2011, which may lead to the issue of securities conferring access to the share capital. These authorisations are summarised in the table below:

NATURE OF TRANSACTION AUTHORIZED	DURATION AND EXPIRATION OF AUTHORISATION	MAXIMUM AMOUNT	TERMS
Capital increase ▪ In cash (EGM of 29 April 2011)	26 months 28 June 2013	30,000,000 €	With and without preferential right of subscription
Capital increase ▪ By capitalisation of reserves, Premiums of net profit (EGM 29 April 2011)	26 months 28 June 2013	Amount of premiums, reserves and earnings available	
Capital increase ▪ By private investments (EGM of 29 April 2011)	26 months 28 June 2013	Maximum amount of 20% of the share capital per year	Without preferential right of subscription
Capital increase ▪ By cash (EGM 29 April 2011)	26 months 28 June 2013	Maximum amount of 10% of the share capital	Without preferential right of subscription

The Shareholders' Meeting of 29 April 2011 also voted to increase the company's capital by €24,249,000 via the issue of 12,124,500 ordinary shares. The issue price of new shares was set at €2.05 (i.e. a nominal value of €2.00 and an issue premium of €0.05) each. This capital increase was reserved for Butler Capital Partners up to 727,470 shares, and to FCPR France Private Equity III up to 11,397,030 shares. The capital increase was completed on 4 May 2011.

In addition, during its meeting of 29 April 2011, the Executive Board decided, in accordance with the delegation received from the Extraordinary Shareholders' Meeting of the same day, to carry out a capital increase of 5,741,768 euro per issue of 2,870,884 new shares at a unit price of 2.00 (i.e. with no issue premium), completed on 27 May, with shareholders' pre-emptive right of subscription and pursuant to the legal and regulatory provisions.

21.1.6 SHARE CAPITAL UNDER OPTION

None

21.1.7 HISTORY OF SHARE CAPITAL

Changes in share capital over the five preceding financial years:

YEAR (FROM 1 NOVEMBER 2007 TO 31 OCTOBER 2011)	TYPE OF OPERATION	AMOUNT OF CHANGE IN SHARE CAPITAL	SUCCESSIVE AMOUNTS OF SHARE CAPITAL	CUMULATIVE NUMBER OF SHARES
2007			86 194 836 €	43 097 418
2008			86 194 836 €	43 097 418
2009			86 194 836 €	43 097 418
2010	Capital increase of 11/08/2011	77 445 578 €	163 640 414 €	81 820 207
2011	Capital increase of 04/05/2011	24 249 000 €	187 889 414 €	93 944 707
2011	Capital increase of 27/05/2011	5 741 768 €	193 631 182 €	96 815 591

21.1.8 MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Groupe Partouche SA shares were admitted to the "Premier Marché" of the Euronext Paris stock exchange – Euronext (ISIN code: FR0000053548) and are included in the CAC Mid & Small,CAC Small & CAC All indices.

Share transfers and payments of dividends are handled by CM-CIC Securities 6 rue de Provence 75009 PARIS.

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

PERIOD	PERIOD HIGH AND LOW (IN €)		NUMBER OF SHARES EXCHANGED	CAPITAL (IN €M)
	HIGH	LOW		
2010				
January	3,29	2,71	835 154	2,53
February	3,04	2,14	778 076	1,93
March	2,79	2,37	733 351	1,93
April	2,94	2,59	772 288	2,16
May	2,79	2,08	850 641	1,97
June	2,47	2,12	1 426 959	3,27
July	2,64	1,85	2 918 661	6,19
August	2,06	1,66	1 591 165	2,97
September	2,28	1,66	7 267 128	14,62
October	2,00	1,78	2 798 042	5,29
November	2,16	1,78	2 683 835	5,38
December	1,97	1,71	2 275 979	4,22
2011				
January	2,40	1,85	3 919 652	8,58
February	3,05	2,22	6 930 223	18,30
March	2,96	2,27	3 929 372	10,15
April	2,74	2,51	909 339	2,39
May	3,15	2,40	4 850 534	13,42
June	2,84	2,70	1 183 031	3,24
July	2,91	2,34	722 534	1,89
August	2,55	1,72	2 649 049	5,16
September	2,18	1,59	1 501 650	2,85
October	1,98	1,59	1 084 593	1,90
November	1,72	1,32	1 259 862	1,91
December	1,65	0,99	5 348 608	6,31

21. Memorandum and articles of association

Articles of Association (see § 5.1.3)

Pursuant to article 37 of the Articles of Associations, the latter can only be amended by an extraordinary general assembly, mainly in respect of the change of the type of the company.

However, the assembly cannot increase the shareholders' commitments, subject to regrouping the shares as provided by the law.

21.2.1 PURPOSE

Pursuant to article 3 of the Articles of Association, the purpose of the company in France and all other countries is:

- the administrative, financial and accounting management of all the present or future companies operating mainly in the entertainment, hotels and gaming sectors;
- the acquisition of equity stakes of all types in such companies;
- assisting these companies in improving their growth by providing all types of services;
- all transactions in shares in French and foreign markets;
- acquisition and sale of real estate fixed assets and current assets.

And in general all types of industrial and commercial operations related to:

- the creation, acquisition, rental, lease or operation of all types of business in any of the abovementioned sectors of activity;
- the acquisition, operation or sale of any process or patent related to these activities;
- the direct or indirect participation in any type of financial, real estate or personal property operations or commercial enterprise transaction related to the abovementioned purpose or any other connected purpose.

21.2.2 DISPOSITIONS IN THE ARTICLES OF ASSOCIATION OR ELSEWHERE RELATING TO EXECUTIVE AND MANAGEMENT BODIES

OPERATION OF THE SUPERVISORY BOARD

(cf. § 14.3 internal regulations)

Members of the Supervisory Board must own one share.

Moreover, the organisation methods and operation of Supervisory board are detailed in paragraph 14.3 relating to the internal regulation that it adopted on 27 October 2005, as modified on 24 December 2008 and in Articles 21 and 22 of the Articles of Association of Groupe Partouche SA , reproduced below:

ARTICLE 21 - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

- The Supervisory Board elects from among its members a Chairman and a Vice-Chairman, natural persons, who are responsible for calling Board meetings and directing its debates. They are appointed for the period of their mandate on the Supervisory Board. The Board determines their remuneration, if any. The Board may appoint a secretary who may be selected from non-shareholders.
- The Board meets as often as the interests of the Company dictate. However, the Chairman must convene a meeting of the Board no more than 15 days after the request date, when at least one member of the Executive Board, or at least one third of the members of the Supervisory Board present him with a substantiated request to do so. Meetings take place at the registered office or at any other place indicated in the notice of meeting. Any member of the Board may, via letter or telegram, mandate another advisor to represent him at a Board meeting. The effective presence of at least half of the members of the Board is required for its operations to be valid. The Executive Board's deliberations shall be valid if at least one-half of its members are present or deemed present; each member present or represented has one vote and each member present only has one vote. The vote of the meeting's chairman is casting in the event of a tie vote.
- A register is kept and signed by the members of the Board who attend the meeting. The Supervisory Board's deliberations are officially established by minutes kept in a special record filed at the Company's registered office. Copies or extracts of minutes presenting the Board's deliberations are provided and certified in accordance with the law.

ARTICLE 22 - POWERS OF THE SUPERVISORY BOARD

The Supervisory Board performs a permanent control of the way in which the Company is managed by the Executive Board.

It appoints the members of the Executive Board and designates its Chairman, and, where applicable, the General Managers; it proposes their revocation to the Shareholders' Meeting and sets the level of their remuneration.

It convenes the Shareholders' Meeting of Shareholders, if convocation is not issued by the Executive Board.

It gives the Executive Board the authorisations required prior to the operations falling within the provisions of Article 17 above.

It authorises agreements governed by Article 24 of the Articles of Association.

At any time, it may perform verifications and controls as it sees fit, and may receive any document it deems useful to accomplish its mission. It presents its observations on the Executive Board report and the accounts for the financial year to the Ordinary Annual Shareholders' Meeting.

The Supervisory Board may decide to transfer the registered office within the same département or an adjoining département, subject to such a decision's ratification by the next Ordinary Shareholders' Meeting.

The Supervisory Board may grant one or more of its members any special mandates for one or more pre-determined purposes and set their remuneration for this end.

EXECUTIVE BOARD ORGANISATION AND PROCEDURES

Members of the Executive Board must hold at least one share in the Company.

The organisation and procedures of the Executive Board are stipulated in Articles 16 & 18 of the Articles of Association of Groupe Partouche SA, which is reproduced below:

ARTICLE 16 - FORMATION OF THE EXECUTIVE BOARD

1 – The company is managed by an executive board under control of the supervisory board.

The executive board is formed by at least two members or seven at the utmost, appointed by the supervisory board.

2 – The members of the executive board must be individual entities who can be selected apart from the shareholders, even among the paid personnel of the company.

Should a member of the supervisory board be appointed with the executive board, its first mandate comes to an end starting the commencement of its office in the executive board.

Subject to the legal exceptions, none can belong simultaneously to more than two executive board, nor exercise the functions of general manager or chairman of the board of directors in more than two limited companies having their head office in metropolitan France.

A member of the executive board will not accept to be appointed to the executive board or be sole general manager of another company, without the prior authorization of the supervisory board.

3 – Any member of the executive board can be revoked by the ordinary general assembly, upon recommendation of the supervisory board.

Such revocation does not terminate a contract of employment, if same has been conducted with the revoked member.

4 – The supervisory board set up the remuneration of each member of the executive board upon their nomination

ARTICLE 18 - ORGANISATION AND PROCEDURES OF THE EXECUTIVE BOARD

1 – The Supervisory Board appoints one of the members of the Executive Board as Chairman.

The Executive Board meets as often as the interests of the Company dictate, as convened by its Chairman or at least one-half of its members, at the registered office or at any other place indicated in the notice of meeting.

The Chairman of the Executive Board presides over its meetings and appoints a secretary, who need not be a member of the Executive Board.

The Executive Board's deliberations are only valid if at least one-half of its members are in attendance.

The Executive Board's decisions are taken based on the majority of the votes of its members. Voting by proxy is prohibited.

In the event of a tie, the Chairman casts the deciding vote.

2 – The deliberations of the Executive Board may be officially established by minutes kept in a special record, signed by the members of the Executive Board having attended the meeting.

The minutes mention the names of the members in attendance and those of the absent members.

Copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members and, in the event of liquidation, by the authorised liquidator.

3 – The members of the Executive Board may divide among themselves all management tasks, subject to the authorisation of the Supervisory Board. However, this allocation of tasks may not under any circumstances absolve the Executive Board from its obligation to meet regularly and deliberate upon the most important issues faced in managing the Company, nor may it prevent its members from acting collectively to ensure the management of the Company.

ARTICLE 19 - POWERS AND OBLIGATIONS OF THE EXECUTIVE BOARD

1 – The Executive Board is entrusted with large powers to act in all circumstances in the name of company, within the limits of the purpose of the company and subject to the powers given by the law to the Supervisory Board and the Shareholders general assemblies.

The company is committed by the Executive Board even through operations with third parties, that might by off its purpose, unless given the circumstances, it is proven that said parties were aware of such. The publication of the articles of association does not constitute such a proof.

The disposal of buildings, global or partial participations, guarantees, as well as deeds have be authorized by the supervisory board, except as provided by the law.

Should the supervisory board refuse such authorizations, the executive board, if deems necessary, may call for a general meeting of the shareholders to obtain such authorizations.

2 – The executive board submits to the supervisory board a quarterly management report. Within three months following the closure of the financial year, it submits to the supervisory board, the annual and if necessary the consolidated financial statements, for control.

3 – The company is represented by the chairman of the executive board in its relations with third parties.

The supervisory board may allot the same to one or more of the members of the executive board; they are then called deputy general managers.

All documents committing the company must be signed by the chairman of the executive board, or one of the deputy general managers or any other person authorized to these effects.

As provided by article 8 of the articles of association, the executive board is in addition entrusted with necessary powers to increase the share capital of the company.

I – Capital increase

[...] Capital increases are decided upon or authorised by the Extraordinary Shareholders' Meeting of shareholders, which may delegate to the Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the performance of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting having decided upon or authorised the increase, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided pursuant to the provisions of Article L. 225-229-III of the Code of Commerce.[...]

21.2.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHING TO SHARES

These are stipulated in Article 15 of the Articles of Association, which is reproduced below:

ARTICLE 15 - RIGHTS AND OBLIGATIONS ATTACHING TO SHARES

1 – Each share entitles its holder to a share in the Company's profits and assets proportional to the number of shares issued, as stipulated in Articles 40 and 43 hereafter.

2 – Ownership of a share automatically implies acceptance of the Company's Articles of Association and of the resolutions passed by the Shareholders' Meeting.

The rights and obligations attached to a share pass to the acquirer thereof, whoever he or she may be.

The heirs or creditors of a shareholder may not, on any pretext whatsoever, demand that seals be affixed to the property of the Company or request the division or public sale by auction of same, or interfere in any way in the Company's administration. In order to exercise their rights, they must refer to the Company's schedules of assets and liabilities and to the resolutions of the Shareholders' Meeting.

3 – Shareholders are only liable for the debts of the Company up to the par value of the shares they hold.

21.2.4 CHANGE IN THE RIGHTS OF HOLDERS OF THE SHARES

By reference to article 21.2.4 of Annex I of European Regulation 809-2004, no actions exist to modify shareholders' rights that are stricter than those provided by law.

21.2.5 SHAREHOLDERS' MEETINGS

GENERAL REGULATIONS

Notice of meeting procedures – Announcements to shareholders (Article 27 of the Articles of Association) and Decree 2010-684 of 23 June 2010.

- Shareholders' Meetings may be convened by the Executive Board, or failing this, by the Supervisory Board or the Statutory Auditors, as provided by Article 194 of the Decree of 23 March 1967 (now article R225.162 of the Code of Commerce), or by a proxy designated by the President of the Commercial Court rendering a decision under a summary procedure, upon the request of one or more shareholders together holding at least one-tenth of the share capital, or by the official liquidator.

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

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

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

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

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

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

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

The proxy form addressed by the company to the shareholders shall clearly inform them that should the proxy form omit to designate the name of the nominated representative, their vote will be considered favourable to the resolutions submitted by the Executive Board; the documents listed by Article 133 of the Decree should be enclosed with the proxy form (now article R225.81 of the Code of Commerce),

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

- By sending, at their request, the agenda of the meeting, draft resolutions, notices in respect of the members of the Executive and Supervisory Boards and in respect of the candidates to these positions, the report of the Executive Board and the observations of the Supervisory Board and a summary in respect of the company's financial position and net profit for the last five years. Moreover, the following should be enclosed:
    - in advance of an Annual Shareholders' Meetings, the income statement, the balance sheet and the special report of the Statutory Auditors,
    - in advance of an Extraordinary Shareholders' Meeting, the report of the statutory auditors, if applicable.
- The abovementioned documents should be made available to the shareholders at the Company's head office, as should the list of companies, the list of shareholders, and the indication of the total compensation paid to the Company's five highest earning individuals, as well as the report of the statutory auditors and if applicable, merger or disposal proposals.

VOTING BY CORRESPONDENCE

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

ADMISSION TO SHAREHOLDERS' MEETINGS *(article 28 of the articles of association)*

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

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

VOTING RIGHTS *(article 31 of the articles of association)*

Each shareholder present or represented by proxy at a Shareholders' Meeting has as many votes as the shares held or represented, without limitation.

MULTIPLE VOTING RIGHTS

None.

QUORUM *(articles 34 for the AGM and 36 for the EGM of the articles of association, and article 6 of the Law of 26 July 2005)*

The extraordinary general assembly decides of the changes in the articles of association, subjects to a majority quorum as provided by article 36 here below:

I – the deliberations of the extraordinary general assembly are deemed valid when the shareholders present or represented detain one quarter for a first convening or one fifth for the second of the company shares with voting rights. Should this quorum fails, the second general assembly can be extended for at the utmost two months.

The quorum in all general meetings, are calculated after the deduction of shares with no voting rights as provided by the law or the regulations in force.

II – the resolutions voted by all extraordinary general assemblies, whether on first or second convening, are deemed valid with the 2/3 of the voting rights of the shareholders present or represented.

The assemblies held on second convening, can only deliberate on the agenda of the first assembly.

21.2.6 CLAUSES DELAYING, DEFERRING OR PREVENTING A CHANGE OF CONTROL

There are no clauses that restrict a change of control.

Article 13 of the Articles of Association stipulates:

ARTICLE 13 - TRANSMISSION OF SHARES

Shares may be freely exchanged subject to legal provisions. Transmission is effected by account transfer under the terms and conditions specified by the texts in force.

21.2.7 CROSSING OF OWNERSHIP THRESHOLDS

Crossing of statutory thresholds and penalties in the event of non-compliance with disclosure requirements *(article 12 of the articles of association)*

Pursuant to Article L. 233-7 §5 of the Code of Commerce, and article 12 of the articles of association, shareholders must notify the company of the number of shares held directly or indirectly, alone or in concert, whenever their holding crosses the threshold of 2% of the share capital or a multiple of this percentage.

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

21.2.8 CHANGES IN THE SHARE CAPITAL

Article 8 of the Articles of Association stipulates as follows:

ARTICLE 8 – CHANGES IN THE SHARE CAPITAL

I – Capital increases

The share capital may be increased either by issuing new shares or by increasing the par value of the existing shares.

The new shares shall be paid for either in cash or through compensation with debts in liquid funds due and payable by the Company, through capitalisation of reserves, income or share issue premiums, with assets in kind or through bond conversion.

The new shares are issued either at their par value or at this value increased by an issue premium: they may be ordinary shares or preferred shares enjoying certain advantages over other shares and entitling their holders to preferential rights to income or assets or any other indirect advantage.

Capital increases are decided upon or authorised by the Extraordinary Shareholders' Meeting of shareholders, which may delegate to the Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the performance of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting having decided upon or authorised the increase, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided pursuant to the provisions of Article L. 225-229-III of the Code of Commerce.

When a capital increase takes place through the capitalisation of reserves, income or share issue premiums, the Shareholders' Meeting deciding upon the increase must meet the quorum and majority requirements for Ordinary Shareholders' Meetings.

In the event of an issue of new shares to be paid for in cash, the share capital of the Company prior to the proposed increase must first be fully paid-up and the shareholders shall be entitled to exercise their pre-emptive right to subscribe to shares as provided by law. The entitlement of usufructuaries and bare owners to the pre-emptive subscription right is governed by the aforementioned Article.

If the new shares are paid for through compensation with debts due and payable by the Company, the latter shall be disclosed in financial statements prepared by the Executive Board, certified as valid by the Statutory Auditors and attached to the statement of subscription and payment.

The minimum subscription period is ten trading days, with the option for early termination of this period once the capital increase is subscribed by shareholders in proportion to their existing holdings.

The Shareholders' Meeting that decides upon the capital increase may elect to exclude the pre-emptive subscription right upon examining the reports of the Executive Board and the Statutory Auditors.

Capital increases shall be carried out notwithstanding the existence of fractional rights. Those shareholders not possessing the number of subscription or share rights exactly required to obtain a whole number of new shares, shall have to personally arrange for the purchase or sale of fractional rights to bring their holdings to a whole number.

In conjunction with any decision to increase the Company's share capital, the Extraordinary Shareholders' Meeting shall also need to consider a draft resolution intended to authorise a capital increase reserved for employees. Moreover, a draft resolution of this kind must be presented, once every five years, (with the specification that such consultation is now carried out every 3 years) for the approval of an Extraordinary Shareholders' Meeting convened for this purpose, as long as the shares held by the employees of the Company and of any affiliated company as defined under Article L. 225-180 of the Code of Commerce represent less than 3% of the total share capital.

II - Redemption of share capital

The share capital may, upon the decision of the Extraordinary Shareholders' Meeting, be redeemed by way of an equivalent reimbursement for each share, through transfer of income or reserves, with the exception of the legal reserve.

Dividend shares thus created may be reconverted into capital shares, either through an obligatory transfer of the portion of company profits attributable to these shares, or through an optional payment by each of the owners of dividend shares.

III - Capital decreasesl

The share capital may be reduced in one or more stages for any reason, either by reducing the par value of shares or the number of shares. If a capital decrease is not entailed by losses, bondholders and creditors may oppose the decrease.

A decision to reduce the share capital, regardless of its motivation, to a level below the minimum required by law may only be taken if a capital increase can be effected to increase the share capital to a level above said minimum, unless the company is to be transformed into a company of another form not requiring a capital amount greater than its share capital following the decrease.

Should this condition not be met, any interested party may apply for a court order requiring the dissolution of the Company. The dissolution of the Company shall not take effect if, on the date when the court's decision is rendered, the share capital has been brought back up to the legal minimum.

The Company is not authorised to buy back its own shares. However, the Shareholders' Meeting having decided upon a capital decrease not entailed by losses may authorise the Executive Board to buy back a specified number of shares as to cancel them. This buyback shall be proportional to the number of shares held by each shareholder and limited to shares available in the market.

Capital decreases are decided or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry them out.

In all cases, the proposal for a reduction in the share capital is communicated to the Statutory Auditors no less than 45 days prior to the Shareholders' Meeting of shareholders convened to decide upon this proposal.

The meeting examines the report of the Statutory Auditors, who present their assessment of the justification and conditions for the capital decrease.

If the capital decrease is carried out by reducing the number of shares, shareholders are required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares can be exchanged for new shares.

IV - Stock splits and reverse stock splits

In the event of a stock split or reverse stock split, shareholders are also required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares can be exchanged for new shares.

21.2.9 HOLDING COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS *(article 39 and 40 of the articles of association)*

ARTICLE 39 – HOLDING COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

I - Presentation of the accounts

At the end of each financial year, the Executive Board establishes the schedule of the assets and liabilities existing at that date.

It also draws up the income statement and the balance sheet.

The Executive Board prepares a written report on the results for the financial year, the situation of the company and its business activity during the period under review.

These documents are made available to the Statutory Auditors at the company's registered office at least 45 days prior to the Shareholders' Meeting convened to approve the holding company financial statements, with the exception of the report on the results for the financial year and the situation of the company, which may be made available to the Statutory Auditors no less than 20 days prior to the meeting. Copies of these documents must be forwarded to the Statutory Auditors should they request them.

II - Presentation and measurement methods

The income statement and the balance sheet are established each year in accordance with the same presentation guidelines and measurement methods used in previous years. However, in the event of any proposed changes, the Shareholders' Meeting, upon examining the financial statements established in accordance with both the proposed and existing presentation guidelines and methods, as well as the reports of the Executive Board and the Statutory Auditors, shall render its decision upon the proposed changes.

If methods other than those required by applicable legal and regulatory provisions were used for the measurement of the company's assets in the schedule and in the balance sheet, mention is made of this fact in the report presented by the Executive Board.

III - Depreciation, amortisation and provisions

All necessary depreciation, amortisation and provisions are recognised even if there has not been any profit or it has been insufficient, to ensure that the balance sheet provides a fair view of the Company's financial position.

Depreciation is recognised for any impairment in the carrying amount of assets, whether due to wear Provisions are recognised for all capital losses on other assets as well as probable future losses and expenses.

The company's incorporation costs are amortised prior to any distribution of profit.

Capital increase expenses are amortised no later than the end of the fifth financial year following the one in which these expenses were incurred. These expenses may be charged to the amount of the issue premium relating to the capital increase.

IV - Deposits, sureties and guarantees

The amounts of deposits, sureties or guarantees given are mentioned at the foot of the balance sheet.

ARTICLE 40 - APPROPRIATION AND ALLOCATION OF EARNINGS

- Net earnings consist of the net profit for the financial year, less overheads and other company expenditure, as well as the depreciation or amortisation of company assets and all provisions for commercial and industrial contingencies.
- Net earnings are appropriated and allocated as follows:
  - A deduction of 5% is taken from net profit for the year after the offset of any prior year losses carried forward,

for the purpose of creating the legally required "legal reserves", until these reserves equal one-tenth of the company's share capital.

- Net earnings to be appropriated consist of the net profit for the financial year, less prior-year losses and legally required reserves, plus retained earnings carried forward.
- The Shareholders' Meeting then allocates the amounts it deems appropriate to the optional, ordinary and/or extraordinary reserves, and to retained earnings.

The resulting balance, if any, is allocated among all shareholders proportionately to their paid-up outstanding shareholdings. However, except in the event of a capital decrease, no payment to shareholders is carried out if the resulting amount of net assets is or would otherwise become less than the combined amount of the share capital and reserves that may be distributed as provided by law or by the Articles of Association.

The Shareholders' Meeting may decide to allocate amounts deducted from the optional reserves either in order to provide or supplement a dividend or for the purpose of allocating exceptional provisions; in this case, the resolution shall expressly indicate the reserve categories from which these deductions are to be made.

After the approval of the financial statements by the Shareholders' Meeting, any losses are recorded in a special account for offset against profit of future years until the expiry of their availability for carry forward.

- The Shareholders' Meeting convened to approve the financial statements for a given year may grant to each shareholder, in respect of all or a part of the dividend set aside for distribution, an option to be paid either in cash or in shares, the price of which is previously determined as provided by law. The offer of payment in shares must be made simultaneously to all shareholders. Requests by shareholders in this regard must be made during a period determined by the Shareholders' Meeting, which may not last longer than three months from the date of this meeting.

21.3 Statutory auditors' fees

	MCR				FRANCE AUDIT EXPERTISE			
	AMOUNT (€K)		%		AMOUNT (€K)		%	
AU 31 OCTOBRE	2011	2010	2011	2010	2011	2010	2011	2010
Audit Statutory audit, certification, audit of the individual company and consolidated financial statements								
Issuer	262	110	47 %	26 %	259	110	25 %	13 %
Fully consolidated subsidiaries	292	281	53 %	67 %	790	712	75 %	84 %
Other work and services performed directly related to the mission of statutory auditor								
Issuer		30		7 %		30		4 %
Fully consolidated subsidiaries			0 %				0 %	
SUBTOTAL	**554**	**421**	**100 %**	**100 %**	**1 049**	**852**	**100 %**	**100 %**
Other services rendered by the networks to fully consolidated subsidiaries								
Legal, tax, employee-related								
Other (specify if > 10% of audit fees)								
SUBTOTAL	**0**	**0**	**0 %**	**0 %**	**0**	**0**	**0 %**	**0 %**
TOTAL	**554**	**421**	**100 %**	**100 %**	**1 049**	**852**	**100 %**	**100 %**

22 MATERIAL CONTRACTS

SYNDICATED LOAN

On 27 September 2005, at the same time as the acquisition of Groupe de Divonne, Groupe Partouche contracted a new syndicated credit, which constitutes the bulk of the Group's bank debt. This credit is for an initial term of seven years for an amount of €431m. The guarantees related to this credit are the collateralization of the securities of the Group's main subsidiaries, and the monitoring of financial ratios related to the profitability, financial structure and investments of the Group. *(cf. Note 17 of the notes to the consolidated financial statements (item 20.2.1) and § 4.1.1 liquidity risk).*

SHAREHOLDER ADVANCE AGREEMENT

On 26 August 2003, Groupe Partouche concluded a shareholder advance agreement granted by Financière Partouche SA , for an amount of €100,000,000 for a duration of 7 years and 3 months as of 29 August 2003. This advance is remunerated at the annual rate of Euribor plus 2%.

Following a rider to this agreement signed on 26 April 2005, Financière Partouche agreed a supplementary advance of € 20,000,000 for a period of 5 years and seven months from the date the monies are made available.

The rider to this agreement signed on 30 September 2005 specifies that the shareholder advance will be extended until 30 November 2012.

A second rider signed on 30 December 2009 extended it to 31 December 2015.

Following the capital increase in 2010, the amount of this advance is 25,408,314 euros.

At 31 October 2011, the shareholder advance and the interest it generates, totalling €30.5m, were recorded in financial debt.

RECEIVABLE FROM SOCIETE FRANÇAISE DE CASINOS

Moreover, on 26 April 2006, Groupe Partouche sold to the company La Tête Dans Les Nuages the investment that it held in the capital of Société Française de Casinos, i.e. 55.55% of the share capital for a total amount of €17.5m, including current accounts.

The €4.5m balance falling due in respect of current accounts was paid in a normal manner in financial year 2007 and the balance of €10m in respect of the SFC share price, which was fixed at 15 April 2007 was paid in the amount of €5m in July 2007, thus reducing the balance at the balance sheet date to €5m.

The accrued interest was recognised and is presented in the balance sheet for the financial year ended 31 October 2007 in assets above the €5m, since the €1m penalty amount had not been recognised.

Following the difficulties encountered by the debtor, a memorandum of understanding was signed after the closing date for the financial year 2007 accounts, which set as a fixed sum of €6.4m the principal remaining due in respect of the price of the shares, accrued interest and contractual penalty.

This amount had to be settled based on the following schedule, following the validation of the memorandum of understanding:

- €2.0m at 17 April 2008 (paid);
- €2.4m at 30 April 2009;
- €2.0m at 30 April 2010.

Following the non-compliance with the 30 April settlement, new terms of payment were set up :

- €0.5m at 13 October 2009 (paid);
- €0.5m at 04 December 2009 (paid);
- The balance of €3.4m to be paid in six annual settlements on 30 October.

Following the declaration of suspension of payments on 30 July 2010 and the beginning of insolvency proceedings in respect of SFC on 12 August 2010, the instalment due on 30 October 2010 was not paid; 50% of the amount was provisioned in the accounts of Groupe Partouche for the financial year 2010.

In its ruling handed down on 21 July 2011, the Paris Commercial Court approved the recovery plan presented by SFC, during which the company would continue to operate, setting up payment to Group Partouche over 8 years, according to the following schedule:

▪ 21/07/2012	1st annuity	5%	€170,000
▪ 21/07/2013	2nd annuity	5%	€170,000
▪ 21/07/2014	3rd annuity	5%	€170,000
▪ 21/07/2015	4th annuity	8%	€272,000
▪ 21/07/2016	5th annuity	12%	€408,000
▪ 21/07/2017	6th annuity	15%	€510,000
▪ 21/07/2018	7th annuity	25%	€850,000
▪ 21/07/2019	8th annuity	25%	€850,000

Groupe Partouche activated the mortgage guarantee it held for Casino de Chatel-Guyon, SFC's subsidiary. This action, aiming at selling by auction the building of the casino held indivisum located in Chatel-Guyon, is subject to disputes which will probably delay its outcome.

An additional amount provisioned in 2011 led to the full provisioning of this receivable (capital and interest) in the financial statements of Groupe Partouche.

THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

23

A summary estimate of the Group's tangible fixed assets was performed by Mr. Gérard Naulet, Previous Government Commissioner at the Chambre des Expropriations du Tribunal de Grande Instance de Paris, of 17 allées des Eiders, Paris (19th Precinct). *(Chapter 8.2)*

24 DOCUMENTS ON DISPLAY

24.1 Documents on display

During the period of validity of this Reference Document, the following documents (or copy of these documents) may, where applicable, be consulted:

a) the memorandum and Articles of Association of the issuer;

b) all reports, correspondence and other documents, historic financial information, valuations and declarations established by an expert at the request of the issuer, certain of which are included or referred to in the registration document;

c) the historic financial information of the issuer or, in the case of a group, the historic financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the registration document.

The documents above may be consulted at the registered office of the Company - Groupe Partouche SA, 141bis rue de Saussure 75017 Paris, France.

24.2 Person responsible for the information

Mr. Alain Cens, Chief Financial Officer

Telephone: +33 (0)1.47.64.33.45

24.3 Financial communication calendar

1st Quarter revenue at 31 January 2012	>	Tuesday 21 February 2012 in the evening
2nd Quarter revenue at 30 April 2012	>	Wednesday 13 June 2012 in the evening
1st Half-yearly results at 30 April 2012	>	Wednesday 27 June 2012 in the evening
3rd Quarter revenue at 31 July 2012	>	Wednesday 12 September 2012 in the evening
4th Quarter revenue at 31 October 2012	>	Wednesday 12 December 2012 in the evening
Results for the financial year ending 31 October 2012	>	Wednesday 30 January 2013 in the evening

INFORMATION ON INVESTMENTS

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Please refer to the table of subsidiaries and affiliates in the Company presented in point 3 of the individual company financial statements in Chapter 20.2.2 above, in addition to Note 34 of the consolidated financial statements of the Group for the financial year ended 31 October 2011, presented in Chapter 20.2.1 of this document.

26 TABLE OF RECONCILIATION

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Le présent document, document de référence, a été déposé auprès de l'Autorité des marchés financiers le 28 février 2012, conformément à l'article 212-13 du réglement général de l'AMF.

Il pourra être utilisé à l'appui d'une opération financière s'il est complété par une note d'opération visée par l'Autorité des marchés financiers.

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In 2011, Partouche launches a new game : « La Bataille »