ANNUAL REPORT 2002 / 2003

GROUPE
PIERRE & VACANCES

Contents

Chairman's message

In 2002/2003, the Pierre & Vacances Group pursued its growth and development, consolidating its position as a major player in European tourism.

The Group's results improved again this year. Turnover climbed by 16.4% on a like-for-like basis compared with 2001/2002, reflecting sustained growth in all the Group's activities, notably property development. The Group's tourism business held up well and even strengthened its presence in Europe - a remarkable performance given the challenges faced by the industry as a whole.

The net income before extraordinary items increased by 25.7%. The efforts of all Group teams paid off with the continued streamlining of tourism activities producing operational and functional synergies which markedly reduced certain costs.

The Pierre & Vacances model demonstrated its capacity to weather challenges and confirmed its ideal positioning to meet current and future trends in the tourism industry.

Continuing its policy of expanding via acquisitions, in 2002/2003 the Pierre & Vacances Group notably acquired 100% of the capital in Center Parcs Continental Europe. This strategic acquisition affords the Group newfound momentum and an entirely new dimension, reinforcing its position as European leader in tourist residences. The deal incurred no operational risk and had a positive financial impact.

The Group aims to continue to improve its performance and results in 2003/2004. In addition to the expansion of the property development business, with the scheduled delivery of new apartments and holiday homes and the purchase of existing residences for renovation and resale to individual investors, three priorities have been set for the current financial year:

- improve the operating performances by optimising the management of tourism activities while continuing to cut costs;

- take full advantage of the opportunities arising from the integration of Center Parcs by developing synergies within the Group and opening new Center Parcs villages;

- step up organic growth notably in France.

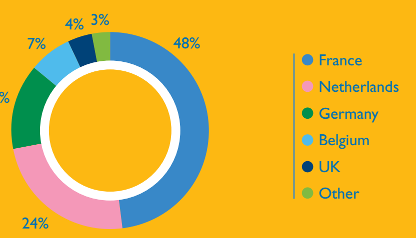
Gérard BREMOND

36 years after its inception, the Pierre & Vacances Group, the European leader in tourist residences, is more confident than ever in its future, the success of its business model and the pertinence of its offer based on the freedom to choose one's holidays.

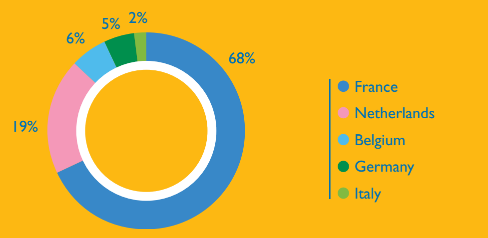
"Freedom to choose your holidays"

Set up in 1967 by Gérard Brémond, the Pierre & Vacances Group is **the European leader in tourist residences.** It serves 6.6 million European customers each year, 48% of whom are French. The Group's success is first and foremost based on the originality of its concept: **holiday lets with à la carte services** ("you only pay for what you use"). **The Group also responds to its customers' evolving economic and sociological needs** such as the emphasis on the family, proximity of holiday destinations and flexible short or long stays.
Lastly, **the Group has a complementary offer built on its four brands** (Pierre & Vacances, Maeva, Résidences MGM and Center Parcs): holidays should be suited to the holidaymaker, and each brand corresponds to a certain style of taylor made holidays.

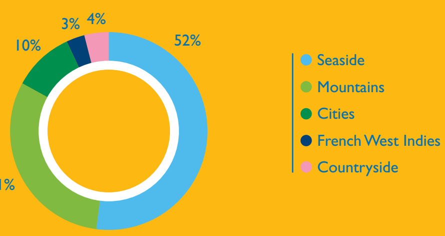
CUSTOMERS BY COUNTRY OF ORIGIN



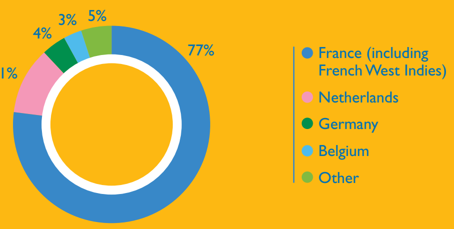
TURNOVER BY COUNTRY



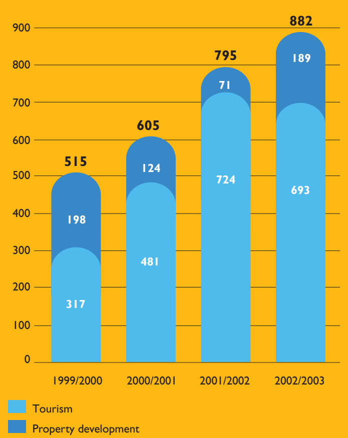
BREAKDOWN OF SITES BY LOCATION (France)



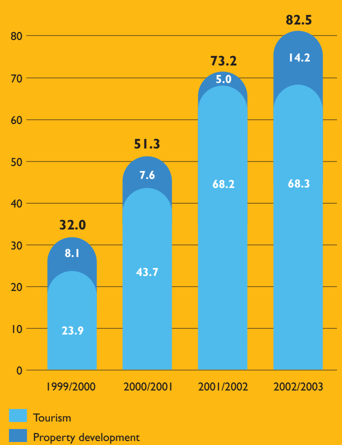
BREAKDOWN OF SITES BY COUNTRY



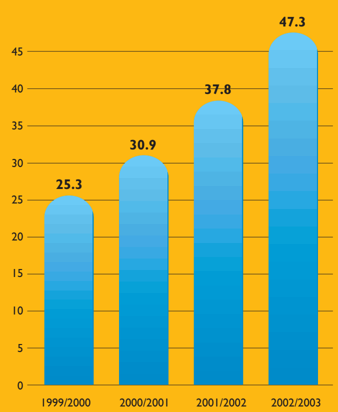
TURNOVER (in euro millions)



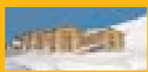
OPERATING MARGIN (in euro millions)



NET ATTRIBUTABLE INCOME (in euro millions)



The European leader in tourist residences

The European tourism market is essentially shared between tour  operators and accommodation specialists. The tour operator market is becoming increasingly concentrated  with the emergence of giant players. The majority of these giants are German, such as TUI and Thomas Cook, which currently control almost half of the European market. However,  the accommodation market is more fragmented. The tourist residence activity is driven by the Pierre & Vacances Group, which is now the leader in Europe with its four main brands: Pierre & Vacances, Maeva, Résidences MGM  and Center Parcs.

Unique market positioning through four main brands

Since its inception, the Pierre & Vacances Group has based its strategy on creating and developing the notion of the freedom to choose one's holidays via tourist residences and à la carte services.

In addition to this concept, its complementary offer based on its four brands (Pierre & Vacances, Maeva, Résidences MGM and Center Parcs) and its ability to respond to evolving economic and sociological needs, have built the Group's success and strengthened its position as European leader in tourist residences.

An original product

Although distinct from holiday lets and hotels, tourist residences combine the advantages of both and provide a unique guarantee of comfort and quality of environment.

Pierre & Vacances Group tourist residences mainly include two types of product:

• residences: they generally feature between 50 and 500 apartments, and are located in internationally-renowned resorts or major cities. Residences are primarily chosen by independent customers who wish to discover a particular region;

• villages: they feature between 500 and 1,500 holiday apartments or homes located in 25-200 hectare greenfield sites. These pedestrian villages boast a wide range of activities and also offer à la carte services and children's activity clubs.

The Pierre & Vacances Group also runs a number of hotels offering a traditional range of full- or half-board services. This is a marginal activity for the Group, only representing around 2,770 rooms.

Short-distance tourism encouraged by the Group's pan-European presence

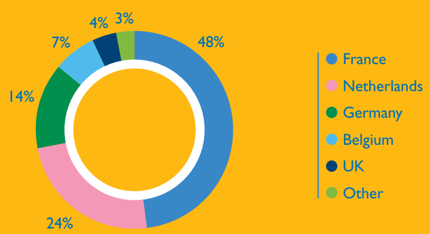
The diversity of the Pierre & Vacances Group's destinations and geographical locations are among the keys to its success. For example, 95% of Pierre & Vacances' customers travel to their holiday destination by car.

The aim is to have locations near major urban areas to facilitate access for short stays as well as providing the option of more traditional long-stay holidays. Today, 48% of the Pierre & Vacances Group's apartments are located at the seaside, 25% at mountain resorts, 19% in the countryside and 8% in city centres.

A diversified customer mix

The Group served 6.6 million customers in 2002/2003 – most of whom are families. However, with the recent diversification of its product offering (e.g. short stay holidays, Sunday-to-Sunday holidays, pre-reservation of ski lift passes), the Group has been able to extend its customer base to include senior citizens, young people, groups and couples without children, primarily in Europe.

CUSTOMERS BY COUNTRY OF ORIGIN



An original development strategy

The Group's growth model is based on a combination of increasing the number of sites and continually optimising the product mix, particularly with regard to geographical diversity and type of stay. The Group's tourist residence strategy immediately benefited from the unique combination of Pierre & Vacances' expertise as a property developer and tourist operator.
This carefully-managed quantitative and qualitative growth is underpinned by two complementary areas of development:
• the design and sale off-plan of tourist residences to individual investors, prior to their construction;
• a selective mergers and acquisitions strategy and a policy of systematically selling the properties acquired under these transactions to institutional or individual investors.

Downstream, the Group's strategic model is based on a diversified distribution policy. Holidays are sold via two complementary distribution channels:
• direct marketing (68%) through the Group's own sales network in France, the Netherlands, Germany, Belgium and Italy. This solution offers the advantage of low costs;
• indirect marketing (32%) through travel agencies and tour operators across France and Europe, which has helped enlarge the target customer base.

With a view to improving profitability, the Group still aims to develop its direct sales, which are not only more profitable but also significantly enhance its knowledge of its customers and enable it to foster their loyalty through selective marketing initiatives.

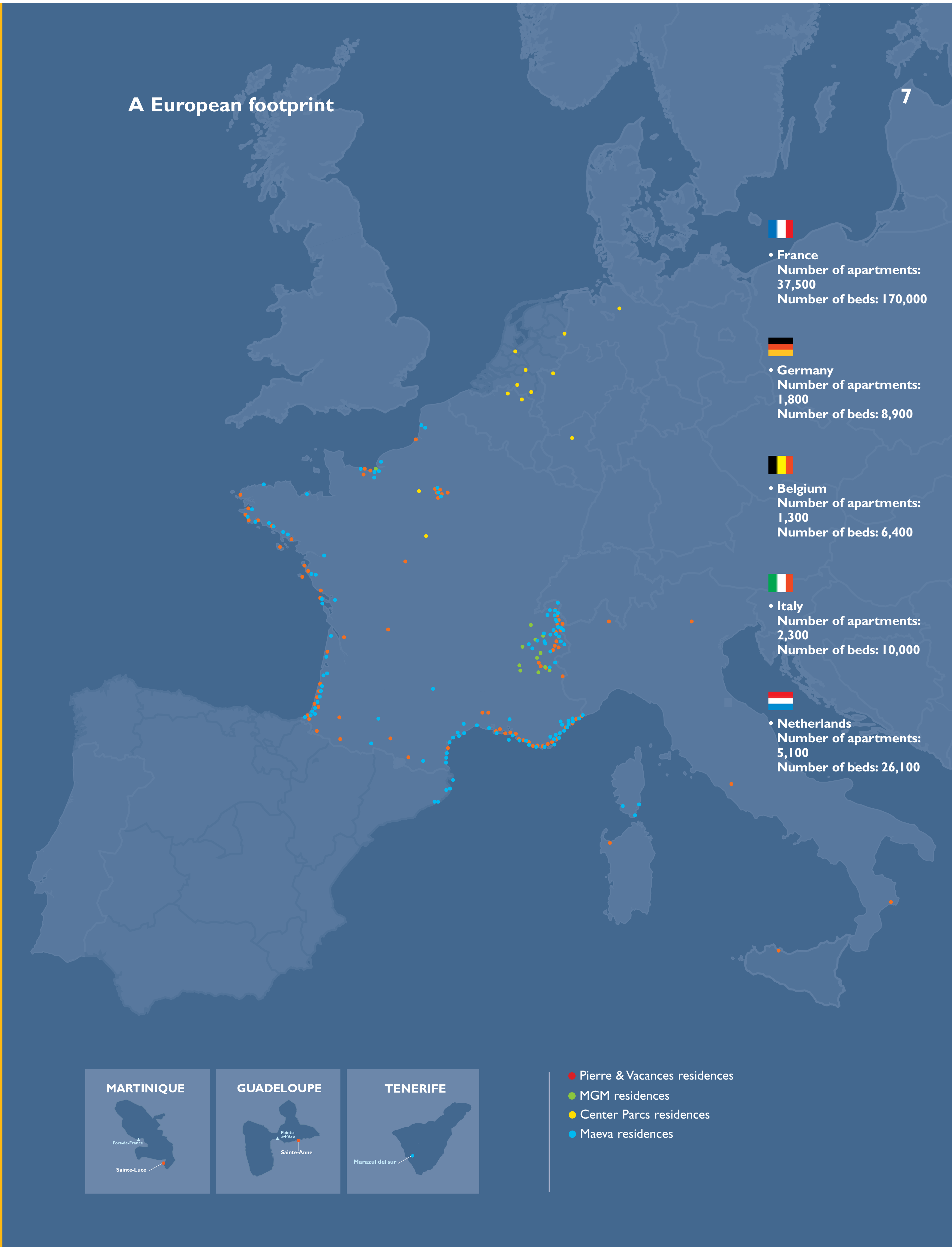
A fragmented competitive environment

France has 1,180 tourist residences, comprising 97,300 apartments and homes and 410,000 beds (source: SNRT). The Pierre & Vacances Group currently manages nearly half of these residences (33,000 accommodation units and 146,000 beds).

Pierre & Vacances' major competitors on the tourist residence market in mainland France include VVF (65,000 beds), Lagrange (29,000 beds), Odalys (20,000 beds), France Location (15,000 beds) and Citadines (10,872 beds) (source: SNRT).
In Northern Europe, the Center Parcs brand is the market leader in holiday residence villages in terms of accommodation capacity. Its main competitors are Landal Greenparks, Sunparks and Zilverberk.

Nearly 80% of the Group's turnover are generated by tourism activities in France, the Netherlands, Germany, Belgium and most recently Italy.

A European footprint



- **France**
  Number of apartments: 37,500
  Number of beds: 170,000
- **Germany**
  Number of apartments: 1,800
  Number of beds: 8,900
- **Belgium**
  Number of apartments: 1,300
  Number of beds: 6,400
- **Italy**
  Number of apartments: 2,300
  Number of beds: 10,000
- **Netherlands**
  Number of apartments: 5,100
  Number of beds: 26,100

UNDERSTANDING THE GROUP

1967 **Launch of the Pierre & Vacances concept**
with the creation of the Avoriaz ski resort by Gérard Brémond;

1970 to 1997 **Development of the Pierre & Vacances Group:**
- Pierre & Vacances expertise applied to other Alpine resorts and seaside resorts;
- Acquisitions of companies, sites and major tourist property developments;
- 1979: **launch of the "Nouvelle Propriété" scheme,** under which private investors acquire the freehold of an apartment at a reduced cost, as VAT can be recovered and as rent is prepaid;

1999 **Acquisition of Orion Vacances (20 residences)**
The Group's initial public offering.

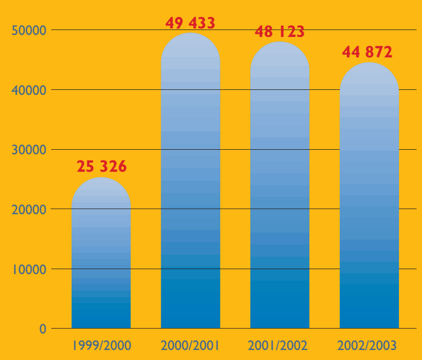
2000 **Acquisition of the Dutch group Gran Dorado,**
the leader on the short-stay holiday village and home letting market in the Netherlands;

2001 **3 major acquisitions:**
- **March:** 50% stake in Center Parcs Continentale Europe (10 villages: 5 in the Netherlands, 2 1n France, 2 in Belgium and 1 in Germany) ;
- **July:** letting management company, ski lift operator and property management company of the Valmorel mountain resort;
- **September:** Maeva Group, the second largest tourist residence operator in France (138 residences and hotels);

2002 **Acquisition of Résidences MGM,** specialised in luxury resorts (12 residences);

2003 **The Group becomes sole owner of Center Parcs Continental Europe.**

NUMBER OF APARTMENTS



Acquisition of Résidences MGM

On February 10th 2003, Maurice Giraud, owner of the MGM Group, sold the management of MGM's luxury resorts operated under the "Résidences MGM" brand to the Pierre & Vacances and Lagrange Groups.

All MGM residences are rated 4-star and offer spacious apartments and first-class facilities (indoor swimming pool, fitness centre, hammam and sauna).

The acquisition by Pierre & Vacances Group covered ten mountain residences and one seaside residence (Deauville, France). The acquisition price for these 11 residences, representing 939 apartments, amounted to € 14 million.

Acquisition of Center Parcs Continental Europe

On September 26th 2003, the Pierre & Vacances Group purchased MidOcean's stake in Center Parcs Continental Europe, thereby becoming the sole shareholder.

This deal strengthened the Group's position as European leader in tourist residences. It will have an immediate positive impact on the Group's results and produce new operational and functional synergies, notably by increasing earnings and reducing costs.

The villages are open all year round, essentially for short stays (weekend and mid-week breaks) with à la carte hotel services and leisure activities. The acquisition cost totalled € 303 million.

Alongside this acquisition, Center Parcs Continental Europe sold eight Center Parcs sites of which it owned the freehold.

The sale of seven villages to Nomura International Plc, for € 440 million, was finalised on September 26th 2003.

The Pierre & Vacances Group also signed an agreement for the outright sale of the Eemhof village in the Netherlands to a consortium led by the Dutch company, Zeeland Investments Beheer, for € 90 million.
The transaction was finalised at the end of October 2003.

Center Parcs Continental Europe: 15 residential sites rated 3 or 4 stars

in Netherlands, France, Germany and Belgium.

Résidences MGM: 11 luxury residences

Chamonix, Les Arcs, Les Carroz d'Arâches, Les Houches, Les Menuires, La Plagne, Méribel, Pralognan, Tignes, Val d'Isère, Deauville.

Holding up well

A year after the tragic events that took place in the United States on September 11th 2001, which have had a lasting effect on the global economy, and the tourism and leisure sector in particular, the Pierre & Vacances share price stood at € 60 on October 1st 2002. The release of the Group's full-year results in mid-December and the announcement of an earnings growth target of 12%, in spite of the overall caution that reigned in 2002/2003, reassured the financial community and boosted the share price to € 70 towards the end of the year.

However, in the first calendar quarter of 2003, the Pierre & Vacances share also succumbed to the prevailing mistrust of tourism shares, falling below its 2001 lows to hit € 37 on March 7th. After remaining between € 40 and € 50 for some time, the share price began to rise steadily following the release of the Group's first-half results in mid-June, showing a 33% jump in net income before extraordinary items against the first half of 2001/2002. The share price was bolstered by news of the purchase of MidOcean's stake in Center Parcs in August and closed the year at € 65.30.

This represents an increase of over 5% over twelve months, even before the release of full-year sales figures on October 21st 2003 which posted like-for-like growth of 1.9% in turnover from accommodation, a remarkable performance given the still fragile tourism sector.

Consequently, in a challenging environment for the tourism industry fuelled by the drop in the number of foreign tourists on the domestic market, the Prestige oil spill and fires in the Var region in the south of France, the Group once again held up well. The quality of its highly flexible product offer focused on short-distance destinations, along with its unique positioning on short breaks, shielded Pierre & Vacances from the fluctuations suffered by most of the tourism industry.

Pierre & Vacances share price evolution (in €)

+ 9% over the financial year 2002/2003

Shareholder Information

Events

Throughout the 2002/2003 financial year, the Group participated in a number of events (road shows in Paris and throughout Europe, conferences, trade fairs) to maintain regular contact with the financial community. The Group participated in the Salon Actionaria investor fair held in Paris on November 22nd and 23rd 2002 and the Middlenext meeting held at the Palais Brongniart in Paris on April 23rd and 24th 2003.
For the first time, financial analysts who monitor the share were invited to visit the Belle-Dune site (an eco-village located in Picardy) on June 28th 2003.

Publications

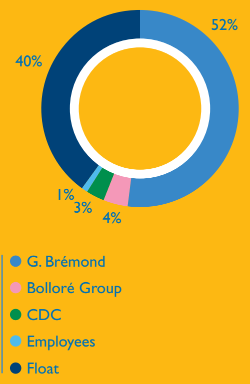
Shareholders can access Group information in the Investor Relations section at www.pierre-vacances.fr. A number of documents can be downloaded from this website (official documents, presentations, press releases, etc.). These documents and the Group's financial agenda are also available on the Euronext website.
The annual report and all Group presentation material are available following their publication on request by telephone or online.

Quality of financial information

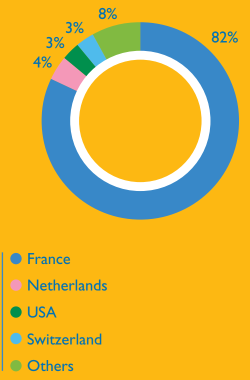
The financial community is increasingly focusing on the efforts made by companies with respect to financial transparency. In response to this, Pierre & Vacances has opted to be included in the NextPrime market segment. This segment is defined by Euronext and groups companies in traditional economic sectors. It was designed for companies seeking to raise their profile vis-à-vis investors by undertaking to comply with financial communication guidelines that meet the highest international standards.

Inclusion within the segment is entirely voluntary and is decided by the Company. The commitments made by the Group in terms of financial communication are outlined in a bilateral agreement with Euronext. Membership in this segment represents a mark of quality.

BREAKDOWN OF SHARE CAPITAL



GEOGRAPHICAL BREAKDOWN OF SHARE OWNERSHIP



Share information

Pierre & Vacances is listed on the Second Marché of Euronext Paris. It was first listed on June 11th 1999 at € 17. The Group is included in the NextPrime market segment.

2003/2004 Calendar

Q1 Turnover:
January 23rd 2004

General Meeting:
March 11th 2004

Q2 Turnover:
April 22nd 2004

First-half results:
June 10th 2004

Q3 Turnover:
July 22nd 2004

Q4 Turnover:
October 21st 2004

Full-year results:
December 9th 2004

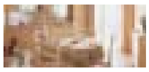
Sicovam code: 7304
Number of outstanding shares: 8,566,190
Number of voting rights: 8,616,548

Contact :
Head of Financial Communication
11 Rue de Cambrai - 75019 Paris
infofin@pierre-vacances.fr


Maeva
mer
Du bon temps,
VACANCES ETE 2004

Following its numerous acquisitions in recent years, including Maeva, Center Parcs and Résidences MGM, the Pierre & Vacances Group now boasts a comprehensive diversified global offer of complementary brands.
The brand strategy breaks down as follows: Pierre & Vacances is the Group's flagship brand, Maeva is the mid-range brand, Résidences MGM the prestigious upscale brand and Center Parcs the short-stay specialist.



Pierre & Vacances. The catchphrase of the Group's historical brand is leisure and family.  The offer includes quality holiday apartments and homes located on  prime sites. The accommodation is located in both residences and  villages, with the latter offering a wide range of à la carte sports and leisure activities  for all ages.

A broad product range

The Pierre & Vacances brand boasts 70 destinations in mainland France (48 seaside resorts, 20 mountain resorts and two in city centres), two in the French West Indies (Guadeloupe and Martinique) and five in Italy.
Pierre & Vacances has developed two types of product for two different types of holiday:

- Pierre & Vacances residences, which account for 65% of the offer including 12,548 apartments, all located in internationally-renowned tourist resorts;
- Pierre & Vacances villages are full-scale tourist complexes: they offer numerous sporting and leisure facilities (swimming pools, golf, tennis, etc.) as well as services (restaurants, children's activity clubs, etc.) and organised events (shows, sports tournaments, etc.) tailored to family holidays. These villages account for 32% of Pierre & Vacances' sites, representing 6,208 apartments.

Pierre & Vacances also offers hotel accommodation (596 rooms), generally located in well-known resorts or in Pierre & Vacances villages.

All Pierre & Vacances residences and villages include fully-equipped holiday apartments and homes (from one to three rooms) and are based on a rating system of 3 or 4 Suns. The rating reflects the level of comfort of the accommodation, the quality of the tourist site and its natural surroundings and the site's own facilities or nearby amenities.

In 2003, the Pierre & Vacances offer was expanded to new destinations such as Val d'Europe (near Disneyland Resort Paris), Marciac (Gers), Branville (Calvados), Monflanquin (Lot-et-Garonne), Saint Lary Soulan (Hautes Pyrénées) and Ax-les-Thermes (Ariège).

Tailored holidays packages

In response to its customers' current economic and sociological needs such as the emphasis on the family or holiday flexibility, the Pierre & Vacances brand has demonstrated its ability to adapt to these new trends by providing a tailored holiday offer:

À la carte services

• in addition to the services included in the basic price, Pierre & Vacances offers à la carte hotel services: "Alizé", "Alizé +" and Kit Bébé. These packages include beds made up on arrival, towels, mid-week housekeeping, the use of a cot and highchair, etc.;

• in certain villages and residences, two restaurant options are available: the "7 meals" menu (choice of lunch or dinner) or half-board catering (breakfast and lunch or dinner). This service is either directly managed or subcontracted;

• all Pierre & Vacances seaside villages and residences feature swimming pools and a variety of other leisure facilities depending on the site. Pierre & Vacances villages also offer a wide range of sports and leisure activities such as tennis workshops, horseriding, synchronised swimming, etc.;

• children's activity clubs: during the school holidays, clubs for children aged from three months to 18 years (Club Bébé, Club Poolpy, Kid's Club, Club Jeunes) run by specialist, qualified group leaders, offer a range of activities adapted according to age.

Sunday-to-Sunday holidays

Pierre & Vacances offers its residents the option of staying from Sunday to Sunday at some locations.

Shorts stays

According to the 2003 Tourism indicator, 14% of the French population take a weekend trip or short break at least once a month, and 42% do so 3-6 times per year. To meet this growing demand, Pierre & Vacances has offered short-stay options at all of its residences and villages for the past three years. Prices include the "beds made up on arrival" and "towels" services.

In terms of upkeep, the property and facilities are specially designed to minimise maintenance costs, even when occupancy rates are high. The Group has a strict maintenance policy, including mid-lease refurbishment. This generates operational efficiencies and enhances customer loyalty.

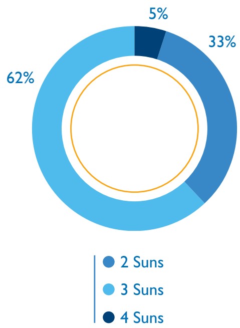
A homogenous customer mix

Pierre & Vacances' primary customers are families (two or more children), young (the average age of parents is between 35 and 45), city dwellers from primarily upper socio-economic groups, booking on average a nine-day holiday. Pierre & Vacances served 1,586,300 customers this year. The diversity of Pierre & Vacances customers provides a mix that is well balanced in terms of geographical origin, destination (seaside or mountain resorts) and season.

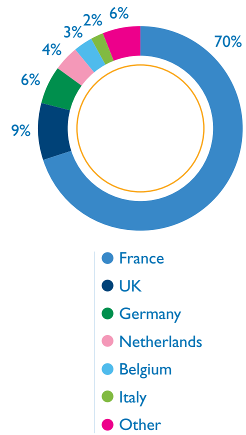
The residences located in city centres attract both short- and long-stay business customers, providing a perfect complement to the tourist customer base.

In 2003, the Pierre & Vacances brand positioning was reflected in a change of slogan aimed at meeting its customers' needs: "Holidays that put your family first".

TYPES OF RESIDENCES



CUSTOMERS BY COUNTRY OF ORIGIN



70 destinations
1,586,300 customers
19,352 apartments
93,246 beds



Maeva. Maeva joined the  Pierre & Vacances Group in September 2001, and is based on a similar concept to that of  the Pierre & Vacances brand: holiday lets with à la carte services.

An offer consisting primarily of residences

Maeva offers holidays in mid-range residences and hotels for simple holidays for families or between friends, with à la carte service and leisure packages at carefully determined prices.

Since the summer 2003 season, Orion (acquired by the Pierre & Vacances Group in 1999) has been integrated within the Maeva offer. Orion nonetheless remains present in some seaside packages which are sold under the "Maeva Orion" brand.

The Maeva brand has 122 destinations in France (70 seaside resorts, 37 mountain resorts and 15 in city centres).

Maeva also offers a range of destinations overseas, mainly in Spain, under privileged marketing agreements.

Like Pierre & Vacances, Maeva has developed two types of accommodation with three comfort ratings, from 1 to 3 seagulls:

• tourist residences (87% of the total, 10,977 apartments) are generally located in the heart of well-known seaside resorts and tourist areas, in the mountains, in cities (mainly the Paris region) and in the countryside. These residences are located close to sites offering sports and leisure activities.
• hotels account for 13% of Maeva holidays in France (1,700 apartments) and are located either in the heart of well-known resorts (Val d'Isère, Méribel, Les Arcs), or within a Maeva residential complex.

A la carte services

In order to satisfy the widest range of customers, Maeva also offers a variety of à la carte services and activities.

Like Pierre & Vacances, Maeva offers additional hotel services called "Comfort 1" and "Comfort 2" as well as the Kit Bébé. Maeva also offers children's activity club options during school holidays for an additional charge.

Most of the residences on the coast and in the countryside feature swimming pools and other leisure facilities which vary according to the site (tennis courts, games areas, etc.). Half the residences in mountain resorts have swimming pools that can be used in the summer, and the majority of City hotel residences also have swimming pools.

Excluding city-based residences, hotels and over one-third of Maeva resorts provide a restaurant service with half-board or à la carte options.

Lastly, in response to a changing holiday market (35-hour week, more frequent and shorter holidays, etc.), Maeva offers weekend breaks and short stays.

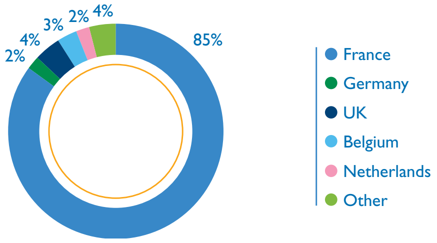
Two main types of customer

The customer base (1,670,000 clients in 2002/2003) is essentially made up of families with children and senior citizens, Orion's former customer base.

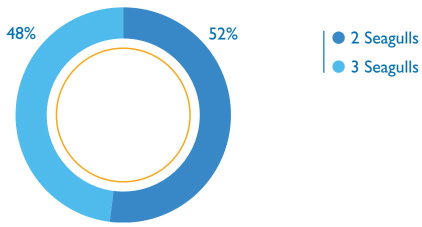
They are primarily city-dwellers and from middle socio-economic groups. The majority of customers in city-based residences are business travellers (for short stays) and students.

The structure of the product mix helps balance out the occupancy between seaside and mountain resorts and the winter and summer seasons. The average stay lasts 8.7 days. Customers from outside France, mostly from northern Europe, account for 15% of the total.

CUSTOMERS BY GEOGRAPHICAL ORIGIN



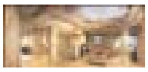
TYPES OF RESIDENCES



122 destinations
1,670,000 customers
12,670 apartments
49,056 beds



Résidences MGM, a  prestigious brand...

Acquired in February 2003, Résidences MGM is the  Pierre & Vacances Group's top-end brand which offers residences, mainly in mountain resorts, that combine luxury  and well-being.

An exceptional environment

Résidences MGM offers luxury apartments and rooms, providing living spaces that harmoniously blend contemporary comfort and tasteful, old-fashioned interiors, with hotel services, relaxation and well-being centres (most residences and hotels feature swimming pools, fitness centres, sauna and hammam) in a natural, preserved environment.

Another exceptional feature of Résidences MGM is their architecture. They blend in with their environment by their architecture and the use of local construction materials such as sandstone, wood and terracotta tiles crafted using age-old techniques.

Authenticity, luxury and well-being are the values of Résidences MGM.

The residences and hotels are always organised in small units and include on average 80 apartments ranging from two-room flats for three people to five-room flats for 10 to 11 people.

There are eleven luxury residences and one hotel in internationally-

renowned ski resorts, and one residence and one hotel on the seaside, in Deauville (total accommodation capacity of 4,000 beds).

Another special feature: the "sources of well-being".

Each MGM residence features a heated indoor swimming pool open to all residents.

These pools have large bay windows and a solarium area, offering fantastic views of the site.

The fitness centre with sophisticated, state-of-the-art equipment (weight-lifting, cardio-training, etc.) a sauna, hammam, massage booths and tanning booths (with a supplement) enhance the feeling of relaxation and well-being.

Upscale services included

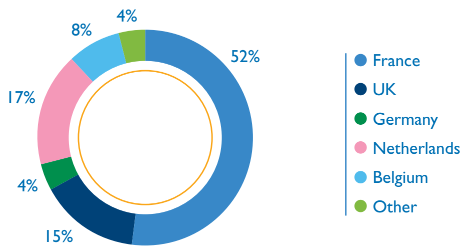
In each residence, Résidences MGM offers hotel services included in the basic price: beds made up on arrival, towels, television, cleaning kit, etc.

In addition to these services, a 10-minute internet access card and a fitness package (5 sauna or hammam sessions and 5 group fitness classes) are also included at equipped sites.

For privileged customers

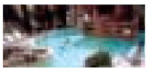
Résidences MGM targets families in upper socio-economic groups. The residents are primarily French (52%) and Dutch (17%).

CUSTOMERS BY GEOGRAPHICAL ORIGIN



12 destinations
78,700 customers
891 apartments
4,010 beds



Center Parcs. On September 26th 2003, the Pierre & Vacances Group became sole  owner of Center Parcs  Continental Europe and now manages 15 residential leisure sites:  8 in the Netherlands, 3 in Germany, 2 in Belgium and 2 in France.

Center Parcs, the European leader in short stays

The first Center Parcs site was opened in the Netherlands in 1968 and marked a revolution in the leisure sector. The original concept was then based on a new form of relaxation: short stays in a totally natural environment, open year round and far from the stress of the city.
Built in the most beautiful European regions, Center Parcs villages are located in the heart of forest areas preserved from all pollution (travel within the village is on foot or bicycle only) but near major urban areas. The concept, which was far ahead of its time, is now more than ever in line with the latest travel trends and corresponds to the needs of an increasing number of city dwellers.

The main characteristics of the Center Parcs offer:

• spacious, comfortable cottages: a capacity of 4, 6 or 8 persons with a range of three categories of service: comfort, luxury and VIP;
• a 4,500 square meters aquatic park that is unique in Europe: each Center Parcs village offers a Tropical Aquatic Paradise where the temperature is 29°C throughout the year. Under a large, transparent dome feature a water play area, slides and a "wild river". These amenities transform this natural setting of rocks and tropical plants into an exceptional leisure site;

• a wide variety of à la carte sports and leisure activities: open-air activities (tennis, golf, horseriding, cycling, archery, etc.) or indoor sports (squash, ping-pong, badminton, etc.). Center Parcs also offers an integrated fitness centre, an “Aqua Sana” (balneotherapy institute) and a Sauna-Hammam area;
• theme restaurants, bars and shops enrich the Center Parcs offer.

Given the diversity of facilities on offer and with a view to preserving a clear product segmentation, three sub-brands have been created: "Original" for the ten Center Parcs villages, "Seaspirit from Center Parcs" for the two seaside resorts and "Freelife from Center Parcs" for the three mountain villages (formerly Gran Dorado).

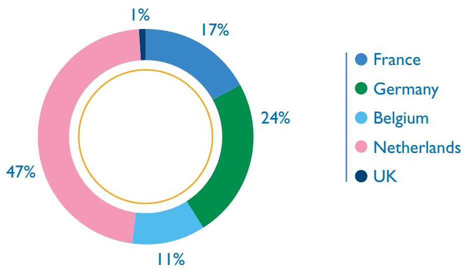
Key locations

To ensure satisfactory occupancy rates, the villages must be located within two hours driving time from urban areas of around 5 million people. Sites must also be selected within major forest areas of around 100 hectares, where the villages can be developed. Today, the average occupancy rate for all Center Parcs sites stands at 86%, which is exceptional in the tourism and leisure industry.

"Local" customers

The Center Parcs concept focuses on holidaymakers looking for upscale service for short but frequent "escapes". The majority of customers are families with children, from middle or upper socio-economic groups. However, the "adults without children" segment has recently grown more quickly than the family segment, complementing the existing loyal customer base.
In order to meet the needs of this "local" customer base, particularly for short breaks such as weekends or mid-week breaks, the villages are open all year round and are easily accessible from major cities (Paris for the two French sites, Hamburg and Cologne for the two German sites, Amsterdam and Rotterdam in the Netherlands and Antwerp and Brussels in Belgium).

CUSTOMERS BY GEOGRAPHICAL ORIGIN



15 residential sites
3,202,500 customers
9,719 apartments
49,017 beds



A Group-wide marketing policy focused on the brands.

Each of the  Pierre & Vacances Group's brands has its own marketing policy,  which makes us  of all available media.

A broad marketing policy...

• brochures, with each brand publishing a brochure for each season and each type of destination (seaside or mountain resorts). The Group prints over a million brochures for each brand every year. Center Parcs has a specific strategy for each market and distributes nearly 7.5 million copies of its brochure in Europe every year;

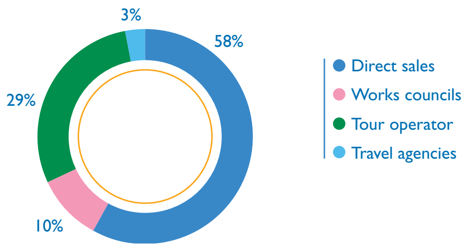
• commercial websites for each brand, which are frequently updated. Customers increasingly use this means of booking holidays, and appreciate the fact that the websites include details of availability.

• advertising, with each brand running regular radio and television advertising campaigns during key holiday reservation periods;

• relational marketing, drawing on each brand's customer databases. This ensures the management and monitoring of cross-brand transactions, allowing each brand to benefit from other brands' customer data. The customer relationship is a key element in improving the sales and marketing yield. Pierre & Vacances has recently enhanced its customer loyalty programme with the creation of "Preferences", a programme offering a number of advantages to help the brand meet the needs of its loyal customers. Programme members benefit from both commercial advantages (Preference periods offering discounts of up to 20%, apartment upgrades, exemption from booking fees) and privileges (delivery of towels and sheets in the apartment, a dedicated telephone line, priority delivery of catalogues, no deposit cheque requirement and access to a members-only section of the website as of 2004/2005).

The Pierre & Vacances Group combines a brand-based approach that ensures its marketing strategies are more effective with a search for synergies to optimise costs.

TURNOVER BY DISTRIBUTION CHANNEL - GROUP



...backed by a tailored distribution strategy

The Group aims for all its distribution channels to contribute to the development of its activity, so as to optimise its results.

Indirect sales are channelled via 5,000 French travel agencies and some 200 contracts with international tour operators, which promote Pierre & Vacances and Maeva products in France and abroad. Center Parcs has a network of travel agents that promote the brand under specific sales agreements.

With a view to enhancing customer loyalty and improving its margins, the Group aims to further increase its direct sales.

Direct sales are made via three channels:

• call centres in Paris for the Pierre & Vacances and Maeva/Orion brands and in each country in which Center Parcs is present. In addition, the Group has seven agencies located in Paris and large cities across France, and Pierre & Vacances has a direct sales subsidiary in Karlsruhe, Germany. These channels sell all Pierre & Vacances, Maeva and Résidences MGM brand products directly;

• all the Group's residences and villages, from which customers can make reservations. This channel, which accounts for nearly 15% of sales, is particularly popular among Orion customers;

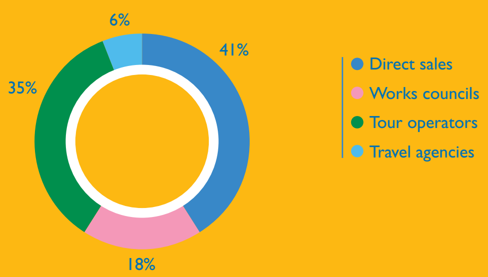
• websites for each brand, offering virtual site tours, details on availability and online booking. These tools underpin the growth in direct sales by offering a permanent sales outlet and a means of tapping European internet users.

As of the first half of 2004, the Pierre & Vacances, Maeva and MGM sites will be connected to a new proprietary reservation system which will offer improved access and sales functions for both direct customers and distributors.

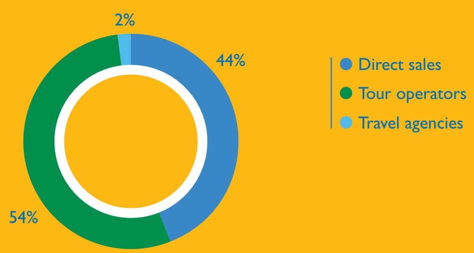
In addition, a regionally-focused sales force spread throughout France works with over 4,000 works councils. The Group also has a sales force specialised in the conference market, which complements the turnover of those sites (notably hotels) that offer facilities adapted to this type of demand.

TURNOVER BY DISTRIBUTION CHANNEL

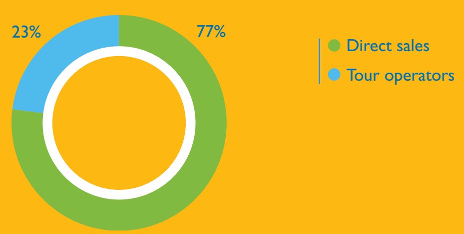
PIERRE & VACANCES



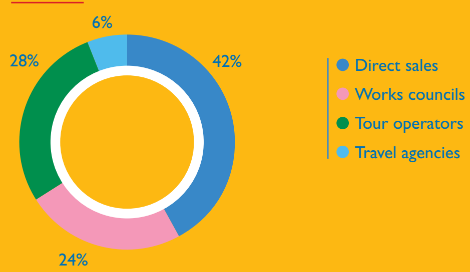
RESIDENCES MGM



CENTER PARCS



MAEVA





Property development, a source of growth for the Group

The Pierre & Vacances Group's  integrated property development  business enhances the growth  in its tourism activities.

Property development underpins the tourism business

Every year, the catalogue includes new destinations with innovative features that correspond to new holiday trends, for example, the Belle-Dune eco-village (Somme), green tourism with Monflanquin (Lot-et-Garonne) or urban tourist residences such as Val d'Europe in the Paris region and Buttes-Chaumont in Paris. This organic growth helps maintain standards: quality is Pierre & Vacances' key selling point with foreign tour operators and it secures customer loyalty.

35% of seaside apartments and 16% of apartments in mountain resorts currently managed by the French Tourism Pierre & Vacances division were designed or renovated by the Group's property development arm. The rest were acquired externally.

Stages in a property development project

Pierre & Vacances adheres to very strict rules before launching any commercial development programme:

• before acquiring any land, it obtains the official permits required and ensures that it is free of charges. The only external expenditure incurred at this stage relates to the professional fees required to obtain planning permission;

• the sale of residences at the design stage. Construction only begins once 50% of the property has been sold;

• Pierre & Vacances provides purchasers with a guarantee of completion endorsed by a bank. This guarantee means deeds of sale can be signed in the presence of a notary before construction is completed, and funds can be called for according to a standard timetable: 5% on reservation, 29% on signing of the deed of sale, 33% when the foundations are laid, 17% on completion of the internal walls, and 16% when the VAT is reclaimed.

The payments made by purchasers as construction or renovation proceeds finance the development of properties by Pierre & Vacances.

Product definition and land prospecting (over 6-12 months) are completed by site operators and property specialists, who work together to decide what regions to prospect, since the product must both satisfy customers' aspirations and offer an attractive investment opportunity for private investors. This collaboration between the different teams, from the start of a project until delivery to the site operator, guarantees the project' success both in terms of property development and as a tourist residence and forms an integral part of the "Pierre & Vacances model".

Marketing the residences (less than one year) is carried out by Pierre & Vacances Conseil Immobilier (PVCI) via its in-house sales network, which is registered as an estate agent, or independent advisers (specialist organisations, banks, private bankers, etc.). This network also sells apartments in existing residences that are due for renovation or acquired by Pierre & Vacances as part of its external growth strategy.
The presence of an in-house network of property advisers is a significant advantage in terms of managing the sales policy and promoting the Pierre & Vacances Group's brand image among investors.

PVCI has a network of exclusive property advisers active in France, Italy and Spain. The back office and sales administration department remain at their disposal to assist the network in its mission, including the follow-up of projects and customer relations.
Selling costs comprise marketing costs and PVCI's fees, representing 13% exclusive of tax of total sales inclusive of tax.
PVCI also manages the resale of these apartments, thereby guaranteeing investors liquidity for their investment.

Construction (9 to 12 months) is managed by Pierre & Vacances Développement (PVD), the Group's project management company, which oversees all stages of developments from site selection to turnkey delivery to Pierre & Vacances Tourisme investors. The company charges project management fees amounting to 5% (exclusive of VAT) of the project value inclusive of VAT. PVD may also act as project manager for third parties, with Pierre & Vacances Conseil Immobilier contracted to find investors and Pierre & Vacances Tourisme contracted to operate the site.

The property development company bears the pre-opening costs and the cost of providing the basic equipment required to operate the site.

Delivery is usually at the end of June for seaside resorts and in mid-December for mountain resorts, ensuring they are immediately available for operation.

Development strategy

Developing the Group's brands: the complementarity of the Pierre & Vacances and Maeva brands means new destinations can be added to Maeva's portfolio. This sector of development focuses on tourist resorts where a dual-brand presence reinforces the Group's growth prospects on letting markets, as Maeva offers smaller-sized products than those sold under the Pierre & Vacances brand.

At the same time, the Group's property development specialists provide project management in developing the Center Parcs concept in France. Public funds will help finance the development of new sites, as well as their infrastructure and leisure facilities. The accommodation will be financed using the Pierre & Vacances Group's usual solutions. The design of commercial and leisure facilities will be enhanced to include more village squares and walkways, while respecting the principles on which the success of Center Parcs is founded. Lastly, cottages will be designed to take into account traditional local architectural styles.

1,607 apartments delivered in 2003 o/w 798 in renovation

3 sales options:

Propriété Pierre & Vacances

Propriété Financière Pierre & Vacances avec séjours

Propriété Financière Pierre & Vacances

The renovation programme essentially concerns tourist residences built over the past 20 to 30 years, which the Group has acquired from institutional investors. The Group's property development teams lend their expertise to planning major renovations of apartments and infrastructure facilities. PVCI's teams sell these units using the Group's traditional solutions. Some of the residences are already operated by the Pierre & Vacances Group, which will thereby have the opportunity to modernise residences that already appear in its brochures to bring them into line with future standards. In other cases, the Group will be able to complement its offer with new destinations that meet customer demand.

These transactions are concluded much faster than transactions on new property, with only 12-15 months separating pre-purchase negotiations from delivery of the renovated site after the sale of accommodation units. The financial expense incurred on the acquisition of these residences is largely offset at Group level by the earnings generated on operating them.

Financing new sites

Apartments and houses are acquired freehold: this enables investors to receive rental income, benefit from tax incentives and make personal use of the property.

French Law 90-1169 of December 29th 1990, amended on July 9th 1991, stipulates that the purchaser of an apartment in a holiday residence who entrusts the management of the property to a single operator can reclaim VAT under certain circumstances, for example if the property is classified by the Prefect, used as tourist accommodation, subject to a lease agreement with a minimum term of nine years, and provided a commitment is made to market the property abroad.

The investor only pays the acquisition price, exclusive of VAT, while the Pierre & Vacances Group assumes responsibility for paying and reclaiming the VAT. Pierre & Vacances frees the investor from all financial constraints and property investment management responsibilities by committing to ensure the maintenance and management of the property for the duration of the lease.

Three sales options

Propriété Pierre & Vacances offers two main advantages. First, the buyer is granted a vendor loan, corresponding to approximately 9% to 14% of the amount of the initial investment, inclusive of VAT. Second, revenue is guaranteed, partly in cash and partly in kind. The Group signs an 11-year lease with the buyer, whereby Pierre & Vacances pays as rent an amount in cash equal to the annual repayment of the loan granted, and rent in kind corresponding to the periods occupied by the owner (maximum: 3 weeks during high season, 1 week mid-season and 2 weeks in low season).

Propriété Financière Pierre & Vacances avec séjours enables investors to combine guaranteed income, net of charges, with personal use of the property.

Propriété Financière Pierre & Vacances guarantees the investor an annual rental income in cash over a nine-year period, equal to 4% (or 4.5% for furnished units) exclusive of VAT of the initial investment, exclusive of VAT and net of charges. This option accounts for 80% of new or renovated apartments sold.

Four tax incentives apply to this type of investment in France

Under the tax status of **"non-commercial furnished property lessor"** notary expenses, land tax and the amortisation of property and furniture, are deductible of the investors' net income.

The tax status of **"commercial furnished property lessor"** offers other tax incentives, such as wealth tax, capital gains tax and inheritance tax benefits, and long-term tax-exempt revenues.

Tourist residences in **"rural renewal" zones** entitle investors to tax relief of up 15% of the acquisition price exclusive of VAT, within the limit of € 92,000 for a married couple. The tax reduction applies irrespective of the amount of income tax paid by the investor. In 2004, the tax deduction rate will be raised to up to 25% and the limit to € 100,000, and coverage will be extended to new geographical regions. In 2004, a new finance act will provide for a tax credit of 10% of the acquisition price exclusive of VAT, within the limit of € 100,000, on investments in renovated property.

In connection with renovated property, **the negative gearing** generated by some of the renovation works may, under certain conditions, be offset against taxable income and give rise to additional tax savings.

In addition to these tax incentives, the sound reputation of the Pierre & Vacances Group provides these investors with financial security and guarantees the quality of the product.

The benefits of ownership include access to the Pierre & Vacances property exchange, price reductions on Group holidays and privileged treatment at sites.
Investor satisfaction is high, with an average lease renewal rate of over 80%. Owners have also referred many new investors to the Group.

The Group's international expansion has seen the Pierre & Vacances concept exported to Italy and Spain, with a view to rapidly acquiring a significant number of holiday rental sites. The Group is thus forging partnerships with local professionals and has signed operating agreements on sites that have been renovated or designed by its property development teams. New destinations are being developed, with apartments sold to individual investors using financing solutions similar to those offered in France.

4 tax incentives:

Non-commercial furnished property lessor

Commercial furnished property lessor

Rural renewal zones

Negative gearing

Sustainable development

The Pierre & Vacances Group seeks  to achieve sustainable  profitable growth by adhering to a growth model that is compatible with  its environment and by accepting its responsibilities.

A development model focused on long-term economic responsibility

From the very beginning, the Pierre & Vacances Group has relied upon a simple strategy based on letting rather than retaining ownership of property built or acquired under its expansion. Unlike with traditional real estate developers, the property built or acquired by the Group is not intended for resale but to be kept under Group management via long-term commercial leases.
The Pierre & Vacances Group accepts full responsibility for the quality of its property, which guarantees its profitability and optimises relations with its customers, partners, tourists and owners.

The sale of the property still owned by Center Parcs Europe, concomitant to the acquisition of 100% of the company on September 26th 2003, once again demonstrates this strategy in action. Center Parcs' portfolio of properties represents a genuine pan-European rental asset that generates recurrent, stable operating margins.

The renovations carried out at a number of sites are also part of a strategy of continuing the profitable exploitation of these assets over the long term by adapting them to the evolving requirements of consumers and investors.

The Group's current growth strategy is underpinned by the same principles, ensuring profitability for its shareholders and customer-investors.

Two levels of operational and strategic governance

The Pierre & Vacances Group has two main management bodies which validate its strategic decisions.

The Board of Directors of Pierre & Vacances S.A. is made up of 8 members[1], including three who hold executive positions within the Group and four independant directors (including one representative from CDC-Ixis, a minority shareholder and long-standing partner of the Group).
The Board met 7 times during the 2002/2003 financial year, with an attendance rate of around 66.67 % at each meeting.

The Group's 22-member Executive Committee includes the heads of both the operating divisions and the corporate departments (finance department, corporate secretariat, information systems, purchasing, human resources, etc.). The Committee meets on a regular basis (at least four times per year) to assist the Chairman and the Board of Directors in developing the Group's strategy and in taking decisions relating to the development and management of the Group.

These two decision-making bodies are supported by committees specific to the different operating divisions, namely:
• the Tourism Committee: comprised of the top managers of Pierre & Vacances Tourisme and the Group finance department, this committee sets the tourism strategy for the Pierre & Vacances, Maeva and MGM brands;
• the Board of Management and Supervisory Board of Center Parcs Continental Europe: these management bodies are required by Dutch legislation (Center Parcs Europe's head offices are located in Rotterdam). The Supervisory Board is comprised of non-Group representatives;
• the Property Committee: comprised of the heads of property development and sales, this committee rules on property development transactions, sales and marketing strategy and the different property sales schemes.

[1] *including one appointement proposed at the General Meeting of March 11th 2004.*

Environmental responsibility

The Group originally established its reputation as the developer of the first French car-free mountain resort at Avoriaz. The organic growth of its property portfolio through construction is always guided by the objective of minimising the impact on the environment. Pierre & Vacances' efforts in this area include respecting the surrounding area, not only by adhering to local architectural norms, but also through its choice of materials and methods, preserving existing trees on the site, using local species when creating botanical walkways, systematically buying building materials on site, etc. The fact that most of the Group's customers are families means that special emphasis must be placed on health issues and product safety. Health and safety inspections, such as checks for asbestos and legionnaire's disease, are carried out regularly, and operating staff receive special training on site safety.

Center Parcs, the first tourist company to receive ISO 14001 certification, sets an example in terms of environmental policy by applying its Environmental Management System to its sites and head offices. As such, each employee must be aware of the consequences of their own actions on the environment and consider these consequences in the accomplishment of their daily tasks and their decisions. For instance, special waste sorting platforms have been installed to provide easy access for employees and customers. These practices have been extended at different levels within the company and are checked regularly by external auditors.

Lastly, the Pierre & Vacances Group works in collaboration with the local authorities to promote the development of green tourism and local employment, and to enable the financing of tourist facilities in more rural sites (e.g. Center Parcs in Ailette in Picardy and the Belle-Dune Eco-Village in the Somme).

Composition of the Executive Committee

- **Gérard BREMOND**
  Chairman and Chief Executive Officer
- **François GEORGES**
  Chief Executive
- **Patricia DAMERVAL**
  Group Chief Financial Officer
- **Thierry HELLIN**
  Group Corporate Secretary
- **Pascal DUMINY**
  Head of Group Informations Systems
- **Louis SABBAGH**
  Head Group Purchasing Department
- **Eric BLEUZE**
  Head of Group Development
- **Jérôme GIMENEZ**
  Head of Group Human Resources Department
- **Martine BALOUKA**
  Chief Executive Officer
  Pierre & Vacances Maeva Tourisme
- **Antoine de FOMBELLE**
  Chief Executive Officer
  Pierre & Vacances Développement
- **Isabelle de WAVRECHIN**
  Chief Executive Officer
  Pierre & Vacances Conseil Immobilier
- **Martin ROBINSON**
  Chief Executive Officer
  Center Parcs Europe
- **Xavier GUILBERT**
  Deputy Chief Executive Officer
  Center Parcs Europe
- **Pascal FERRACCI**
  Deputy Group Chief Financial Officer
- **Christian BERTIN**
  Deputy Chief Executive Officer
  Pierre & Vacances Maeva Tourisme
- **Jean-Luc CHRETIEN**
  Deputy Chief Executive Officer
  Pierre & Vacances Maeva Tourisme
- **Jean CHABERT**
  Deputy Chief Executive Officer
  Pierre & Vacances Développement
- **Max JACOBSEN**
  Head of Operations
  Center Parcs Europe
- **Jerry GOLDBERG**
  Head of Marketing/Sales
  Center Parcs Europe
- **Antoine LEVENT**
  Head of Property Management
- **Mark HAAK WEGMANN**
  Head of Innovation of Center Parcs Europe
- **Dominique MENIGAULT**
  Head of Sales of Pierre & Vacances
  Conseil Immobilier

Social responsibility

In September 2001, the Group reorganised itself into a **single structure** grouping all staff from the Pierre & Vacances, Maeva/Orion and Residences MGM brands, representing a total of 3,460 employees (full-time equivalent). The property development division and Center Parcs Continental Europe each have a separate organisation.

This structure encourages internal mobility among the teams in the various entities and fosters the sharing of experience within the Group. The full acquisition of Center Parcs Europe combined with the development of new sites will offer all staff additional opportunities for professional and personal development in the European countries in which the Group is active.

The various divisions receive functional support from the corporate departments of Pierre & Vacances Services, which combines the finance, information systems, purchasing, communication and development departments and the corporate secretariat (legal department, group human resources department and general services).

Over and above immediate financial profitability, the Group is fully pledged to considering the social and ethical interests of both employees and society at large in order to anticipate and integrate their expectations as early on as possible. This socially-responsible approach is reflected by major initiatives in a number of areas.

Social matters

The Group has put in place structures and a management team that encourage **innovative practices** in terms of training and skills development, performance assessment and recognition, career advancement and mobility, cohesion and its relationships with its social partners.

It is in this spirit that a Group human resources department was set up in 2002 to harmonise human resources policies while respecting the uniqueness of each brand and business and the promotion of best business practices.

A significant effort has been made to foster dialogue between management and social partners via elected bodies and to consolidate the social and organisational progress linked to the adjustments to the working week and the introduction of more dynamic performance-related pay schemes (total compensation).

Likewise, Group training programmes, which are often held on holiday sites, have begun to include specific sessions to anticipate and satisfy the needs of staff and the company as far as possible. These sessions are held regularly throughout the year and cover various topics such as management, sales, IT and foreign languages.

By encouraging the development of its employees within the Group and by recognising all employees' rights to assessment, development and information, the Pierre & Vacances Group is able to capitalise on their human and professional values.

In order to complete these ambitious projects, Pierre & Vacances Tourisme's Human Resources Department has adopted a more professional approach, creating a department focused on skills development and an internal communications department, both of which support its traditional role of personnel management.

Corporate citizenship

The Group takes concrete action at all levels in this area. Several initiatives have been launched in partnership with leading socio-economic welfare groups to help tackle social exclusion and foster multicultural integration within what is an international Group. For example, an initiative with French anti-racism group, SOS Racisme, sponsors young graduates of non-French background, to encourage their employment in management positions.

The Group also participates in meetings at the Institut du Mécénat de Solidarité (an organisation that encourages corporate social responsibility) in order to promote programmes involving the company' social responsibility, its commitment as a corporate citizen, the management of diversity and its involvement in regions and neighbourhoods.

Women are well represented within the Group's structure and constant monitoring ensures that their career advancement matches that of men. Furthermore, the management bodies do everything in their power to offer flexible working conditions.

Lastly, given the high proportion of young people in the Group's workforce, the Group is fully committed to rethinking its structures and its working methods in order to attract new staff and integrate them quickly and successfully into its teams.

Besides the benefits for the people involved, given the real risk of a labour shortage in the medium term (within 5-8 years), the successful implementation and development of these initiatives will help the Group anticipate and rise to the challenges of integrating people from diverse backgrounds.

Employee data:

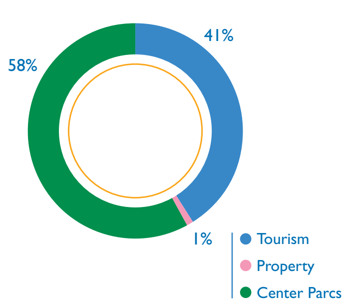
In 2002/2003, the Pierre & Vacances Group employed 8,406 people compared with 8,387 in the 2001/2002 financial year, representing an increase of around 0.2%.

The workforce includes seasonal workers required at tourist resorts during the high season. Staff numbers fluctuate by 30% to 40% according to season in the course of a single financial year.

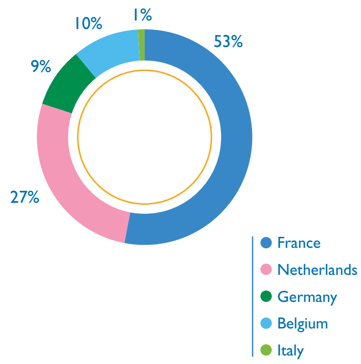
Details of changes in the Group's average headcount over the past three years are included in Note 27 of the consolidated financial statements.

Hours of training and training expenses 52,500 hours or 2.24% of total wage bill. The social assessment for 2003 will be available at the end of April 2004 and may be consulted in its paper version at the Group's head office.

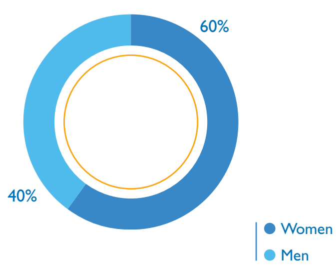
HEADCOUNT BY ENTITY



HEADCOUNT BY COUNTRY



BREAKDOWN WOMEN/MEN



Composition of the Board of Directors

Gérard Brémond
Chairman and Chief Executive Officer

François Georges
Chief Executive

Olivier Brémond

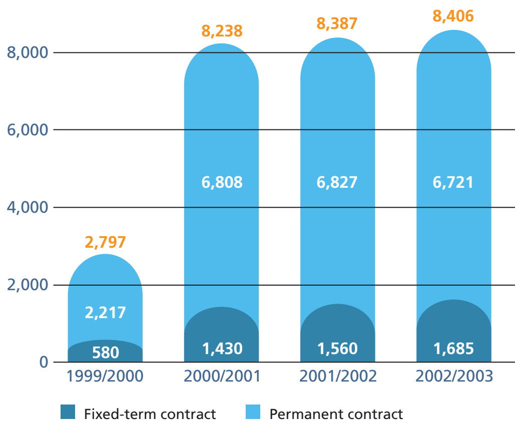
S.I.T.I. SA, represented by Thierry Hellin

Michel Dupont

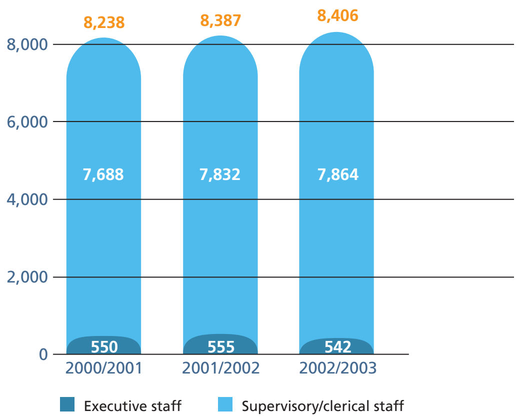
Sven Boinet

Marc R. Pasture

TOTAL HEADCOUNT



BREAKDOWN
BY SOCIO-ECONOMIC CATEGORY



EMPLOYEE BENEFITS:	GROUP
Profit sharing	YES
Saving plan	YES
Stock options	YES (executive staff)
Food service	YES
Other	Health insurance

The most requested training topics:	
Management / Teamwork	1
Sales techniques	2
Customer relations techniques	3
IT skills	4
Personal development	5

AVERAGE SALARIES	
Executive/managerial staff	3,330.00 €
Non-Executive staff	1,820.00 €
Average 02/03	1,929.83 €
Average 01/02	1,898.00 €
Change	+1.68%

Contents

GROUP MANAGEMENT REPORT

For the 2002/2003 financial year, the Pierre & Vacances Group recorded marked growth in its results, demonstrating its ability to weather the challenging economic climate. The Pierre & Vacances Group's turnover for the financial year ended September 30th 2003 amounted to € 881.5 million.
The Group manages around 45,000 apartments and holiday homes, representing a total of 205,000 beds primarily located in France (in mountain, seaside and country side resorts, in Paris and the French West Indies), the Netherlands, Germany, Belgium, Italy and Spain.
Changes in the tourist property portfolio during the 2002/2003 financial year included:

- **the delivery of properties developed by the Group (809 apartments and holiday homes), a number of renovations (798 apartments delivered) and property development in Italy;**
- **the disposal of approximately 4,000 apartments, pursuant to the decision of the DGCCRF (French Competition and Consumer Protection Agency) concerning the acquisition of Maeva.**

PRESENTATION OF THE GROUP'S ACTIVITIES AND PERFORMANCE IN 2002/2003

Performance of the group's activities over the 2002/2003 financial year

TOURISM

Over the period, turnover from the tourism business stood at € 692.9 million, representing a 4.3% drop on 2001/2002, mainly due to the disposals required by the DGCCRF (French Competition and Consumer Protection Agency) concerning the acquisition of Maeva.

Turnover from tourism rose by 0.9% on a like-for-like basis (*) over the period. This was essentially driven by the 1.9% increase in turnover from accommodation on the back of a 4.0% rise in the average letting rate to € 498 per week. The number of weeks sold recorded a slight drop of 2.0% (at 828,101), with an average occupancy rate of 67.9% for the period.

LIKE-FOR-LIKE BASIS	2002/2003	2001/2002	CHANGE
Total turnover	€ 692.9 million	€ 686.7 million	+0.9 %
Turnover from accommodation	€ 412.9 million	€ 405.1 million	+1.9 %
Turnover from supplementary incomes	€ 280.0 million	€ 281.6 million	-0.5 %
Net average letting rate (in €)	498	480	+4.0 %
Weeks sold	828,101	845,124	-2.0 %
Total offer	1,347,465	1,331,123	+1.2 %
Occupancy rate	67.9 %	70.2 %	-3.2 %

(*) On a like-for-like basis, the figures for 2001/2002 financial year are restated to take into account the following items:
- Résidences MGM is consolidated over 9 months (January 1st – September 30th)
- Maeva is consolidated over 12 months (versus 13 months in the reported 2001/2002 financial statements)
- the residences sold to France Location and Lagrange in December 2002, pursuant to the agreements signed with the DGCCRF (French Competition and Consumer Protection Agency) approving the acquisition of Maeva, have ben excluded of the consolidation scope since the 1st of October 2002

Pierre & Vacances, Maeva and Résidences MGM

On a like-for-like basis – i.e. after restating the 2001/2002 figures primarily to take account of Résidences MGM's activity and the sale of apartments required by the DGCCRF (French Competition and Consumer Protection Agency) – the turnover of the Pierre & Vacances, Maeva and Résidences MGM brands remained stable compared with 2001/2002.

Turnover from accommodation rose by 1.2% due to:

- a 4.0% increase in the net average letting rate to € 469 per week. This reflected an average price increase of some 2%, an improvement in the product mix, with the greater number of four-sun apartments pushing up the letting rate by around 1%, and a 1% reduction in marketing expenses;

CHANGE IN AVERAGE LETTING RATES (for one week's accommodation) - ON A LIKE-FOR-LIKE BASIS			
IN EUROS (excl.VAT)	**2002/2003**	**2001/2002**	**CHANGE**
Seaside resorts	457.0	443.8	+3.0 %
Mountain resorts	467.7	443.5	+5.5 %
City centres	516.1	499.6	+3.3 %
French West Indies	628.1	588.3	+6.8 %
AVERAGE	**469.0**	**451.2**	**+4.0 %**

- a 2.7% drop in the number of weeks sold to 614,883, compared with 631,649 in 2001/2002.
  This was due to lower occupancy rates as a result of the challenging economic environment. The overall average occupancy rate was nonetheless high, at 63.9%, with 64.5% for Pierre & Vacances, 62.0% for Maeva, 76.5% for Résidences MGM.

NUMBER OF WEEKS SOLD AND OCCUPANCY RATES - ON A LIKE-FOR-LIKE BASIS						
	NUMBER OF WEEKS SOLD			**OCCUPANCY RATE**		
	2002/2003	**2001/2002**	**CHANGE**	**2002/2003**	**2001/2002**	**CHANGE**
Seaside resorts	364,296	384,698	-5.3 %	61.1 %	63.4 %	-3.7 %
Mountain resorts	190,567	193,001	-1.3 %	71.3 %	74.0 %	-3.7 %
City centres	43,984	35,056	+25.5 %	70.4 %	72.8 %	-3.3 %
French West Indies	16,036	18,894	-15.1 %	44.5 %	51.8 %	-14.1 %
TOTAL	**614,883**	**631,649**	**-2.7 %**	**63.9 %**	**66.3 %**	**-3.6 %**

CHANGE IN ACCOMODATION BY DESTINATION - ON A LIKE-FOR-LIKE BASIS			
IN MILLIONS OF EUROS	**2002/2003**	**2001/2002**	**CHANGE**
Seaside resorts	166.5	170.8	-2.5 %
Mountain resorts	89.1	85.6	+4.1 %
City centres	22.7	17.5	+29.6 %
French West Indies	10.1	11.1	-9.4 %
AVERAGE	**288.4**	**285.0**	**+1.2 %**

SEASIDE RESORTS

Turnover from accommodation fell by 2.5%, mainly reflecting the lower occupancy rate (down 3.7% to 61.1%) which was partially offset by the 3.0% rise in net average letting rates. This pressure on occupancy rates arose from extraordinary events including the Prestige oil spill and the numerous fires in the Var region. Despite this unfavourable backdrop, the Group decided not to sacrily the prices rather than to improve its occupancy rates in the short term. Excluding these extraordinary events, turnover from seaside accommodation would have risen against the previous year.

MOUNTAIN RESORTS

Turnover from accommodation at mountain resorts was up by 4.1%, driven by an increase in average net letting rates of almost 5.5%. The average occupancy rate came out at 71.3%. Like the previous year, the winter season was particularly satisfactory, despite the drop in the number of foreign tourists.

CITY CENTRES

The annual growth in turnover from accommodation was exceptional, coming out at 29.6%. This performance was due to the opening of the Val d'Europe and Rome residences in 2002/2003, overall good activity for all the Paris sites and the signing of long-term agreements on the Buttes Chaumont and Kléber residences.

This type of destination now represents one of the strategic focuses of the Group's development policy.

FRENCH WEST INDIES

Turnover from accomodation fell by 9.4% over the period. Although average letting rates increased by 6.8% on the back of improved product segmentation, which prompted the Group to offer customers full hotel service in apartments in privileged locations, the number of weeks sold declined by 15.1%.

The focus of French tour operators and local authorities turned away from these destinations this year, as a result of the negative impact of the events of September 11th 2001 and the war in Iraq on all tourist activities in the French West Indies and the reduced number of flights to the region.

Consequently, the Group particularly developed its local sales with groups, seminars and accommodation for events (weddings, etc.).

Turnover from accommodation generated across all destinations in Italy stood at € 10.0 million (against € 6.9 million in 2001/2002).

Center Parcs Continental Europe

Turnover grew by 2.6% on a like-for-like basis compared with 2001/2002. Turnover from accommodation was up by 3.6%, driven by a 3.7% rise in average net letting prices mainly due to the improvements in the product mix (rebranding policy on former Gran Dorado sites and the full-year impact of the reopening of the renovated Eemhof site in 2002/2003).

The number of weeks sold remained stable overall, with the impact of the reopening of the Eemhof site (increasing the total offer by 2%) offset by lower occupancy rates in Germany due to the tough economic environment.

The breakdown by country of turnover from accommodation shows growth for the Netherlands (+7.9%) and France (+3.9%), while Germany and, to a lesser degree, Belgium recorded a slight drop in turnover (-4.1% and -1.7% respectively) linked to lower occupancy rates.

CHANGE IN ACCOMMODATION TURNOVER BY DESTINATIONS - ON A LIKE-FOR-LIKE BASIS

IN MILLIONS OF EUROS	2002/2003	2001/2002	CHANGE
Netherlands	62.4	57.9	+7.9 %
Germany	17.5	18.4	-4.9 %
Belgium	18.3	18.6	-1.7 %
France	26.3	25.3	+3.9 %
TOTAL	**124.5**	**120.2**	**+3.6 %**

CHANGE IN AVERAGE LETTING RATES (for one week's accomodation) - ON A LIKE-FOR-LIKE BASIS

IN EUROS (excl. vat)	2002/2003	2001/2002	CHANGE
Netherlands	559.2	533.2	+4.9 %
Germany	471.9	467.7	+0.9 %
Belgium	600.7	597.1	+0.6 %
France	770.1	732.9	+5.1 %
TOTAL	**583.8**	**562.8**	**+3.7 %**

NUMBER OF WEEKS SOLD AND OCCUPANCY RATE - ON A LIKE-FOR-LIKE BASIS						
	NUMBER OF WEEKS SOLD			OCCUPANCY RATE		
	2002/2003	2001/2002	CHANGE	2002/2003	2001/2002	CHANGE
Netherlands	111,640	108,521	+2.9 %	85.0 %	86.6 %	-1.9 %
Germany	37,000	39,260	-5.8 %	79.3 %	83.2 %	-4.6 %
Belgium	30,401	31,114	-2.3 %	88.8 %	90.9 %	-2.3 %
France	34,177	34,580	-1.2 %	93.4 %	92.8 %	+0.7 %
TOTAL	**213,218**	**213,475**	**-0.1 %**	**85.7 %**	**87.5 %**	**-2.0 %**

Tourist Residences and Villages portfolio at end-september 2003

TOURIST RESIDENCES AND VILLAGES PORTFOLIO (key figures)						
	PIERRE & VACANCES	MAEVA	RÉSIDENCES MGM	PV ITALIA	CENTER PARCS	TOTAL
Apartments/holiday homes	19,352	12,677	891	2,233	9,719	44,872
Beds	93,246	49,056	4,010	9,237	49,017	204,566
Customers	1,586,289	1,669,693	78,695	59,368	3,202,566	6,596,611

77 % of the Group's properties are located in France, sold under 4 main brands: Pierre & Vacances, Maeva, Résidences MGM and Center Parcs.

The Pierre & Vacances Group is therefore able to offer a wide range of destinations across France: the Alps, the Pyrenees, the French Riviera, the Atlantic and Channel coasts, Provence, Paris and the French West Indies.

In Europe, the Group is also present in the Netherlands (11% of properties), Germany (4%) and Belgium (3%) under the Center Parcs brand and in Italy under the Pierre & Vacances brand.

The Group's acquisition of Valtur Casa, the agreement signed to manage Bagaglino's properties and the opening of the Dehon residence in Rome in April 2003 rank the Group among the market leaders in Italy with 2,233 apartments (5% of the whole groupe portfolio).

The Group is also present in Spain through the marketing activity of the Maeva Group. This presence is set to expand as the Group will run two tourist sites in the country (including 250 apartments in Tarragona which were launched for marketing in 2002).

GEOGRAPHICAL BREAKDOWN OF TOURIST RESIDENCES AND VILLAGES PORTFOLIO						
APARTMENTS/ HOLIDAY HOMES	PIERRE & VACANCES	MAEVA	RÉSIDENCES MGM	PV ITALIA	CENTER PARCS	TOTAL
France	18,501	12,677	891	-	1,439	**33,508**
French West Indies	851	-	-	-	-	**851**
Netherlands	-	-	-	-	5,126	**5,126**
Germany	-	-	-	-	1,830	**1,830**
Belgium	-	-	-	-	1,324	**1,324**
Italy	-	-	-	2,233	-	**2,233**
TOTAL	**19,352**	**12,677**	**891**	**2,233**	**9,719**	**44,872**

Management of the tourist residences and villages portfolio

In France (excluding the Center Parcs villages):

The apartments and holiday homes are owned by private investors (66%) and institutional investors comprising essentially insurance companies and property investment funds (31%), with the remaining 3% owned by the Group itself.

The tourist residences and villages portfolio is managed under two schemes:

- under lease agreements, the lessee (a Pierre & Vacances Group company) undertakes to pay rent irrespective of the profit generated from operating the property. The remaining income after rental payments is therefore the lessee's profit. The cost of refurbishment work is borne either by the lessor/owner or by Pierre & Vacances;
- under management agreements, the agent (a Pierre & Vacances Group company) acts as a service provider and invoices the client for managing and marketing the property. All operating income accrues to the owner (the client). In some cases, the Pierre & Vacances Group guarantees the owner a minimum income, and any additional profits are split between the two parties.

Outside France:

In line with its strategy, the Group sold the lands and the buildings of eight Center Parcs sites of which it owned the freehold. At September 30th 2003, the entire Center Parcs Continental Europe property portfolio was owned by institutional investors who had taken out leases with Pierre & Vacances generally covering 15 years, apart from the Eemhof site, whose sale was finalised in October 2003 and about one hundred apartments in three former Gran Dorado sites owned by private investors.

At Group level, at the end of September 2003, 49% of the property portfolio was owned by private investors and 47% by institutional investors, while the remainder was owned directly by the Group.

TOURIST RESIDENCES AND VILLAGES PORTFOLIO AT SEPTEMBER 30th 2003 (number of apartments/holiday homes)

OWNER	PIERRE & VACANCES	MAEVA	RÉSIDENCES MGM	TOTAL FRANCE (*)	PV ITALIA	CENTER PARCS	TOTAL
Private investors	**13,972**	**6,758**	**891**	**21,621**	**414**	**127**	**22,162**
Leases	13,870	5,585	891	20,346	-	127	20,473
Management agreements	102	1,173	-	1,275	414	-	1,689
Institutional investors	**4,756**	**5,415**	**-**	**10,171**	**1,819**	**8,891**	**20,881**
Leases	2,786	3,368	-	6,154	619	8,891	15,664
Management agreements	1,970	2,047	-	4,017	1,200	-	5,217
Owned by the Group	**624**	**504**	**-**	**1,128**	**-**	**701**	**1,829**
TOTAL	**19,352**	**12,677**	**891**	**32,920**	**2,233**	**9,719**	**44,872**

(*) Excluding Center Parcs Continental Europe

PROPERTY DEVELOPMENT

Consolidated turnover from property development reached € 188.6 million compared with € 70.6 million in 2001/2002. Two-thirds of this amount were generated through four programmes, including one new property (Val d'Europe) and three under renovation (Cannes Beach, Les Issambres, Mandelieu).

During the financial year, 1,607 units were delivered and sold versus 568 units in 2001/2002. These new units are located:

- on the Atlantic coast: Bourgenay Moulin, Le Guilvinec, Branville, Ploemel Carnac…
- on the French Riviera: Cannes Beach, Issambres, Mandelieu…
- in mountain resorts: Valmeinier IV, Ax-les-Thermes, Saint Lary, Avoriaz
- in the countryside resorts: Marciac, Monflanquin
- in city centres: Val d'Europe (Paris)

The integration of Maeva, with its portfolio of wholly-owned residences, provided the Group with the opportunity to carry out renovation work and subsequently resell the property, allowing it to finance these assets and upgrade the residences, which are situated in prime locations.

The commercial and qualitative success of this innovative programme has encouraged the Group to extend it to other sites. Consequently, the 2002/2003 financial year saw the delivery of renovated properties in Cannes, Les Issambres and Mandelieu on the French Riviera, in Carnac in Brittany and in Branville in Normandy.

This new policy will be extended to property acquired externally. In addition to the Cannes Beach property (690 units) currently under renovation, the Group purchased a portfolio of tourist residences from GMF-MACIF and a tower located in the Front de Seine area of Paris which will undergo renovation within the next two years.

All of these projects, in addition to Pierre & Vacances Development's traditional property development business (Loches, Biscarrosse, Saint Jean Pied de Port, Port Bourgenay, etc.) should help maintain sustained activity over the years to come.

The volume of business generated by Group and non-Group property development programmes (total reservations signed during the year, inclusive of VAT and net of cancellations over the same period) reached € 241.8 million, corresponding to 2,038 reservations (including € 19.4 million on the resale of existing property), compared with € 143.0 million in 2001/2002 (including € 21.9 million on the resale of existing property).

	2002/2003	2001/2002	CHANGE
NEW			
Reservations	€ 222.4 million	€ 121.1 million	+83.6 %
Number of apartments	1,872	1,072	+74.6 %
Average price	€ 118,811	€ 112,922	+5.2 %
RESALE			
Reservations	€ 19.4 million	€ 21.9 million	-11.4 %
Number of apartments	166	224	-25.9 %
Average price	€ 117,054	€ 97,963	+19.5 %
TOTAL			
Reservations	€ 241.8 million	€ 143.0 million	+69.1 %
Number of apartments	2,038	1,296	+57.3 %
Average price	€ 118,668	€ 110,336	+7.6 %

PROPERTIES DELIVERED BY REGION			
NUMBER OF APARTMENTS	**2002/2003**	**2001/2002**	**2000/2001**
Atlantic coast	231	60	240
Channel coast	34	-	31
Brittany	99	-	195
French Riviera	643	245	27
Other	49	75	-
SEASIDE RESORTS	**1,056**	**380**	**493**
MOUNTAIN RESORTS	**265**	**188**	**246**
PARIS	**286**	**-**	**302**
GROUP TOTAL	**1,607**	**568**	**1,041**

Group management report

List of apartments in the process of marketing at September 30th 2003 are shown in the table below:

PROGRAMMES BY DESTINATION	DELIVERY DATE	NUMBER OF APARTMENTS	% SOLD
ATLANTIC COAST			
Ciboure 2	Jul-03	12	100 %
Loches**	Jun-04	70	91 %
Marciac**	Jul-03	71	99 %
Monflanquin**	Jul-03 / Jul-04	149	97 %
Port d'Albret	Jul-01 / Sept-01 / Jul-02	137	100 %
CHANNEL COAST			
Branville*	Jun-03	84	64 %
Trouville*	Mar-04 / Mar-05	110	18 %
BRITTANY			
Bourgenay le Moulin	Jul-03 / Dec-03 / Jul-04	206	74 %
Guilvinec	Jul-03	67	100 %
Ploemel Carnac*	Apr-03	41	100 %
La Rochelle*	May-04	101	59 %
Maubuisson	Jun-04	125	6 %
Lacanau*	Jun-04	165	55 %
Biscarrosse	Jun-04	120	67 %
Saint Jean Pied de Port**	Jul-04	81	100 %
FRENCH RIVIERA			
Cannes Beach*	Apr-03 / Apr-04	690	90 %
Marseille Prado	Jun-04	91	16 %
Hyères	Jul-02	75	100 %
Issambres Bellevue*	Apr-02	110	99 %
Issambres Village*	Apr-03	90	96 %
Issambres Corniche*	Apr-03	107	97 %
Mandelieu*	Apr-03	157	96 %
Pont Royal - les Taillades	Jul-02	60	100 %
SEASIDE RESORTS		**2,919**	**79 %**
Ax-les-Thermes**	Dec-02	70	100 %
Avoriaz Saskia*	Dec-04	79	32 %
Avoriaz Elinka*	Dec-03	36	100 %
Isola 2000**	Dec-03	135	100 %
Saint Lary**	3rd Quarter 03	83	100 %
Pyrénées 2000*	Dec-03	45	82 %
Valmeinier Caribou 4**	Dec-02	68	99 %
MOUTAIN RESORTS		**516**	**88 %**
Val d'Europe	4th Quarter 02 et 1st Quarter 03	291	100 %
PARIS		**291**	**100 %**
TOTAL		**3,726**	**82 %**

* renovation / ** ZRR (“Rural renewal” zones)

ANALYSIS OF THE 2002/2003 CONSOLIDATED RESULTS

HIGHLIGHTS

Acquisition of Résidences MGM

On February 10th 2003, Pierre & Vacances acquired the management activity of luxury resorts under the "Résidences MGM" brand.

All of these residences are rated 4-star and offer spacious apartments and first-class facilities (indoor swimming pool, fitness centre, hammam and sauna). The acquisition was in line with the Group's strategy of expanding its range by offering its customers "luxury" residences at mountain resorts. This highly targeted acquisition will also enable Pierre & Vacances to gain wider access to new tour operators for all its brands.

The Group now manages 10 mountain resort residences (Chamonix, Les Arcs, Les Carroz d'Arâches, Les Houches, Les Menuires, La Plagne, Méribel, Pralognan, Tignes and Val d'Isère) and 1 seaside resort residence (Deauville). The net cash allocated to the acquisition of the management of these 11 residences, representing 939 apartments, amounted to € 13.5 million.

Purchase of MidOcean's stake in Center Parcs, making the Group the sole shareholder

On September 26th 2003, Pierre & Vacances purchased MidOcean's stake in Center Parcs Continental Europe, thereby consolidating its leading position in Europe in leisure residences.

The total acquisition cost of the shares and shareholders' loans amounted to € 303 million, including € 270 million for MidOcean. A total of € 126 million in goodwill arose on this transaction.

As the Group has been managing Center Parcs Continental Europe since March 2001, the acquisition presents no operational risk.

This acquisition took place at the end of the 2002/2003 financial year, therefore impacting the balance sheet but not the income statement.

Sale and lease-back of the lands and buildings of eight Center Parcs villages

At the same time as it acquired the remaining stake in Center Parcs and in line with the Group's financial policy of not retaining ownership of the assets it manages, Center Parcs Continental Europe sold the lands and buildings of eight villages of which it owned the freehold.

On September 25th 2003, the lands and buildings of seven of the eight villages still owned by Center Parcs were sold to a non-Group company, Green Buyco BV, for € 440 million (€ 413 million net of fees and tax). This disposal allowed for the repayment of all of Center Parcs Continental Europe's debt.

The Pierre & Vacances Group also signed an agreement for the sale of the lands and buildings of the Eemhof village in the Netherlands to a consortium led by the non-Group Dutch company, Zeeland Investments Beheer, for € 90 million (€ 81 million net of fees and tax). This transaction was finalised on October 30th 2003.

Center Parcs Continental Europe, which signed leases with the new owners for 11.5-15 years, will continue to run these eight villages.

This acquisition and these disposals will have a positive impact on Group results. Their accretive impact on 2002/2003 results would be reflected by growth in earnings per share before extraordinary items of about 30% before goodwill amortisation (15% after).

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting principles and methods

Under the accounting principles and valuation methods used by the Pierre & Vacances Group, only the following items are booked as turnover:

- on the tourism side, income exclusive of VAT from holidays sold and related income generated under lease agreements. For residences run under management agreements, only management fees invoiced to the client are booked as turnover;
- on the property development side, sales generated by the business, corresponding to residences delivered during the financial year and for which a notarised deed of sale has been signed.

The results of the property development business are therefore recognised in the profit and loss account on the date of completion of the works and once the notarised deed of sale has been signed.

Activity

The 2002/2003 financial year was marked by:

- sustained growth in Group income despite the challenging economic climate:
  - 10.9% growth in turnover to € 881.5 million.
  - 25.7% rise in net income before extraordinary items to € 40.1 million.
  - 25.1% growth in net attributable income to € 47.3 million.
- the full acquisition of Center Parcs Continental Europe, strengthening the Group's position in Europe and enhancing its development prospects.

Turnover

Consolidated turnover for 2002/2003 includes the Group's 50% share in turnover generated by Center Parcs Continental Europe over the full year and that of Maeva over a 12-month period. In addition, the activity of Résidences MGM, acquired during the year, was consolidated over 9 months.

Consolidated turnover for the 2001/2002 financial year included 13 months of activity for Maeva (from September 2001 to September 2002). As the acquisition date of the Maeva group (September 4th 2001) was very close to the year-end closing of the Pierre & Vacances Group's accounts, only the opening balance sheet was consolidated in 2000/2001 and the activity for September 2001 of the Maeva sub-group was consolidated in 2001/2002.

2001/2002 turnover also included the contribution of the residences sold to France Location and Lagrange, pursuant to the decision of the DGCCRF (French Competition and Consumer Protection Agency) approving the acquisition of Maeva. These residences were not consolidated in the 2002/2003 financial statements.

Consolidated turnover for the 2002/2003 financial year rose by 10.9% to € 881.5 million, compared with € 794.7 million in the previous financial year. Like-for-like, sales increased by 16.4%. This trend was due to the strength of the property development business, in particular the renovation activity, as tourist activities overall remained flat.

IN MILLIONS OF EUROS	2002/2003	2001/2002	CURRENT STRUCTURE	LIKE-FOR-LIKE
Pierre & Vacances / Maeva / Résidences MGM	431.3	461.3	-6.5 %	-0.1 %
Center Parcs Continentale Europe	261.6	262.8	-0.4 %	+2.6 %
TOURISM	**692.9**	**724.1**	**-4.3 %**	**+0.9 %**
PROPERTY DEVELOPMENT	**188.6**	**70.6**	**+166.9 %**	**+166.9 %**
TOTAL	**881.5**	**794.7**	**+10.9 %**	**+16.4 %**

Turnover from the tourism business stood at € 692.9 million, compared with € 724.1 million in 2001/2002.

On a like-for-like basis, turnover from tourism rose by 0.9%, mainly due to:

- the 1.9% increase in turnover from accommodation thanks to the 4% rise in average letting rates to € 498 per week (resulting from the new pricing policy and improvements in the product mix and sales strategy). The number of weeks sold fell by 2% due to the drop in the occupancy rate to 67.9% for the period (compared with 70.2% in 2001/2002);
- a stabilisation in turnover from supplementary incomes (-0.5%): Center Parcs' activity grew by 1.7% over the period, while that of Pierre & Vacances/Maeva/Résidences MGM (which does not generate profits) fell by 2.6% as a result of depackaging and the outsourcing of some activities.

Turnover from property development stood at € 188.6 million, compared with € 70.6 million in the previous period. 1,607 accommodation units were delivered in the 2002/2003 financial year (compared with 568 in 2001/2002). This sharp growth mainly reflects the development of renovation activities, which generated turnover of € 83 million.

The acquisition of Center Parcs Continental Europe and Gran Dorado, together with the developments in Italy, provided the Group with a pan-European dimension, with accommodation in France, the Netherlands, Belgium, Germany and Italy.

The geographical breakdown of turnover from tourism in 2002/2003 is as follows:

COUNTRY	MILLIONS OF EUROS	CONTRIBUTION (as a %)
France	466.1	67.3 %
Netherlands	134.7	19.4 %
Belgium	39.6	5.7 %
Germany	37.4	5.4 %
Italy	15.1	2.2 %
TOURISM	**692.9**	**100.0 %**

32.7% of turnover from tourism was generated outside France in 2002/2003.

The property development arm generated 4.1% of its business outside France in 2002/2003.

Earnings before tax and extraordinary items

IN MILLIONS OF EUROS	2002/2003	2001/2002
Operating income	82.5	73.2
Financial income	-13.5	-15.4
EARNING BEFORE TAX AND EXTRAORDINARY ITEMS OF CONSOLIDATED COMPANIES	**69.0**	**57.8**

Operating income

Group operating income stood at € 82.5 million, compared with € 73.2 million in the previous year, representing an increase of 12.7%. This performance is mainly linked to the sharp growth in the property development business, while the contribution of tourism activities remained virtually stable in relation to 2001/2002.

The operating margin increased from 9.2% in 2001/2002 to 9.4%.

Tourism

Against a particularly unstable economic backdrop marked by the uncertain geopolitical climate (war in Iraq) and the economic slowdown in Europe, tourism activities recorded operating income of € 68.3 million, unchanged on 2001/2002 (€ 68.2 million).

This amount breaks down as follows:

IN MILLIONS OF EUROS	PV / MAEVA / RÉSIDENCES MGM (*) 2002/2003	PV / MAEVA / RÉSIDENCES MGM (*) 2001/2002	CENTER PARCS 2002/2003	CENTER PARCS 2001/2002	TOURISM 2002/2003	TOURISM 2001/2002
Turnover	431.3	461.3	261.6	262.8	692.9	724.1
Operating income	29.0	30.9	39.3	37.3	68.3	68.2
OPERATING MARGIN	**6.7 %**	**6.7 %**	**15.0 %**	**14.2 %**	**9.8 %**	**9.4 %**

(*) including in 2002/2003:
- Résidences MGM's activity over 9 months (not consolidated in 2001/2002)
- Maeva's activity over 12 months (versus 13 months in 2001/2002)
- the sites sold to France Location and Lagrange, pursuant to the agreements signed with the DGCCRF (French Competition and Consumer Protection Agency) have been excluded of the consolidation scope since October 1st 2002.

The Pierre & Vacances/Maeva/Résidences MGM division generated operating income of € 29.0 million, compared with € 30.9 million in 2001/2002.

Pierre & Vacances/Maeva/Résidences MGM, which were particularly affected by negative events (the Prestige oil spill, fires in the Var region) and the slow economy, maintained their operating margin thanks to tighter control of operating costs and synergies arising from the integrated structure put in place to manage the three brands.

The Center Parcs Continental Europe division contributed € 39.3 million to operating income in 2002/2003 versus € 37.3 million for the previous year. This improvement reflects the cost-cutting policy implemented on sites and at the head office in the first half of the year in anticipation of a potential drop in turnover from other activities. The operating margin rose to 15.0% in 2002/2003 (versus 14.2% in 2001/2002), reflecting an improvement in profitability. This margin is higher than that of the Pierre & Vacances/Maeva/Résidences MGM division due to the entity's accounting structure which books depreciation and amortisation expenses rather than rental income (the joint venture still owned the freehold of eight sites until September 25th 2003).
The operating margin came out at 10.9% on a comparable Group structure basis.

Overall, the operating margin for tourism activities rose to 9.8% in 2002/2003 versus 9.4% in 2001/2002.

Property development

Operating income from the property development business totalled € 14.2 million for the 2002/2003 financial year compared with € 5.0 million in 2001/2002. This sharp increase is due to buoyant activity for both new and renovated properties and the rise in the operating margin, which stood at 7.5% versus 7.1% for the previous year. The operating margin was boosted by the renovation programmes, which generate greater margins than new property developments.

Net financial income

Financial income amounted to € -13.5 million, compared with € -15.4 million in 2001/2002.

This expense mainly corresponds to the cost of financing the bank loan taken out by Center Parcs Continental Europe to finance the purchase of the lands and buildings of eight villages, prior to the sale of seven sites on September 25th 2003.

The Center Parcs Continental Europe sub-group accounted for € -10.1 million of total net financial income in 2002/2003 (including the financial costs related to its acquisition).

Net income

IN MILLIONS OF EUROS	2002/2003	2001/2002
Earnings before tax and extraordinary items of consolidated companies	69.0	57.8
Extraordinary items (net of tax) (*)	7.2	5.9
Corporate income tax (*)	-21.7	-19.0
NET INCOME OF CONSOLIDATED COMPANIES	**54.5**	**44.7**
Share in results of companies accounted for by the equity method	-0.1	0.1
Amortisation of goodwill (*)	-6.4	-6.3
Minority interests	-0.7	-0.7
NET ATTRIBUTABLE INCOME	**47.3**	**37.8**

(*) in this table, extraordinary items include extraordinary income according to the French accounting principles as well as other extraordinary items booked in the financial year (namely the tax savings from the restructuring of the French Tourism division reclassified from corporate income tax and non-recurrent goodwill amortisation reclassified from Amortisation of goodwill).

The goodwill amortisation expense totalled € 6.4 million in 2002/2003. It primarily comprised the amortisation of goodwill on the acquisition of Maeva (€ 2.8 million), Center Parcs (€ 2.1 million), and Résidences MGM (€ 0.4 million) as well as the goodwill corresponding to the project management and property development activities (€ 0.5 million).

Corporate income tax (excluding extraordinary items) for the 2002/2003 financial year came to € 21.7 million, representing an effective tax rate of 31.4%.

The share of minority interests in Group net income totalled € 0.7 million.

After tax, amortisation of goodwill, net income from companies accounted for by the equity method and minority interests, net attributable income before extraordinary items came out at € 40.1 million, up by 25.7% on the previous financial year (€ 31.9 million).

IN MILLIONS OF EUROS	2002/2003	2001/2002
Net attributable income before extraordinary items	40.1	31.9
Extraordinary items (net of tax)	7.2	5.9
NET ATTRIBUTABLE INCOME	**47.3**	**37.8**

Extraordinary items for 2002/2003 break down as follows:

- a net gain of € 19.9 million on the sale of the lands and buildings of seven of the eight villages owned by Center Parcs Continental Europe;
- an expense of € 15.7 million corresponding to the Group's share in the purchase of the stakes in Center Parcs Continental Europe held by mezzanine funds and its management team in connection with the full acquisition of the company;
- a net gain of € 5.8 million on the restructuring of the French Tourism division, mainly resulting from tax savings;
- € 2.2 million in net extraordinary expenses related to the reorganisation and the cost-cutting programme of Center Parcs Continental Europe;
- € 2.3 million in net costs related to the set-up of structures in southern Europe.

Net attributable income rose by 25.1% to € 47.3 million, compared with € 37.8 million in the previous year.

Following the exercise of stock options by the company's senior officers during the period, the weighted average number of outstanding shares came to 8,513,040 for 2002/2003 versus 8,099,861 for the previous year.

Earnings per share rose by 19.0% to € 5.56. An extraordinary distribution of reserves of € 1.5 per share will be proposed at the Joint Annual General Meeting of Shareholders.

A dividend of € 1 per share was paid in 2001/2002.

INVESTMENT AND FINANCIAL STRUCTURE

Principal cash flows

Following a period of major acquisitions, the Group reinforced its financial structure in 2001/2002 (capital increase, disposal of non-strategic assets) and entered a new stage development in 2002/2003 with:

- the continuation of its external growth strategy, which included the full acquisition of Center Parcs Continental Europe, partially financed by the sale of eight villages of which Center Parcs Continental Europe had thus far owned the freehold, and the acquisition of the management activity of 11 residences under the Résidences MGM brand;
- the purchase of tourist residences from institutional investors for renovation and resale.

SUMMARISED CASH FLOW STATEMENT		
IN MILLIONS OF EUROS	2002/2003	2001/2002
Cash flow	89.9	60.0
Change in working capital requirement	-19.8	26.8
NET CASH FLOW FROM OPERATING ACTIVITIES	**70.1**	**86.8**
Capital expenditure and investments	-308.8	-60.2
Disposal of assets	24.7	56.1
NET CASH FLOW FROM INVESTING ACTIVITIES	**-284.1**	**-4.1**
Capital increase	0.7	55.9
Dividends paid	-10.1	-7.3
Change in borrowings	208.7	-148.5
NET CASH FLOW FROM FINANCING ACTIVITIES	**199.3**	**-99.9**
CHANGE IN CASH AND CASH EQUIVALENTS	**-14.7**	**-17.2**

Cash flow generated in 2002/2003 by the normal operations of the Group's tourism and property development activities totalled € 70.1 million versus € 86.8 million for the previous year. The sharp increase in cash flow (up by € 29.9 million or +49.8%) was offset by the change in the working capital requirement (€ -46.6 million).

The Group's cash flow stood at € 89.9 million compared with € 60.0 million in 2001/2002.

The change in working capital requirement came out at € -19.8 million, mainly due to the change in inventories held by the company for renovation property development programmes (representing € -65.7 million). This primarily reflects the acquisition in mid-March of nine residences (Maubuisson, Leucate, Lacanau, Moliets, La Rochelle, Perros-Guirec, Trouville, Le Touquet, Pyrénées 2000) managed by the French Tourism division (amount of investment including renovation work completed at September 30th 2003:
€ 29.7 million) and a 32-storey tower "Front de Seine" in the center of Paris (€ 32.6 million). These property assets will be resold to private investors after renovation.

Excluding the impact of the launch of the renovation business, the change in working capital requirement generated a cash surplus of € 45.9 million.

Cash used in investment transactions amounted to € 284.1 million, which mainly derives from acquisitions (€ 233.6 million) and investments made for the development of tourist activities (€ 65.5 million).

The main strategic acquisitions made during the financial year are as follows:

- the purchase of MidOcean's stake in Center Parcs Continental Europe, making the Pierre & Vacances Group the company's sole shareholder. This investment amounted to € 220.6 million (including € 188.2 million paid to MidOcean for its shares, € 12.1 million paid to the mezzanine fund and € 19.2 million to the management);
- the acquisition of the management activity of 11 tourist residences under the Résidences MGM brand (€ 13.5 million in net cash was allocated to this transaction).

The Group’s capex mainly include:

- the Group's share (50%) in the investments made by the Center Parcs joint venture (€ 44.6 million). These investments mainly relate to site enhancements under the strategy of improving the product mix (€ 41.8 million). They also include the acquisition cost of new land reserves (€ 2.8 million) at the Eemhof site in the Netherlands;
- expenses incurred by the French Tourism division (€ 13.3 million) on furnishings for new apartments, infrastructure facilities for new residences delivered during the period and the overhaul of its IT systems;
- PV Italia’s acquisition of the land and the construction of a new tourist residence (€ 7.2 million) in Cefalu (Sicily).

The € 208.7 million increase in borrowings primarily reflects transactions that were specific to the period, namely:

- the loan taken out for the acquisition of Center Parcs Continental Europe, in the amount of € 170.5 million. The gain realised on the sale of the lands and buildings of seven villages owned by the Group was used to repay Center Parcs Continental Europe's existing debt as well as MidOcean’s shareholder loan of € 81.5 million;
- the renovation business increased the amount of debt by € 36.8 million, which breaks down as follows:
  - € +60.1 million in loans taken out to finance the acquisition of new residences to be renovated: the main transactions include the purchase of a portfolio of eight residences from GMF-MACIF (€ 22.4 million) and a tower “Front de Seine” in Paris to be used as a tourist residence (€ 32.3 million);
  - € -23.3 million repaid on the Cannes Beach and Cala Rossa renovation programmes.

Changes in the balance sheet

In view of the asset and liability management principles adopted by the Pierre & Vacances Group in its tourism and property development businesses, the following points should be noted regarding the contribution of these two activities to the consolidated balance sheet:

- The tourism business has a low capital requirement, as the Group’s objective is not to retain property ownership of the residences, villages and sites that it manages. Consequently, investments relate essentially to the followings:
  - supplying furniture for apartments that are sold unfurnished to individual investors;
  - infrastructure facilities for the residences;
  - leisure facilities for holiday villages and sites (swimming pools, tennis courts, children's clubs, etc.);
  - commercial premises (restaurants, bars, conference rooms, etc.).

Ownership of these assets guarantees in the long-term viability of these sites for the Group.

The working capital requirement of the tourism business, which is structurally negative, fluctuates sharply during the financial year in line with seasonal factors.

- The Group's property development business has the following financial characteristics:
  - the amount of capital needed to fund each new residence is equivalent to around 10% of the cost price exclusive of VAT;
  - bridging loans are set up for each transaction, with maximum use made of these facilities before the notarised deeds of sale are signed;
  - the relatively high size of balance sheet items (accounts receivable, work in progress, deferred income and prepayments) is significant due to the fact that revenues and margins are recognised in the accounts when the property is delivered rather than on a percentage completion basis. Once a deed of sale has been signed, the sale is recorded as deferred income on the balance sheet until completion of the work. At the same time, costs incurred in connection with the property are recorded as work in progress or, in the case of selling costs, as prepayments.
    The Group’s marketing method (properties sold “off-plan” for delivery on completion), its insistence on marketing its properties before beginning construction, and its policy of not acquiring land before final planning permission has been obtained means that stocks of completed properties and land are kept low.
- However, the start-up of a new renovation business generates a temporary deterioration in the working capital requirement. This activity represents a new development focus for the Group. Pierre & Vacances generally acquires existing residences with a 2/3-sun rating in prime locations from institutional investors, renovates and upgrades them to a 3/4-sun rating, and resells them to private investors using the Group’s traditional sale formula.
  These residences are held during the renovation period, thus increasing the property portfolio, which temporarily weighs on the working capital requirement until they are delivered to the private owners.

The change in the balance sheet structure in 2002/2003 was marked by the acquisition of MidOcean’s stake in Center Parcs Continental Europe and the sale of property assets (seven sites fully owned by the Group), which enabled the Group to maintain the balance of its financial structure.

SIMPLIFIED BALANCE SHEET			
IN MILLIONS OF EUROS	30/09/2003	30/09/2002	CHANGE
Goodwill	226.6	96.7	+129.9
Net fixed assets	309.4	415.7	-106.3
Working capital requirement	127.5	-32.0	+159.5
ASSETS	**663.5**	**480.4**	**+183.1**
Shareholders' equity	258.9	220.3	+38.6
Provisions for contengencies and charges	106.4	82.1	+24.3
Net debt	298.2	178.0	+120.2
LIABILITIES	**663.5**	**480.4**	**+183.1**

The increase in the gross value of goodwill is mainly linked to the full takeover of Center Parcs Continental Europe. A total of € 125.9 million in goodwill was booked on this acquisition, while € 9.5 million was booked on the acquisition of Résidences MGM.

The net book value of the main goodwill items at September 30th 2003 breaks down as follows:
- Center Parcs Continental Europe (including Gran Dorado): € 162.5 million
- Maeva: € 51.0 million
- Résidences MGM: € 9.2 million

The drop in net fixed assets (€ 106.3 million) primarily concerns the sale of the freehold of seven Center Parcs Continental Europe villages (net book value of items sold: € 208.9 million) and depreciation and amortisation (€ 30.1 million), net of investments made over the 2002/2003 financial year (€ 75.3 million).

The contribution of Center Parcs Continental Europe to net fixed assets at September 30th 2003 stood at € 160.4 million, including € 143.9 million of tangible fixed assets. These assets were fully consolidated at this date.

After taking into account a dividend payment of € 9.4 million made in the first half of the year, 2002/2003 net earnings of € 47.3 million and a capital increase of € 0.7 million linked to the exercise of stock options, Group shareholders' equity rose from € 220.3 million to € 258.9 million.

The increase in provisions for risks and charges to € 106.4 million at September 30th 2003, included:
- the full consolidation of Center Parcs Continental Europe, representing a € 20.8 million increase in provisions;
- a € 5.6 million increase linked to other changes in the consolidation scope (Hôtel du Golf in Toulouse and SAGITS) concerning provisions for support funds booked as a result of the disposal;
- A decrease of € 2.2 million linked to changes during the period. This includes write-backs of provisions for restructuring costs booked as extraordinary items for an amount equal to costs beard during the 2002/2003 financial year (€ 2.7 million for Center Parcs Continental Europe and € 3.6 million for the French Tourism division).

As at September 30th 2003, these provisions broke down as follows:
- provisions for refurbishment: € 46.5 million
- provisions for support funds: € 31.0 million
- provisions for restructuring and sundry risks: € 22.0 million
- provisions for retirement commitments and related benefits : € 6.9 million

The Group's net debt at September 30th 2003 (€ 298.2 million) breaks down as follows:

IN MILLIONS OF EUROS	30/09/2003
Borrowings	405.2
Cash and cash equivalents	-107.0
NET DEBT	**298.2**

For the most part, this is made up of:
- the € 170.5 million loan taken out to finance the full takeover of Center Parcs Continental Europe;
- the € 71 million bridging loan taken out pending the finalisation of the sale of the Eemhof site;
- loans taken out by the Group (€ 90 million) to finance its fixed assets intended for resale, notably the Front de Seine tower (€ 32.3 million), the Cala Rossa site (€ 13.5 million) and the GMF/MACIF portfolio of residences (€ 22.4 million). The net book value of these assets to be sold amounts to € 124.1 million;
- the amount still payable on loans taken out to buy Gran Dorado (€ 15.3 million) and Maeva (€ 7.6 million). These debts were refinanced as part of the full takeover of Center Parcs Continental Europe;
- net of cash and cash equivalents.

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

LIKE-FOR-LIKE GROWTH OF 9.3% IN TURNOVER FOR Q1 2003/2004

Consolidated turnover for the first quarter of financial year 2003/2004 (from October 1st to December 31st 2003) increased by 61.1% to € 245.7 million, compared with the figure of € 152.5 million recorded over the first three months of the previous year.

On a like-for-like basis growth stood at 9.3%.

IN MILLIONS OF EUROS	Q1 2003/2004	Q1 2002/2003	CHANGE CURRENT GROUP STRUCTURE	CHANGE LIKE-FOR-LIKE (*)
Tourism	170.6	100.0	+70.5 %	-1.0 %(**)
Property development	75.1	52.5	+43.0 %	+43.0 %
TOTAL	**245.7**	**152.5**	**+61.1 %**	**+9.3 %**

(*) the main adjustment in Q1 2002/2003 involved the consolidation of 100% of Center Parcs Continental Europe (as against the 50% stake taken into account in Q1 2001/2002, its full acquisition having been completed at the end of September 2003).
(**) including +1% in turnover from accommodation.

Turnover from tourism that, like-for-like, has remained nearly stable

Turnover from tourism in the first quarter of 2003/2004 stood at € 170.6 million, compared with the figure of € 172.3 million recorded in the first quarter of 2002/2003 restated according to the Group's structure in 2003/2004. This figure reflects:

- the 1.0% increase in turnover from accommodation as a result of the 4.8% growth in the activities of Pierre & Vacances/ Maeva/Résidences MGM entirely due to a favourable calendar effect, with turnover from Center Parcs Continental Europe down slightly by 0.9%.
- a drop in turnover from supplementary incomes (-3.0%). This was primarily linked to the activities of Pierre & Vacances/ Maeva/Résidences MGM (-5.4%) which generate no margins for the Group (these activities are generally outsourced to third parties). Center Parcs Continental Europe also suffered a 2.4% drop in turnover related to these activities. The cost-cutting measures undertaken by the Group in anticipation offset this evolution of turnover.

Increase in property development turnover to € 75.1 million

Property development turnover reached € 75.1 million for the first quarter of 2003/2004, as against the € 52.5 million recorded one year earlier. 838 apartments were delivered (compared with 562 units in the first three months of 2002/2003), including 174 new apartments (Isola 2000) and 664 refurbished apartments (Cannes Beach, Lacanau, Maubuisson, Trouville, etc...).

Sale and lease-back of Eemhof site

On October 30th 2003, the Pierre & Vacances Group sold the lands and buildings of the Eemhof village in the Netherlands to an external consortium led by the non-Group Dutch company, Zeeland Investments Beheer, for € 90 million (€ 81 million net of fees and tax). At September 30th 2003, the net book value of these assets amounted to € 80.3 million, financed by a bridging loan in the amount of € 71.0 million pending their future resale. The sale of the freehold was accompanied by a 15-year leasing agreement relative to this site, renewable by the lessee for a further 10 years. Société d'Investissement Touristique et Immobilière (a company indirectly held by the Chairman and Chief Executive Officer, founder and indirect majority shareholder of Pierre & Vacances SA) has a purchase option enabling it to acquire the lands and buildings of the Eemhof site when the lease expires in October 2018, for € 70 million. The annual rent provided for in the contract amounts to € 7.65 million. This amount will be revised at a fixed rate of 2.9%. If the initial lease is renewed on expiry the new annual rent will be calculated on the basis of the most recent annual rent payable. Pierre & Vacances guaranteed the payment of the rent due by its operating subsidiary to Zeeland Investments Beheer.

Acquisition by Center Parcs Continental Europe of "Nordsee Tropen Parc" holiday village in Tossens in Germany

In December 2003, Center Parcs Continental Europe acquired the "Nordsee Tropen Parc" village in Germany – in Tossens on the shores of the North Sea near Bremerhaven – from the company Eurohypo AG (Frankfurt) for € 8.6 million.

This holiday village comprises 345 cottages, a 76-room hotel and sports and leisure facilities including a tropical swimming pool, restaurants, bars and conference rooms.

Upon completion of the refurbishment works, the village will be marketed under the "SeaSpirit from Center Parcs" brand.

Building of a third Center Parcs Continental Europe village in France

In line with its development in France, the Pierre & Vacances Group signed an agreement with the Aisne departmental authorities on November 27th 2003 concerning the construction of a third Center Parcs village. The village, located 120 kilometres northeast of Paris, will be built on a site covering some 70 hectares and will include 700 cottages, a tropical swimming complex, restaurants, bars, boutiques and sports facilities, for a total investment of € 155 million. The Domaine de l'Ailette site is scheduled to open in the summer of 2007.

A POSITIVE OUTLOOK FOR THE 2003/2004 FINANCIAL YEAR

The market

The European tourist residence market is likely to continue to expand in 2003/2004, as demand growth is expected to exceed supply growth, particularly in France. Tourist residences meet the needs of an increasing proportion of the population, who are now taking more and more holidays each year.

CREDOC (French living standards research centre) carried out a survey on this subject for the French Tourist Office (Strategy Department) in June 2002. This survey showed that the 35-hour work week, in practice, had a weaker impact than expected, with 31% of the population planning to take more time for holiday travel but only 16% actually doing so. Management staff take advantage of the implementation of the 35-hour work week more than other socio-economic groups to take weekend trips or extend their holidays. Furthermore, people now seem to combine different styles of holidays, i.e. long and short breaks, rather than choosing one style over the other.

At the same time, other structural developments have helped reduce the seasonal nature of holidays. The ageing of the population has brought about steadier demand between April and September given the advantages of travelling outside school holiday periods. This population segment is set to grow over the next few years. At present, 15% of the French population is over age 65, and this figure will rise to 17% by 2010. Moreover, their purchasing power is relatively high. The higher number of management employees in the working population is another positive factor: given their responsibilities in their companies, this category of the French population takes fewer days' leave on average and enjoys higher purchasing power than the rest of the working population. Their holidays are also more fragmented and less seasonal.

With the target population including all other socio-economic categories, and in what could remain a tough economic environment in 2004, the flexible formula of the tourist residence with à la carte services for which customers only pay for what they use also meets the need for less expensive holidays.

The concentration of sites managed by the Group in Europe (France, Northern Europe, Italy), together with the geographical spread of the customer base, means that the vast majority of its customers can travel to their holiday destination by car. This limits the Pierre & Vacances Group's exposure to the risks linked to terrorism or air travel problems.

The Group's targets

For the 2003/2004 financial year, the Pierre & Vacances Group's main targets focus on the following three themes:
- improving the Group's operating performances;
- benefiting from the opportunities arising from the full acquisition of Center Parcs Continental Europe;
- pursuing its organic growth in France, backed by new tax incentives, and in Southern Europe.

The Group's operating performances should improve on the back of a sales policy focused on developing direct sales (implementation of a CRM tool and a new website), promotions and short-stay holidays. It is also based on a local marketing strategy via onsite and in-store sales in France.

Moreover, the Group is developing a network of partnerships with tour operators to raise its profile, particularly at an international level.

The 2003/2004 sales strategy is based on:

- maximising average letting rates in the high season by increasing prices and cutting discounts offered to works councils and groups;
- boosting occupancy rates in the early and late seasons by reducing prices for works councils and groups, promoting short-stay holidays, etc.

In addition to these initiatives, the Group is pursuing its cost-cutting strategy at the commercial level (renegotiating distributors' terms), in site management (optimising purchases of energy, linen, housekeeping, maintenance and catering) and at its head office (controlling expenditure on communication and marketing).

The full acquisition of Center Parcs Continental Europe should enable the Group to benefit from new opportunities:

- through the development of additional synergies in terms of both revenues, by optimising the sales structure (pooling of customer files, plans to create a common sales tool for the Netherlands, Germany and Belgium), and costs (common purchasing policy, operational exchange between teams, extension of Pierre & Vacances' renovation expertise);

- through the opening of new Center Parcs Continental Europe villages or the extension of existing villages, applying Pierre & Vacances' expertise in property development and finance: three projects have already been launched with the expansion of the Bois Francs village in Normandy (200 additional cottages) and the construction of two new villages comprising 700 cottages in Picardy and Lorraine.

The Group has also taken over the management of a new village in Germany.

The Group will pursue its growth strategy:

- in France, with sustained property development activity for both new programmes (delivery scheduled for Isola 2000, Port Bourgenay, Biscarrosse, Saint-Jean Pied de Port, Montflanquin, Jonzac and Loches) and renovated properties.
  New tax incentives announced in the 2004 finance act (increased tax benefits on new properties, tax credits for investment in renovated properties) should encourage this development;
- in southern Europe, with the takeover of the management of existing residences in addition to the property developments in Spain (Tarragona) and Italy (Cefalu, Milan, Tuscany).

With the implementation of this strategy in 2003/2004, the Group should meet its target of net income before extraordinary items of € 50 million, which represents an increase of 25% on 2002/2003.

PERSONAL NOTES

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated profit and loss account

IN THOUSANDS OF EUROS	NOTE	2002/2003	2001/2002	2000/2001
Turnover	20	881,534	794,686	604,915
Other operating revenues	21	48,582	44,047	42,476
Assets produced and held as stock	-	74,103	9,241	-33,319
Total revenues from operating activities		**1,004,219**	**847,974**	**614,072**
Purchases	22	-150,239	-69,267	-48,292
Personnel expenses	28	-199,187	-202,821	-124,579
Other purchases and external charges	22	-499,816	-437,522	-332,788
Taxes other than corporate income tax	-	-16,194	-15,988	-10,289
Depreciation, amortisation and provisions	-	-56,332	-49,184	-46,800
Total operating expenses		**-921,768**	**-774,782**	**-562,748**
OPERATING INCOME		**82,451**	**73,192**	**51,324**
Net results from joint operations	-	18	8	-1
Financial income	23	-13,494	-15,395	-6,467
EARNINGS BEFORE TAX AND EXTRAORDINARY ITEMS OF CONSOLIDATED COMPANIES	**24**	**68,975**	**57,805**	**44,856**
Extraordinary items	25	-7,074	5,534	5,645
Corporate income tax	26	-8,748	-18,686	-16,759
NET INCOME OF CONSOLIDATED COMPANIES		**53,153**	**44,653**	**33,742**
Share in results of companies accounted for by the equity method	-	-126	138	-45
Amortisation of goodwill	-	-5,052	-6,286	-2,361
CONSOLIDATED NET INCOME		**47,975**	**38,505**	**31,336**
Minority interests	-	-646	-689	-386
NET ATTRIBUTABLE INCOME		**47,329**	**37,816**	**30,950**
Earnings per share (in euros)	27	5.56	4.67	4.05
Diluted earnings per share (in euros)	27	5.41	4.52	3.92

Consolidated balance sheet

ASSETS-IN THOUSANDS OF EUROS	NOTE	30/09/03	30/09/02	30/09/01
Goodwill	4	226,622	96,661	100,785
Intangible fixed assets	5	24,282	28,008	21,954
Tangible fixed assets	6	237,138	334,255	367,330
Long-term investments	7/8	46,995	52,363	49,146
Investments in companies accounted for by the equity method	9	974	1,100	1,030
FIXED ASSETS		**536,011**	**512,387**	**540,245**
Inventories and work in progress	10/11	166,725	106,296	37,671
Downpayments to suppliers	-	3,353	9,841	11,252
Trade receivables and related accounts	11/12	148,604	118,502	98,817
Other receivables, prepayments and deferred charges	11/13	377,473	134,660	139,189
Short-term liquid investments	14/18	27,740	74,663	49,759
Cash	18	79,336	53,047	87,597
CURRENT ASSETS		**803,231**	**497,009**	**424,285**
TOTAL ASSETS		**1,339,242**	**1,009,396**	**964,530**

LIABILITIES-IN THOUSANDS OF EUROS	NOTE	30/09/03	30/09/02	30/09/01
Share capital		34,179	34,005	23,329
Additional paid-in capital		68,171	67,681	22,443
Reserves		109,211	80,781	56,717
Net attributable income		47,329	37,816	30,950
SHAREHOLDERS' EQUITY	**15**	**258,890**	**220,283**	**133,439**
MINORITY INTERESTS	**16**	**649**	**691**	**390**
PROVISIONS FOR CONTINGENCIES AND CHARGES	**17**	**106,362**	**82,136**	**84,962**
Bank borrowings	11/18	404,199	271,968	351,152
Other borrowings	18	1,043	33,714	44,081
Downpayments from clients	-	49,640	31,867	33,815
Trade payables and related accounts	-	218,377	161,218	158,530
Other liabilities and deferred income	11/19	300,082	207,519	158,161
LIABILITIES		**973,341**	**706,286**	**745,739**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,339,242**	**1,009,396**	**964,530**

Consolidated cash flow statement

IN THOUSANDS OF EUROS

OPERATIONS	2002/2003	2001/2002	2000/2001
Net attributable income	**47,329**	**37 816**	**30 950**
Elimination of income and expenses with no impact on cash or unrelated to activity			
• Depreciation, amortisation and provisions	40,094	15,902	18,881
• Other income and expenses	12,387	-5,174	-1,876
• Capital gains or losses on disposals	-24,348	1,403	-4,058
• Change in deferred taxes	13,664	9,547	11,891
• Minority interests	646	689	386
• Share in results of companies accounted for by the equity method	126	-138	45
Cash flow (I)	**89,898**	**60,045**	**56,219**
Change in working capital requirement (II)	**-19,801**	**26,825**	**16,350**
NET CASH FLOW FROM OPERATING ACTIVITIES (I) + (II)	**70,097**	**86,870**	**72,569**
INVESTMENTS			
• Disbursements on purchases of intangible and tangible assets	-66,556	-45,734	-36,917
• Receipts on disposals of intangible and tangible assets	11,985	52,334	77,662
• Disbursements on long-term investments	-8,736	-6,727	-36,957
• Receipts on disposals of long-term investments	12,717	3,767	25,490
• Net cash allocated to the acquisition and disposal of subsidiaries	-233,560	-7,771	-356,946
NET CASH FLOW FROM INVESTING ACTIVITIES (III)	**-284,150**	**-4,131**	**-327,668**
FINANCING			
• Capital increase in cash	664	55,914	-
• Dividends paid to parent company' shareholders	-9,386	-6,886	-5,354
• Dividends paid to minority shareholders in subsidiaries	-687	-387	-428
• Receipts from bank loans	342,797	22,245	338,698
• Repayment on bank loans	-103,147	-158,192	-43,845
• Change in other borrowings	-30,921	-12,611	42,906
NET CASH FLOW FROM FINANCING ACTIVITIES (IV)	**199,320**	**-99,917**	**331,977**
CHANGE IN CASH AND CASH EQUIVALENTS (V = I + II + III + IV)	**-14,733**	**-17,178**	**76,878**
Cash and cash equivalents at beginning of year (VI)	**114,877**	**132,055**	**55,177**
Cash and cash equivalents at end of year (VII = V + VI)	**100,144**	**114,877**	**132,055**

The working capital requirement came out at € -19.8 million, mainly due to the change in properties held by the company for renovation (representing € 65.7 million). This primarily reflects the acquisition in mid-March of nine residences (Maubuisson, Leucate, Lacanau, Moliets, La Rochelle, Perros-Guirec, Trouville, Le Touquet, Pyrénées 2000) managed by the Tourisme France division (amount of investment after recognising renovation work completed at September 30th 2003: € 29.7 million) and a 32-storey tower in the Front de Seine area of Paris (€ 32.6 million). These property assets will be resold to private investors after renovation.

Excluding the impact of the launch of the renovation business, the change in working capital requirement generated a cash surplus of € 45.9 million.

The net cash allocated to the acquisition and sale of subsidiaries mainly concerns:
- the purchase of MidOcean's stake in Center Parcs Continental Europe, making the Pierre & Vacances Group the company's sole shareholder. This investment amounted to € 220.6 million (including € 188.2 million paid to MidOcean for its shares, € 12.1 million paid to the mezzanine fund and € 19.2 million to the management);
- the acquisition of the management activity of 11 tourist residences under the Résidences MGM brand (€ 13.5 million in net cash was allocated to this transaction).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Highlights

The highlights of the year form an integral part of the notes to the consolidated financial statements. However, as they have already been covered in the Group's management report, they are not included in notes to the consolidated financial statements presented in this document.

NOTE 2 Accounting principles

CONSOLIDATION METHODS AND PRINCIPLES

The consolidated accounts are drawn up in accordance with the rules as defined in Recommendation No. 98-01 of December 17th 1998 of the French National Accounting Board, adopted in Regulation No. 99-02 of April 29th 1999 of the French Accounting Regulation Committee, and approved by the interdepartmental order of June 22nd 1999.

Wherever applicable, the Pierre & Vacances Group uses all the preferential methods set out in Recommendation No. 98-01, with the exception of the progress method for booking property development transactions (see page 63 – Recognition of earnings from property development business).

Since October 1st 2002, the Pierre & Vacances Group has applied the new provisions of Recommendation No. 00-01 dated April 20th 2000 of the French National Accounting Board relating to the recognition of liabilities, adopted in Regulation No. 00-06 dated December 7th 2000 of the French Accounting Regulation Committee. The application of these provisions had no impact on the opening balance of shareholders' equity.

Consolidation methods

In accordance with article L.357-4 of the law governing commercial companies, some investments were not included in the consolidation scope as they are considered insignificant in terms of their impact on turnover, net income, shareholders' equity or total assets.

Companies over which Pierre & Vacances Group exercises exclusive or joint control or significant influence but which are excluded from the consolidation scope because their impact on income is non-material represent less than 5% of the following consolidated items: turnover, net income, financial debt, shareholders' equity and total assets.

Moreover, companies over which the Group exercises control or significant influence are excluded from the consolidation scope when, from the outset, the company' shares are held solely with a view to resale at a later date.

The list of non-consolidated holdings is indicated in note 8 – Shares in non-consolidated companies.

In the particular case of shares purchased under the Group's acquisition strategy in property companies (sociétés civiles immobilières) that hold property assets to be sold in the short term, these shares are not consolidated and are booked as "stocks". On September 30th 2003, no such shares were booked in this manner.

The following consolidation methods are used as follows:
- all significant companies controlled directly or indirectly by the Group and in a durable way are fully consolidated;
- all companies operated in partnership with a limited number of other shareholders are consolidated via the proportionate consolidation method;
- all companies over which the Group exercises a significant influence without actually controlling the same are consolidated using the equity method.

Given their legal form, companies in ownership which are managed by the Group and which have separate accounting records are consolidated as follows:
- using the full consolidation method, when the Group's percentage interest is more than 40% and no other partner has an interest greater than that held by the Group;
- using the proportionate consolidation method, when the Group's percentage interest is more than 20 % and no other partner has an interest equal to or greater than that held by the Group.

Closing of the financial year

With the exception of the owned companies, which close their accounts on October 31st, all companies are consolidated each year on the basis of the annual financial statements closed on September 30th or a date close to the same. The one-month time difference observed by these companies has no significant bearing on the results.

In view of the Group's internal structure at the time, the accounts of Center Parcs Continental Europe, which were consolidated on September 30th 2002, were closed on October 3rd 2002. Exceptionally, Maeva Group's activity of September 2001 was consolidated in the 2001/2002 financial year. As the acquisition date of the Maeva Group (September 4th 2001) was very close to the year-end closing of the Pierre & Vacances Group accounts, only the opening balance sheet at August 31st 2001 was booked at September 30th 2001.

Foreign currency translation

The financial statements of foreign subsidiaries reporting in local currencies are translated as follows:
- assets and liabilities are translated at the exchange rate prevailing at closing of the financial year;
- the profit and loss account is translated at the average exchange rate over the financial year;
- translation differences arising from the use of these different rates are booked directly under shareholders' equity.

Pierre & Vacances Group has no subsidiaries in countries outside of the euro-zone. Translation differences relating to subsidiaries in euro-zone countries have been set on the basis of the official exchange rates decided on December 31st 1998. The adjustments therein are insignificant.

Acquisition or disposal of shares in consolidated companies

• Effective date of acquisitions or disposals
The results of companies consolidated for the first time during the financial year are only attributed to the Group for the amount generated after the companies enter the consolidation scope. This usually corresponds to the date on which the shares are bought, except when the acquisition contract provides for the transfer of control on a different date.

The results of companies sold during the financial year are only consolidated for the amount generated before the disposal date.

• Acquisition cost of shares
The acquisition cost of shares is equal to the fair value of the assets transferred by the buyer, plus all costs that relate directly to the acquisition, net of tax. When the acquisition contract stipulates an adjustment of the acquisition price, the amount of the adjustment is included in the acquisition cost.

• Goodwill and identified assets and liabilities
The difference between the acquisition cost of the shares and the buyer's share of the fair value of assets and liabilities identified on the acquisition date corresponds to goodwill.

If, in the end of the first financial year after the acquired company enters the consolidation scope, new information results in a different assessment of the fair value of assets and liabilities booked upon their inclusion in the consolidated balance sheet, the fair value recognised in the financial statements must be adjusted accordingly. The gross value and cumulative goodwill amortisation expense are then automatically altered.

When a company enters the Group’s consolidation scope, assets and liabilities that may be valued separately are recorded in the consolidated balance sheet at their fair value according to the use that the Group intends to make of them. Assets intended to be sold on are valued at their market value on the acquisition date. Assets intended for use are valued at their useful value.

The amount determined by the valuation of identified assets is their new gross value. This acts as a basis for subsequently calculating capital gains or losses in the event of disposal, as well as for computing depreciation, amortisation and provisions.

Goodwill:
- If positive, goodwill is booked as a fixed asset and is amortised using a previously defined plan and over a set period of time, which is determined in accordance with the projections used at the time of acquisition.
  The maximum is 20 years. If the objectives set at the time of acquisition are altered substantially, a provision for depreciation is booked in addition to the actual amortisation.
- If negative, goodwill is booked as a liability under provisions for contingencies and charges. If it corresponds to projected future losses, a write-back is gradually booked in the profit and loss account at a pre-determined rate.
  In the event that it does not correspond to identified risks, the total negative goodwill is written back to the profit and loss account in the year of acquisition.

If the valuation of identified assets or liabilities results in a negative goodwill, the booked difference is limited accordingly.

Intercompany transactions

Significant intercompany transactions are eliminated both on the balance sheet and in the profit and loss account.

Adjustments and elimination of intercompany incomes

Margin on fees:
Pierre & Vacances Conseil Immobilier invoices the companies in charge of property development programmes for its sales fees, representing 13% of revenues, inclusive of VAT, of which half is invoiced on reservation of the property and the balance on signing of the deed of the sale. These fees are recorded as prepayments by the development company until completion of the work.

Pierre & Vacances Développement invoices the companies inchange property development programmes for its project management costs representing some 5% of revenues for new programmes and 3% for renovation projects, inclusive of VAT. The invoicing schedule matches the key administrative and construction phases of the contract. These fees are recorded as stock by the development company until completion of the work.

Pierre & Vacances Tourisme Rénovation invoices the property development structures for renovation work.

Margins on intercompany service fees (sales, project management and renovation fees) are eliminated on the basis of the actual margin generated in the year of billing. These margins are registered to the profit and loss account on delivery of the programmes and proportionally to the part of the programmes effectively sold.

Margins on interest expenses:

At the closing of each financial year, any intercompany margin on interest expenses booked as stock, arising from current account advances made by Group companies to the property development companies, is restated. At September 30th 2003, there was no intercompany margin on interest expenses booked as stock requiring restatement.

ACCOUNTING PRINCIPLES AND VALUATION METHODS

Tangible and intangible fixed assets

Intangible and tangible fixed assets are booked on the balance sheet at their acquisition cost, or in the case of assets owned by companies that were taken over, at their useful value on the date of acquisition by the Group.

Intangible fixed assets notably include the Pierre & Vacances and Maeva brands, which are not amortised. Their valuation is reviewed annually and a depreciation expense is booked if the original assessment criteria lead to a lower valuation when applied to figures for the financial year.

The amortisation of tangible and intangible assets that are subject to amortisation is calculated using the straight line method over the expected useful life of the asset concerned, as follows:

Goodwill	10 - 20 years
Other intangible assets	4 - 5 years
Buildings	17 - 33 years
General fixtures and fittings	3 - 10 years
Furniture	3 - 11 years
Other tangible assets	4 - 5 years

The amortisation expense charged against the purchased goodwill of the project management business acquired under the Group's previous legal and operational reorganisation is recorded in the profit and loss account under "Goodwill amortisation".

Tangible and intangible fixed assets are depreciated when, as a result of events or circumstances over the financial year, their economic value is persistently lower than their net book value.

When the Group rents an asset under a lease finance agreement with terms similar to an acquisition or hire-purchase agreement, the cash value of the asset at the time the agreement is signed is recognised as a fixed asset, and the corresponding debt is booked as a liability.

Long-term investments

Investments are booked at acquisition cost (including, where appropriate, fees directly relating to the transaction) or, in the case of assets owned by companies that were taken over, at their useful value on the date of acquisition by the Group.

A provision for depreciation is booked if the investment value booked in individual accounts is greater than the fair value determined at closing of the accounts by taking into account the Group' share of shareholders' equity, the expected return or where appropriate, stock market prices.

Inventories and work in progress

All direct costs relating to property development programmes in progress are booked as inventory until completion of the programme, with the exception of marketing costs, which are recorded as prepayments until completion.

Interest expenses attributable to property development projects are included in stock until completion, net of any interest income where applicable.

On completion of the programme, costs incurred but not yet invoiced are accrued and booked as stock. Stock decrease is accounted for in proportion to the sale and delivery of every thousandth of a co-ownership unit in the property.

At closing of the financial year, inventories are valued at the lowest of either their initial cost or their likely net realisable value. If the net realisable value of stock (selling price, net of selling costs) is less than the book value, a provision for depreciation is booked in the amount of the difference.

Trade receivables

A provision for doubtful loans is booked when a debtor presents a solvency risk, or when the recovery of the debt is doubtful due to abnormal delays in payment. Provisions are based on an individual or statistical assessment of this risk of credit loss.

The "Propriété Pierre & Vacances" sales scheme proposed to the purchasers of properties developed and marketed by the Pierre & Vacances Group mean that these purchasers do not have to pay out the full acquisition costs of the assets. Receivables linked to prepaid rental commitments receive interest. Payments are made each year using the rental payments from the tourist operating companies with the authorisation of the owners. They are booked under "trade receivables and related accounts" before completion of the programme. They are subsequently transferred to "other receivables" before being securitised where applicable.

Securitisation

Pierre & Vacances periodically securitises receivables arising from sales made under the "Propriété Pierre & Vacances" scheme. These refinancing transactions involve transferring the receivables to a banking-intercompany partnership (GIE), in return for payment of the securitisation proceeds. Pierre & Vacances Group does not hold any stake in the capital of the banking GIE. Legally, the transaction take the form of a contractual subrogation, whereby the GIE takes over the rights, actions and privileges previously incumbent on Pierre & Vacances. The Group therefore removes these receivables from its balance sheet. The total amount of securitised receivables is detailed under off-balance-sheet commitments.

Such a securitisation transaction can generate a net gain from the difference between the interest rate on the receivables and the refinancing rate obtained from the economic interest grouping. Previously, this gain was recognised in the year in which the securitisation took place. For transactions set up since October 1st 1998, the gain is amortised over the life of the securitisation transaction.

Only those receivables relating to the assets acquired by the Pierre & Vacances Group under the acquisition of Résidences MGM and securitised on September 17th 2003 have been retained in the balance sheet, owing to the particular guarantees granted by the Pierre & Vacances Group to the banking syndicate to which the receivables were transferred.

Short-term investments

Short-term liquid investments are booked at their acquisition cost. A provision is booked where necessary, calculated for each line of securities of the same type using the average stock market price over the previous month for listed securities or the likely sale value for other securities.

Cash

Cash and cash equivalents comprise immediately available cash and short-term investments generally with a maturity of three months or less from the acquisition date, and which are valued at the historical cost closest to their realisable value.

Provisions for support fund

The “Propriété Financière Pierre & Vacances” and “Propriété Pierre & Vacances” schemes include an undertaking by the operator to pay the owners an annual rent proportional to the sale price of the property. In order to compensate for rental commitments that may be greater than values effectively seen on the market, as well as to provide support until the site becomes fully operational, a support fund is made available by the property development company to the site operator. The support fund is booked under provisions for contingencies and charges, and guarantees the operator an earnings capacity that corresponds to market conditions prevailing at the location of the new residence.

Provisions for refurbishment

The Group’s tourist management companies books provisions for refurbishment costs in order to take account of its contractual commitments and maintenance policy. These provisions are intended to cover residual refurbishment costs borne by the Group as the assets concerned are exposed to wear and tear. They are calculated on the basis of historical cost and budget projections.

Provisions for retirement commitments and related benefits

The Pierre & Vacances Group complies with employee pension legislation, regulations and customs in each of the countries in which it operates.

Group companies pay salary-based contributions to the appropriate bodies. Consequently, they carry no actuarial liability for these retirement plans. For these fixed contribution schemes, payments made by the Group are recorded in the profit and loss account as charges for the period to which they relate.

Certain entities within the Group have an internal pension scheme for employees. The corresponding actuarial liability is provisioned for in the consolidated financial statements. The same applies in France for Group commitments to employees for end-of-service lump sum payments.

For these fixed contribution schemes, costs are estimated using a retrospective method based on end-of-service salaries. Under this method, the cost of commitments is directly booked in the profit and loss account in such a way as to spread it evenly over the period of employment. The amount of the provision corresponds to the present value of estimated future payments taking into account length of service, life expectancy, staff turnover rates and valuation and discounting assumptions. The difference resulting from changes in actuarial assumptions is spread out over the average remaining working life of employees.

Financial instruments

The Pierre & Vacances Group manages market risk related to interest rate fluctuations by using financial derivatives such as interest rate swaps, caps and floors. The Group's policy is to reduce its exposure to interest rate fluctuations.

These risks are managed centrally, thus allowing a global hedging policy to be defined. Positions are negotiated over-the-counter with leading banking counterparties.

Income and expenses pertaining to the use of these hedging instruments are booked in the profit and loss account at the same time as income and expenses generated by the hedged transactions are recognised. Interest payable or receivable as a result of these swaps, caps and floors, together with premiums and outstanding payments related to said transactions, are recorded in the profit and loss account over the life of the contracts under interest expenses.

All outstanding transactions at the close of the financial year are recorded as off-balance sheet commitments and are not offset (see note 29).

Turnover

Consolidated turnover comprises:

- **For the tourism sector:** revenues from holidays taken during the period excluding VAT and related income generated under lease agreements. For residences run under management agreements, only management fees invoiced to the client are booked as turnover.

- **For the property development business:**
  - property sales corresponding to apartments and holiday homes that have been completed over the course of the financial year and for which the deed of sale has been signed;
  - project management fees billed in the form of progress payments to property development programmes run by non-Group entities;
  - sales fees billed to non-Group companies. For property sold off-plan for delivery on completion, half of these fees are invoiced when the client makes the reservation, and the other half when the deed of sale is signed in the presence of a notary. For property already delivered, the total fees are billed when the deed of sale is signed.

Recognition of earnings from property development business

Earnings from the property development business are booked in the profit and loss account when the building is completed and after signing of the deed of sale. Given the gradual reduction in the contribution of the property development business to consolidated earnings before tax and extraordinary items and the relatively short programme delivery cycle, the impact on the profit and loss account of the use of the completion method rather than the progress method isn't very significant. In the case of major programmes comprising several stages but only one work completion certificate, property earnings are booked on delivery of each stage in order to limit time lags in recognising the margin in the profit and loss account.

For each outstanding programme that has not been delivered, when a loss is anticipated on completion, a provision for losses on completion is immediately booked under provisions for contingencies and charges, taking into account the most likely outcome.

Before completion, deeds of sale signed in the presence of notaries are booked as prepayments.

Employee profit sharing

Under a Group-wide profit-sharing agreement for majority-controlled French entities, the Group's special profit-sharing reserve (equal to the total of the special profit-sharing reserves calculated at the level of each individual company) is shared between all staff who have been employed for at least three months by a French entity in which Pierre & Vacances SA holds a majority stake.

An employee share ownership plan was established to coincide with the profit-sharing payment for the year ended September 30th 1998. Under this plan, voluntary employee contributions accompanied by a contribution from the company were used to subscribe for Pierre & Vacances shares in connection with the initial public offering and the capital increase of March 20th 2002.

In accordance with rules governing the presentation of the profit and loss account, the employee profit-sharing expense is classified under "Personnel expenses".

Corporate income tax

Corporate income tax includes both current taxes and deferred taxes resulting from timing differences and consolidation adjustments, where justified by the tax position of the Group's companies.

Timing differences registered at the end of each financial year between the book value of assets and liabilities and the values attributed to them for the purposes of calculating taxable income, generate deferred tax calculated using the liability method. Deferred tax assets and liabilities are booked for all timing differences, using the tax rates that will be in force on the probable date of recovery or settlement of the differences in question, if these rates are known, or using the tax rates applicable at closing of the accounts.

Deferred tax income from tax deficits is only booked when there is a high probability that it will be used in the future.

Deferred tax assets and liabilities relating to the same tax entity are offset, regardless of their maturity date.

Earnings per share

Earnings per share are calculated by dividing net attributable income by the weighted average number of outstanding shares over the financial year.

To calculate diluted earnings per share, net attributable income for the financial year and the weighted average number of shares are adjusted to take account of the maximum impact of the conversion of dilutive instruments into ordinary shares. The impact of any possible future share issue resulting from the conversion of instruments including those that give deferred access to the share capital of the parent company is therefore factored into the calculation of earnings per share (for example, share warrants or convertible bonds).

The negative impact linked to the existence of instruments with an equity component is calculated by taking into account all dilutive instruments issued, whatever their maturity and regardless of the probability of conversion to ordinary shares, excluding accretive instruments.

If significant exceptional items are booked over the financial year, information on net income before extraordinary items per share (including net income from companies accounted for by the equity method, recurrent amortisation of goodwill, corporate income tax on operating results and minority interests) and diluted net income before extraordinary items per share is given in the Note 27 - Earnings per share.

NOTE 3 Consolidation scope

MAIN CHANGES TO THE CONSOLIDATION SCOPE

Entries in the consolidation scope:

Acquisitions made in 2002/2003 include:

- The acquisition on December 13th 2002 of two companies which owned the freehold of a tourist residence operated by Pierre & Vacances Group near Toulouse. Hôtel du Golf de Toulouse Seilh SA owned a golf course, the buildings of a tourist residence comprising 56 apartments and a 116-room hotel that the Pierre and Vacances Group operated under the Maeva brand, via Latitudes Toulouse SNC. During 2002/2003, Hôtel du Golf de Toulouse SA was merged into Latitudes Toulouse SNC. Golf International de Toulouse Seilh SA (SAGITS) owned the installations of the golf course. Both wholly-owed owned companies are fully consolidated. As the acquisition date of these entities was very close to the closing of their annual financial statements on December 31st, and given the immaterial nature of their activity over this period, they were integrated within the consolidated financial statements as of January 1st 2003. The acquisition cost of the shares was € 1 for each company and the badwill on the acquisition was offset against the assets acquired.
- The purchase on February 10th 2003 of all of the capital of Résidences MGM. This acquisition concerned 939 apartments located in 10 mountain resorts and one seaside resort. Given the immaterial nature of Résidences MGM's activity between January 1st 2003 and February 10th 2003 (less than 0.5% of consolidated turnover), its accounts are effectively integrated as of January 1st 2003. The acquisition cost totalled € 16,863 thousand and goodwill amounted to € 9,527 thousand, amortised over 20 years. The integration of the management of the MGM residences within the French Tourism division included:

• the partial merger of Résidences MGM into Pierre & Vacances Maeva France concerning the operating activity of the 11 MGM residences;

• and the merger of Résidences MGM's travel agency business with Pierre & Vacances Maeva Distribution.

- The acquisition on March 13th 2003 of Les Minimes SCI and Les Terrasses de Saint-Tropez SCI by Pierre & Vacances SA as part of its buyback of tourist residences from institutional investors (MACIF/GMF). As the acquisition date of these entities was very close to the closing of the quarterly accounts on December 31st 2002, and given the immaterial nature of their activity over this period (zero contribution to consolidated turnover), they were fully integrated into the consolidated financial statements as of January 1st 2003. The acquisition cost amounted to € 153 for each company and the negative goodwill on the acquisition totalled € 754 thousand for Les Minimes SCI and € 238 thousand for Les Terrasses de Saint Tropez SCI. As neither of these negative goodwill items could be offset against future losses, they were written back under income over the year.
- The acquisition on July 2nd 2003 by Pont-Royal SA of the 50% stake in SETI that was not held by the Group, increasing the Group's holding in this company to 100%. The change from proportionate consolidation to full consolidation took effect on July 1st 2003. The acquisition cost amounted to € 1,200 thousand, generating goodwill of € 531 thousand, which is amortised over 20 years.
- The acquisition on August 1st 2003 of 100% of Palais Joséphine SNC, which runs the Beausoleil residence near Monaco and whose tourist activities were already managed by Pierre & Vacances Group under a management mandate. As the acquisition date was very close to the closing of the quarterly accounts in June 2003, and given the insignificant nature of its activity over this period (less than 0.1% of consolidated turnover), this entity was fully consolidated as of July 1st 2003. The acquisition cost totalled € 1,200 thousand, generating negative goodwill of € 422 thousand. As this badwill could not be attributed to a specific loss item, it was written back against income for the year.
- The acquisition on September 17th 2003 of the capital of Société d'Investissement de Cap Estérel SNC (SICE), the entity that owns the golf course and land in Cap Estérel, from Société d'Investissement Touristique & Immobilier, a shareholder in Pierre & Vacances SA. As the acquisition date was very close to the year-end closing of the accounts, and given the insignificant nature of its activity over the period (zero contribution to consolidated turnover), the full consolidation of this entity is not effective until September 30th 2003. The acquisition cost of the shares was € 1 and no goodwill expense was booked.

As these acquisitions had no material impact on the Group's consolidated accounts, no comparative pro forma data was produced for them. The impact of these acquisitions on the main accounts of Pierre & Vacances Group's financial statements for 2002/2003 breaks down as follows:

IN THOUSANDS OF EUROS	TURNOVER 2002/2003	OPERATING INCOME 2002/2003	NET ATTRIBUTABLE INCOME 2002/2003	NET INVENTORIES 30/09/03	NET FINANCIAL DEBT 30/09/03	TOTAL BALANCE SHEET ITEMS 30/09/03
Résidences MGM SAS	12,950	-	-	-	-375(*)	2,862(*)
Hôtel du Golf de Toulouse SA	101	84	-60	5,920 (*)	3,721(*)	7,753(*)
S.A.G.I.T.S. SA	-	-83	-83	-	-40	2,645
Les Terrasses de Saint Tropez SCI	-	-60	-336	-	1,528	2,422
La Résidence Les Minimes SCI	2,200	103	995	-	-1,297	1,334
Palais Joséphine SNC	789	212	634	8	-1,382	2,118
S.I.C.E. SNC	-	-	-	-	3	723
S.E.T.I. SA (50% stake)	180	5	-10	2	738	1,785
TOTAL	**16,220**	**261**	**1,140**	**5,930**	**2,896**	**21,642**
As a percentage of Groups' data (%)	1.84%	0.32%	2.41%	3.56%	0.97%	1.62%

(*) Following the restructuring carried out in 2002/2003, these two entities were merged into Group companies after part of their activity was transferred to other consolidated structures. It is therefore no longer possible to present their contribution to the consolidated balance sheet at September 30th 2003. As such, the impact of their initial consolidation is shown.

- The purchase on September 26th 2003 of MidOcean's stake in Center Parcs Continental Europe, bringing Pierre & Vacances Group's holding to 100%. Prior to this acquisition, Center Parcs Continental Europe sold under a sale and lease back the freehold (lands and buildings) of seven sites. As the acquisition date was very close to the year-end closing of the accounts, and given the insignificant nature of its activity over the period (less than 0.5% of consolidated turnover), the switch from proportionate to full consolidation is only effective as of September 30th 2003. As such, only 50% of the Center Parcs Continental Europe sub-group's activity was consolidated in the Pierre & Vacances Group's financial statements for 2002/2003, as in the previous year. However, the balance sheet of the Center Parcs Continental Europe sub-group was fully integrated into Pierre & Vacances Group's consolidated balance sheet as at September 30th 2003 (compared with only 50% on September 30th 2002). The acquisition cost of the shares including the non-Group share in the purchase of the stakes in Center Parcs Continental Europe held by mezzanine funds and its management team totalled € 203,775 thousand. The total goodwill generated on this transaction was € 125,859 thousand, amortised over 20 years.

Sixteen new companies were created and consolidated during 2002/2003 in the Group's property development business in connection with the launch of new construction and renovation programmes: Avoriaz Loisirs, Cannes Beach Loisirs, Château d'Olonne Loisirs, Lacanau Tourisme Développement, Le Touquet Loisirs, Mandelieu Maure Vieille Loisirs, Maubuisson Loisirs, Perros-Guirec Loisirs, Ploemel Loisirs, Port en Bessin Loisirs, Pyrénées Loisirs, Saint Quay Portrieux Loisirs, Trouville Loisirs, Uhart Cize Loisirs, Valloire Loisirs and Vars Loisirs.

In the property marketing business, on April 8th 2003 Pierre & Vacances Group created Pierre & Vacances Inversion Inmobiliaria SL, a subsidiary of Pierre & Vacances Conseil Immobilier SA (wholly owned by Pierre & Vacances Conseil Immobilier), which is located in Madrid, Spain. This entity carries out all marketing activities for the Pierre & Vacances residences currently being built in the location.

Items withdrawn from the consolidation scope:

In application of the agreements signed with the French Competition and Consumer Protection Agency (DGCCRF) in relation to the acquisition of Maeva, the Group sold 4,872 beds to the France Location Group on December 6th 2002 and 12,790 beds to the Lagrange Group on February 14th 2003. These disposals were made by the Group companies to which the activity of the residences in question were transferred on October 1st 2002.
These transactions did not have a significant impact on the Group's consolidated results. The activity of the sites sold represented 3.3% of the Group's turnover from tourism activities in 2001/2002.

Concomitant to the acquisition of the remaining stake in Center Parcs Continental Europe, and in accordance with the Group's financial policy not to own the assets it manages, Center Parcs Netherlands NV, a subsidiary of the Center Parcs Continental Europe sub-group, signed a contract with the non-group company Green Buyco BV on September 25th 2003 further to the memorandum of agreement signed on August 20th 2003 relating to the sale and lease-back of the freehold (lands and buildings) of four sites in the Netherlands (Het Heijderbos, Het Meerdal, De Kempervennen, De Huttenheugte), two sites in Belgium (Erperheide, De Vossemeren) and one site in Germany (Bispingen). The implicit value of the sale of the lands and buildings arising from the sale to Green Buyco BV of shares in DN4 (the structure that owns the companies that own the freehold of the seven sites), after restating this company's debt, stood at € 440 million (€ 413 million net of costs and taxes). The total annual rent set in the rental contracts signed between the Center Parcs Continental Europe subsidiaries that operate the seven sites and the subsidiaries of Green Buyco BV that own the freehold, stands at € 39 million. The characteristics of these rental contracts are detailed in note 29 – Off-balance sheet commitments.

The Group's 50% share in the capital gains generated on the sale and lease-back, net of taxes, was booked in extraordinary income in the consolidated accounts, in the amount of € 19,896 thousand.

The transaction was concluded by the Center Parcs Continental Europe sub-group with the Dutch company Green Buyco BV. The creation of this purchasing structure and the pooling of both the purchaser capital among investors and the financial debt relating to the structure were arranged by Nomura Group. Subsequent subscriptions to Green Buyco BV's capital were made in the form of convertible subordinated debt. After all options for the conversion and sale of shares to third parties were exercised between September 25th 2003 and November 28th 2003, Green Participations SAS (indirectly owned by the Chairman and Chief Executive Officer, founder and majority shareholder of Pierre & Vacances SA) held 7.5% of Green Buyco BV's share capital.

The continuation in 2002/2003 of the Group's policy of streamlining and simplifying its operational and legal structures following the integration of the Maeva and Orion sub-groups within the French Tourism division, together with the reorganisation of the Center Parcs Continental Europe sub-group led to a number of changes in the Group's consolidation scope.

COMPARATIVE DATA

The main changes to the Pierre & Vacances Group's consolidation scope during 2002/2003 include:

- the sale on September 25th 2003 of the legal structures that previously owned the freehold (lands and buildings) of seven Center Parcs sites;
- the change from proportionate to full consolidation of the Center Parcs Continental Europe sub-group following the purchase on September 26th 2003 of the remaining 50% stake in Center Parcs Continental Europe, increasing the Pierre & Vacances Group's holding in the sub-group to 100%.

Since the sale and acquisition dates were very close to September 30th 2003, only the closing balance sheet shows data that is not comparable with September 30th 2002. As in 2001/2002, the profit and loss account for 2002/2003 only includes 50% of Center Parcs Continental Europe's activity, activity managed with the full ownership of the freehold (lands and buildings) of the seven sites sold on September 25th 2003.

Restated balance sheet at September 30th 2002

The impact of these changes in the consolidation scope is shown in the comparison between the published balance sheet as at September 30th 2002 and the balance sheet of the same date restated to take account of these two changes in consolidation scope, which is presented below.

The column entitled "Impact of changes in consolidation scope of Center Parcs Continental Europe" includes:

- the deconsolidation of the Group's 50% share in the legal structures sold with the freehold (lands and buildings) of the seven sites. This information was obtained on the basis of the financial statements of the entities sold, which were consolidated using the proportional method (50%) on September 30th 2002. In order to present a restated balance sheet at September 30th 2002 that can be compared with that at September 30th 2003, a net gain of € 19 896 thousand was booked for the sale. Similarly, a rental guarantee deposit of € 9,750 thousand and prepaid rent of € 9,750 thousand were booked to reflect the rental contracts signed with the new owner of the lands and buildings of the seven sites.
- the consolidation of the remaining 50% of the Center Parcs Continental Europe sub-group (now fully consolidated, previously proportionately consolidated at 50%). This information was obtained on the basis of the consolidated balance sheet of the Center Parcs Continental Europe sub-group that was booked in the Pierre & Vacances Group's financial statements at September 30th 2002. It includes the following principal restatements:
  - goodwill of € 125,859 thousand linked to the purchase of the remaining 50% stake;
  - the booking of a deferred tax asset totalling € 65,721 thousand linked to the expected fiscal impact of the legal restructuring of Center Parcs Continental Europe following the complete takeover of this sub-group by Pierre & Vacances;
  - the booking of new loans contracted to finance this acquisition, for € 170,500 thousand;
  - an extraordinary expense totalling € 15,659 net of tax corresponding to Pierre & Vacances' share in the purchase of the stakes in Center Parcs Continental Europe held by mezzanine funds and its management team.

ASSETS

IN THOUSANDS OF EUROS	30/09/2002	IMPACT OF CHANGES IN CONSOLIDATION SCOPE OF CENTER PARCS CONTINENTAL EUROPE	30/09/2002 RESTATED	30/09/2003
Goodwill	96,661	125,859	222,520	226,622
Intangible fixed assets	28,008	-	28,008	24,282
Tangible fixed assets	334,255	-136,141	198,114	237,138
Long-term investments	52,363	3,801	56,164	46,995
Investments in companies accounted for by the equity method	1,100	-	1,100	974
FIXED ASSETS	**512,387**	**-6,481**	**505,906**	**536,011**
Inventories and work in progress	106,296	4,342	110,638	166,725
Downpayments to suppliers	9,841	-	9,841	3,353
Trade receivables and related accounts	118,502	5,809	124,311	148,604
Other receivables, prepayments and deferred charges	134,660	104,812	239,472	377,473
Short-term investments	74,663	-	74,663	27,740
Cash	53,047	29,022	82,069	79,336
CURRENT ASSETS	**497,009**	**143,985**	**640,994**	**803,231**
TOTAL ASSETS	**1,009,396**	**137,504**	**1,146,900**	**1,339,242**

LIABILITIES

IN THOUSANDS OF EUROS	30/09/2002	IMPACT OF CHANGES IN CONSOLIDATION SCOPE OF CENTER PARCS CONTINENTAL EUROPE	30/09/2002 RESTATED	30/09/2003
Share capital	34,005	-	34,005	34,179
Additional paid-in capital	67,681	-	67,681	68,171
Reserves	80,781	-	80,781	109,211
Net attributable income	37,816	4,237	42,053	47,329
GROUP SHAREHOLDERS' EQUITY	**220,283**	**4,237**	**224,520**	**258,890**
MINORITY INTERESTS	**691**	**-**	**691**	**649**
PROVISIONS FOR CONTINGENCIES AND CHARGES	**82,136**	**22,307**	**104,443**	**106,362**
Bank borrowings	271,968	98,597	370,565	404,199
Other borrowings	33,714	-32,338	1,376	1,043
Downpayments from clients	31,867	20,349	52,216	49,640
Trade payables and related accounts	161,218	14,230	175,448	218,377
Other liabilities and deferred income	207,519	10,122	217,641	300,082
LIABILITIES	**706,286**	**110,960**	**817,246**	**973,341**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,009,396**	**137,504**	**1,146,900**	**1,339,242**

Restated profit and loss account for 2002/2003

In order to measure the impact of these changes in the consolidation scope over a period of 12 months, a restated profit and loss account for 2002/2003 is presented below. It shows the impact of the acquisition of the additional 50% stake in Center Parcs Continental Europe and the sale and lease-back of the freehold (lands and buildings) of the seven sites, backdated to October 1st 2002.

The column entitled "Impact of changes in consolidation scope of Center Parcs Continental Europe" includes:

- the additional 50% stake in Center Parcs Continental Europe's activity;
- the cancellation of the amortisation expense on the buildings of the seven sites, in the amount of € 21.6 million;
- the booking of an additional rental expense of € 39.1 million relating to the rental of the lands and buildings of the seven sites;
- the cancellation of interest on loans taken out to finance the initial acquisition of Center Parcs Continental Europe (which were reimbursed when the freehold (lands and buildings of the sites was sold), and the booking over a period of 12 months of financial expenses linked to new loans taken out to finance the acquisition of the additional 50% stake in Center Parcs Continental Europe.
  These restatements produce an additional financial expense of € 0.3 million;
- goodwill amortisation on the additional 50% stake (€ 6.6 million).

These items adds € 22.0 million to the Group's operating income before tax. The tax expense relating to all of these restatements amounted to € 8.1 million on the basis of the effective tax rate of the Center Parcs Continental Europe sub-group for the period 2002/2003 (36.6%)

IN MILLIONS OF EUROS	2002/2003	IMPACT OF CHANGES IN CONSOLIDATION SCOPE OF CENTER PARCS CONTINENTAL EUROPE	2002/2003 RESTATED
Turnover	881.5	261.7	1,143.2
EBITDA (*)	122.6	17.7	140.3
OPERATING INCOME	**82.5**	**22.3**	**104.8**
Net financial income	-13.5	-0.3	-13.8
Corporate income tax	-21.7	-8.1	-29.8
Share in results of companies accounted for by the equity method/ minority interests	-0.8	-	-0.8
Amortisation of goodwill	-6.4	-6.6	-13.0
NET ATTRIBUTABLE INCOME BEFORE EXTRAORDINARY ITEMS	**40.1**	**7.3**	**47.4**
EARNINGS BEFORE EXTRAORDINARY ITEMS PER SHARE (in €)	**4.71**	**0.86**	**5.57**

(*) earnings before interest, taxes, depreciation and amortisation.

The Group's restated net attributable income before extraordinary items for 2002/2003 amounted to € 47.4 million.
As such, these changes in Group structure has an accretive impact of 18.2% on the Pierre & Vacances Group's net income.

CONSOLIDATION SCOPE

FRENCH COMPANIES

LEGAL FORM	COMPANIES	CONSOLIDATION METHOD	% STAKE AT 30/09/03	% STAKE AT 30/09/02
HOLDING COMPANIES				
SA	**Pierre & Vacances**	Parent company	100.0 %	100.0 %
SA	**Groupe Maeva**	Full	100.0 %	100.0 %
SNC	**Pierre & Vacances FI**	Full	100.0 %	100.0 %
SA	**Pierre & Vacances International**	Full	100.0 %	100.0 %
GIE	**Pierre & Vacances Services**	Full	100.0 %	100.0 %
SA	**Pierre & Vacances Maeva Tourisme**	Full	100.0 %	100.0 %
SA	**Pierre & Vacances Tourisme France**	Full	100.0 %	100.0 %
SARL	**Pierre & Vacances Transactions**	Full	100.0 %	100.0 %
TOURISM - French Tourism division				
SEP	**Alpe d'Huez**	Proportionate	38.0 %	38.0 %
SEP	**Avoriaz La Falaise**	Proportionate	28.5 %	28.5 %
SCI	**Arles Loisirs**	Full	-	100.0 %
SEP	**Belle Plagne**	Full	81.8 %	77.2 %
SARL	**Break France**	Full	-	100.0 %
SA	**Cannes Beach Résidence**	Full	100.0 %	100.0 %
SA	**Compagnie Hôtelière Pierre & Vacances**	Full	100.0 %	100.0 %
SARL	**Clubhôtel**	Full	100.0 %	100.0 %
SA	**Clubhotel Multivacances**	Full	100.0 %	100.0 %
SARL	**Club Univers de France**	Full	99.0 %	99.0 %
SNC	**Commerce Patrimoine Cap Esterel**	Full	100.0 %	100.0 %
SA	**Domaine skiable de Valmorel**	Equity method	25.0 %	25.0 %
SEP	**Hyères La Pinède**	Full	47.5 %	47.5 %
SNC	**Latitudes Toulouse**	Full	100.0 %	100.0 %
SNC	**Locarev Maeva Résidences**	Full	100.0 %	100.0 %
SAS	**Maeva**	Full	-	100.0 %
SNC	**Maeva Loisirs**	Full	-	100.0 %
SAS	**Maeva Tourisme Investissement**	Full	-	100.0 %
SA	**Marazul del Sur**	Full	100.0 %	100.0 %
SEP	**Méribel**	Proportionate	43.9 %	44.6 %
SCI	**Orion Antibes 2**	Full	100.0 %	100.0 %
SCI	**Orion Deauville**	Full	100.0 %	100.0 %
SA	**Orion Vacances**	Full	-	100.0 %
SNC	**Palais Josephine**	Full	100.0 %	-

FRENCH COMPANIES				
LEGAL FORME	COMPANIES	CONSOLIDATION METHOD	% STAKE AT 30/09/03	% STAKE AT 30/09/02
TOURISM - French Tourism division (contd)				
SA	**Pierre & Vacances Maeva Distribution**	Full	100.0 %	100.0 %
SAS	**Pierre & Vacances Investissement X**	Full	-	100.0 %
SAS	**Pierre & Vacances Investissement XI**	Full	-	100.0 %
SAS	**Pierre & Vacances Investissement XIII**	Full	-	100.0 %
GIE	**Pierre & Vacances Maeva Tourisme**	Full	100.0 %	100.0 %
SA	**Pierre & Vacances Tourisme Paris**	Full	-	100.0 %
SCI	**Rouret Loisirs**	Full	100.0 %	100.0 %
SA	**SAGITS**	Full	100.0 %	-
SARL	**SETI**	Full	100.0 %	50.0 %
SARL	**SGRT**	Full	100.0 %	100.0 %
SARL	**SG City**	Full	100.0 %	100.0 %
SNC	**SICE**	Full	100.0 %	-
SAS	**Société d'Exploitation Touristique Pierre & Vacances Maeva France**	Full	100.0 %	100.0 %
SARL	**Société de Gestion des Mandats**	Full	100.0 %	100.0 %
SA	**Sogire**	Full	100.0 %	100.0 %
SA	**SVT**	Full	-	100.0 %
SEP	**Val d'Isère**	Proportionate	34.1 %	36.3 %
SCI	**Valescure Loisirs**	Full	-	100.0 %
TOURISM - Center Parcs division				
SAS	**Center Parcs France**	Full	100.0 %	50.0 %
EURL	**Center Parcs Services**	Full	100.0 %	50.0 %
PROPERTY DEVELOPMENT				
SNC	**Argentat Loisirs**	Full	100.0 %	100.0 %
SNC	**Avoriaz Loisirs**	Full	100.0 %	-
SNC	**Ax les Thermes Loisirs**	Full	100.0 %	100.0 %
SNC	**Belle Dune Loisirs**	Full	100.0 %	100.0 %
SNC	**Biscarosse Loisirs**	Full	100.0 %	100.0 %
SNC	**Bourgenay Loisirs**	Full	100.0 %	100.0 %
SNC	**Branville Tourisme Développement**	Full	100.0 %	100.0 %
SNC	**Buttes-Chaumont Développement**	Full	100.0 %	100.0 %
SNC	**Cannes Beach Loisirs**	Full	100.0 %	-
SNC	**Cap Océan**	Full	100.0 %	100.0 %
SNC	**Château d'Olonne Loisirs**	Full	100.0 %	-

FRENCH COMPANIES				
LEGAL FORM	COMPANIES	CONSOLIDATION METHOD	% STAKE AT 30/09/03	% STAKE AT 30/09/02
PROPERTY DEVELOPMENT (contd)				
SNC	**Ciboure Loisirs**	Full	100.0 %	100.0 %
SARL	**Cobim**	Full	100.0 %	100.0 %
SNC	**Courbevoie Kléber**	Full	100.0 %	100.0 %
SNC	**Danton Tourisme Développement**	Full	100.0 %	100.0 %
SNC	**Etretat Petit Val Développement**	Full	100.0 %	100.0 %
SNC	**Gordes Résidence**	Full	100.0 %	100.0 %
SNC	**Grimaud Les Restanques**	Full	100.0 %	100.0 %
SNC	**Isola Loisirs**	Full	100.0 %	100.0 %
SNC	**Lacanau Loisirs**	Full	100.0 %	100.0 %
SNC	**Lacanau Tourisme Développement**	Full	100.0 %	-
SCI	**La Résidence Les Minimes**	Full	100.0 %	-
SNC	**La Rochelle Loisirs**	Full	100.0 %	100.0 %
SCI	**La Valériane**	Full	100.0 %	100.0 %
SNC	**Le Douhet Loisirs**	Full	100.0 %	-
SNC	**Le Guilvincec Loisirs**	Full	100.0 %	100.0 %
SCI	**Le Hameau de la Pinède**	Full	68.0 %	68.0 %
SCI	**Les Terrasses de Saint Tropez**	Full	100.0 %	-
SNC	**Le Touquet Loisirs**	Full	100.0 %	-
SNC	**Loches Loisirs**	Full	100.0 %	100.0 %
SNC	**L'Orée du Golf II**	Full	100.0 %	100.0 %
SNC	**Mandelieu Maure Vieille Loisirs**	Full	100.0 %	-
SNC	**Maubuisson Loisirs**	Full	100.0 %	-
SNC	**Marciac**	Full	100.0 %	100.0 %
SNC	**Moliets Tourisme Développement**	Full	100.0 %	100.0 %
SNC	**Monflanquin Loisirs**	Full	100.0 %	100.0 %
SNC	**Paris - Porte de Versailles**	Full	100.0 %	100.0 %
SAS	**Peire Sarade Loisirs**	Full	100.0 %	100.0 %
SNC	**Perros Guirec Loisirs**	Full	100.0 %	-
SARL	**Peterhof II**	Full	100.0 %	100.0 %
SARL	**Pierre & Vacances Courtage**	Full	100.0 %	100.0 %
SA	**Pierre & Vacances Conseil Immobilier**	Full	100.0 %	100.0 %
SAS	**Pierre & Vacances Investissement XII**	Full	100.0 %	100.0 %
SA	**Pont Royal (Pierre & Vacances Développement)**	Full	100.0 %	100.0 %
SNC	**Ploëmel Loisirs**	Full	100.0 %	-
SNC	**Pont Royal II**	Full	100.0 %	100.0 %

FRENCH COMPANIES

LEGAL FORM	COMPANIES	CONSOLIDATION METHOD	% STAKE AT 30/09/03	% STAKE AT 30/09/02
PROPERTY DEVELOPMENT (contd)				
SCI	**Du Port**	Full	100.0 %	100.0 %
SNC	**Port d'Albret Loisirs**	Full	100.0 %	100.0 %
SNC	**Port d'Alon Loisirs**	Full	100.0 %	100.0 %
SNC	**Port en Bessin Loisirs**	Full	100.0 %	-
SNC	**Pyrénées Loisirs**	Full	100.0 %	-
SNC	**Résidence du Lac**	Full	100.0 %	100.0 %
SARL	**Résidence Thalassothérapie des Issambres**	Full	100.0 %	100.0 %
SNC	**Saint Quay Portrieux Loisirs**	Full	100.0 %	-
SNC	**Saint-Lary Loisirs**	Full	100.0 %	100.0 %
SNC	**Soulac Loisirs**	Full	100.0 %	100.0 %
SNC	**Serre-Chevalier Loisirs**	Full	100.0 %	100.0 %
SA	**Société de Développement de Bourgenay**	Full	100.0 %	100.0 %
SAS	**Société Tourisme et Rénovation**	Full	100.0 %	100.0 %
SNC	**Tréboul Loisirs**	Full	100.0 %	100.0 %
SNC	**Trouville**	Full	100.0 %	-
SNC	**Uhart Cize Loisirs**	Full	100.0 %	-
SNC	**Valloire Loisirs**	Full	100.0 %	-
SNC	**Val d'Europe Loisirs**	Full	100.0 %	100.0 %
SNC	**Valmeinier Loisirs**	Full	100.0 %	100.0 %
SNC	**Var Loisirs**	Full	100.0 %	-

FOREIGN COMPANIES

HOLDING COMPANY - Center Parcs division					
BV	**Center Parcs**	Netherlands	Proportionate	-	50.0 %
NV	**Center Parcs Europe**	Netherlands	Full	100.0 %	50.0 %
Gmbh	**Center Parcs Holding**	Germany	Full	100.0 %	50.0 %
Gmbh	**Center Parcs Medebach Beteiligungs**	Germany	Full	100.0 %	50.0 %
BV	**Center Parcs Netherlands 2**	Netherlands	Full	100.0 %	-
BV	**DN 1 Holding**	Netherlands	Full	100.0 %	50.0 %
BV	**DN 2 Holding**	Netherlands	Full	100.0 %	50.0 %
BV	**DN 3 Holding**	Netherlands	Full	100.0 %	50.0 %
BV	**DN 4 Holding**	Netherlands	Proportionate	-	50.0 %
BV	**DN 5 Holding**	Netherlands	Proportionate	-	50.0 %
BV	**DN 6 Holding**	Netherlands	Proportionate	-	50.0 %
BV	**DN 8 Holding**	Netherlands	Full	100.0 %	50.0 %
NV	**Gran Dorado Leisure**	Netherlands	Full	100.0 %	100.0 %
BV	**Pierre & Vacances International**	Netherlands	Full	-	100.0 %

FOREIGN COMPANIES

LEGAL FORM	COMPANIES	COUNTRY	CONSOLIDATION METHOD	% STAKE AT 30/09/03	% STAKE AT 30/09/02
TOURISM - Center Parcs division					
NV	**Bungalowpark Erperheide**	Belgium	Proportionate	-	50.0 %
NV	**Bungalowpark de Vossemeren**	Belgium	Proportionate	-	50.0 %
Gmbh	**Center Parcs**	Germany	Proportionate	-	50.0 %
NV	**Center Parcs België**	Belgium	Full	100.0 %	50.0 %
Gmbh	**Center Parcs Bungalowpark Hochsauerland**	Germany	Full	100.0 %	50.0 %
Gmbh	**Center Parcs Bungalowpark Heilbachsee**	Germany	Full	100.0 %	-
Gmbh	**Center Parcs Leisure Deutschland**	Germany	Full	100.0 %	50.0 %
BV	**Center Parcs Management Services Benelux**	Netherlands	Proportionate	-	50.0 %
NV	**Center Parcs Netherlands**	Netherlands	Full	100.0 %	50.0 %
BV	**Center Parcs De Eemhof**	Netherlands	Full	100.0 %	-
BV	**Center Parcs Television**	Netherlands	Proportionate	-	50.0 %
BV	**Compagnie des Parcs Résidentiels et Aquatiques**	Netherlands	Proportionate	-	50.0 %
BV	**De Huttenheugte**	Netherlands	Proportionate	-	50.0 %
BV	**De Kempervennen**	Netherlands	Proportionate	-	50.0 %
BV	**Het Meerdal**	Netherlands	Proportionate	-	50.0 %
Gmbh	**HS Ferienpark**	Germany	Full	49.0 %	25.0 %
Gmbh	**Gran Dorado Leisure**	Germany	Proportionate	-	50.0 %
Gmbh	**Gran Dorado Management**	Germany	Proportionate	-	50.0 %
BV	**Gran Dorado Newco**	Netherlands	Proportionate	-	50.0 %
BV	**Recreatiecentrum "De Eemhof"**	Netherlands	Full	100.0 %	50.0 %
BV	**Recreatiecentrum "De Huttenheugte"**	Netherlands	Proportionate	-	50.0 %
BV	**Recreatiecentrum "De Kempervennen"**	Netherlands	Proportionate	-	50.0 %
BV	**Recreatiecentrum "Het Heijderbos"**	Netherlands	Proportionate	-	50.0 %
BV	**Recreatiecentrum "Het Meerdal"**	Netherlands	Proportionate	-	50.0 %
BV	**Sporthuis Centrum Vastgoed III**	Netherlands	Proportionate	-	50.0 %
BV	**Sporthuis Centrum Vastgoed IV**	Netherlands	Proportionate	-	50.0 %
BV	**Sporthuis Centrum Vastgoed V**	Netherlands	Proportionate	-	50.0 %
Gmbh	**Verwaltungsgesellschaft Center Parcs**	Germany	Full	100.0 %	50.0 %
TOURISM - Others					
SRL	**Part House**	Italy	Proportionate	55.0 %	55.0 %
SRL	**Pierre & Vacances Italia**	Italy	Full	100.0 %	100.0 %
Gmbh	**Pierre & Vacances Tourisme Gmbh**	Germany	Full	100.0 %	100.0 %
PROPERTY DEVELOPMENT					
SRL	**Cala Rossa Immobiliare**	Italy	Full	100.0 %	100.0 %
SL	**Pierre & Vacances Inversion Inmobiliaria**	Spain	Full	100.0 %	-

ANALYSIS OF MAIN BALANCE SHEET ITEMS

NOTE 4 Goodwill: breakdown by subsidiary

	30/09/03			
IN THOUSANDS OF EUROS	AMORTISATION PERIOD	GROSS VALUE	CUMULATIVE AMORTISATION	NET VALUE
Center Parcs Continental Europe	20 years	170,139	-11,193	**158,946**
Maeva	20 years	56,980	-5,935	**51,045**
Résidences MGM	20 years	9,527	-357	**9,170**
Gran Dorado	20 years	5,320	-1,747	**3,573**
Clubhotel Multivacances	20 years	2,030	-153	**1,877**
Orion Vacances	12 years	1,582	-936	**646**
SETI	20 years	531	-7	**524**
Pierre & Vacances Tourisme	20 years	757	-413	**344**
Pierre & Vacances Gmbh	15 years	608	-363	**245**
Sofinvalmorel	20 years	156	-16	**140**
Part House	2 years	450	-338	**112**
Pierre & Vacances Distribution	10 years	1,829	-1,829	**0**
TOTAL		**249,909**	**-23,287**	**226,622**

All goodwill relates to the tourism business.

Changes in goodwill are linked to:

- the inclusion within the consolidation scope of Résidences MGM and the purchase of the additional 50% stake in the Center Parcs Continental Europe sub-group and SETI. The calculation of goodwill on each of these transactions (gross value) is broken down as follows:

IN MILLIONS OF EUROS	CENTER PARCS	RÉSIDENCES MGM	SETI
Acquisition cost	203.8	16.9	1.2
Fair value of net assets	121.1	7.4	0.7
CALCULATED GOODWILL	**82.7**	**9.5**	**0.5**
Goodwill at sub-group consolidation level	43.2	-	-
TOTAL GOODWILL	**125.9**	**9.5**	**0.5**

The goodwill on these three acquisitions is amortised over 20 years.

- the change in consolidation method of the Center Parcs Continental Europe sub-group. On the full consolidation of the Center Parcs Continental Europe sub-group (previously proportionately consolidated), the Pierre & Vacances Group integrated the additional 50% of existing goodwill in its financial statements, for a net value of € 43,148 thousand (gross amount: € 49,436 thousand; cumulative amortisation: € 6,288 thousand). The total amount of new goodwill linked to the acquisition of Center Parcs Continental Europe came out at € 125,859 thousand.

At September 30th 2002, goodwill broke down as follows:

IN THOUSANDS OF EUROS	30/09/02 AMORTISATION PERIOD	GROSS VALUE	CUMULATIVE AMORTISATION	NET VALUE
Maeva	20 years	56,980	-3,086	**53,894**
Center Parcs Continental Europe	20 years	37,992	-2,965	**35,027**
Gran Dorado	20 years	5,320	-1,530	**3,790**
Clubhotel Multivacances	20 years	2,030	-51	**1,979**
Orion Vacances	12 years	1,582	-850	**732**
Pierre & Vacances Tourisme	20 years	757	-375	**382**
Part House	2 years	450	-113	**337**
Pierre & Vacances Gmbh	15 years	608	-322	**286**
Sofinvalmorel	20 years	156	-8	**148**
Pierre & Vacances Distribution	10 years	1,829	-1,743	**86**
TOTAL		**107,704**	**-11,043**	**96,661**

NOTE 5 Intangible fixed assets

GROSS VALUE: CHANGES OVER THE FINANCIAL YEAR

IN THOUSANDS OF EUROS	30/09/02	CHANGE IN GROUP STRUCTURE	ACQUISITIONS	DISPOSALS	RECLASS.	30/09/03
Brands, concessions and patents	18,322	86	882	-1,276	-	**18,014**
Purchased businesses	14,177	-3,158	283	-1,006	-15	**10,281**
Other intangible fixed assets	11,134	341	5,431	-4,432	-616	**11,858**
TOTAL	**43,633**	**-2,731**	**6,596**	**-6,714**	**-631**	**40,153**

- **The evolution in "brands, concessions and patents" is essentially due to:**
  - an increase of € 876 thousand linked to the acquisition of new software and licences booked by the French Tourism division;
  - a decrease of € 1,257 thousand on the French Tourism division (including € 915 thousand relating to the sale of the Vacantel brand pursuant to the decision of the DGCCRF - French Competition and Consumer Protection Agency).
- **The drop in "purchased businesses" is due to:**
  - the removal from the consolidation scope of the purchased businesses on sites sold outside the Group in accordance with the conditions set by the DGCCRF, in the amount of € 3,338 thousand. This sale had no major impact on results as the businesses were recognised at their market value when the Maeva sub-group was first consolidated;
  - a disposal of € 1,006 thousand relating to the French Tourism division (including € 768 thousand on the sale of the Montparnasse lease following the transfer of the call center to the Group's head office).
- **The main changes in "other intangible fixed assets" are linked to:**
  - changes in the consolidation scope (+ € 341 thousand) following the acquisition of Hôtel du Golf de Toulouse;
  - acquisitions made by the French Tourism division (+ € 5,228 thousand) as part of the overhaul of its IT systems;
  - the sale (€ -4,091 thousand) by Center Parcs Continental Europe of its option to purchase the Hochsauerland site in Germany.

AMORTISATION EXPENSES: CHANGES OVER THE FINANCIAL YEAR						
IN THOUSANDS OF EUROS	30/09/02	CHANGES IN GROUP STRUCTURE	CHARGES	WRITE BACKS	RECLASS.	30/09/03
Brands, concessions and patents	-4,905	-40	-739	1,012	1	**-4,671**
Purchased businesses	-5,297	-	-709	430	-	**-5,576**
Other intangible fixed assets	-5,423	-130	-205	134	-	**-5,624**
TOTAL	**-15,625**	**-170**	**-1,653**	**1,576**	**1**	**-15,871**

NET VALUES AT YEAR-END

BREAKDOWN BY TYPE			
IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Brands, concessions and patents	13,343	13,417	10,487
Purchased businesses	4,705	8,880	5,202
Other intangible fixed assets	6,234	5,711	6,265
TOTAL	**24,282**	**28,008**	**21,954**

BREAKDOWN BY SECTOR OF ACTIVITY			
IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Tourism	17,387	20,468	15,154
Property development	6,895	7,540	6,800
TOTAL	**24,282**	**28,008**	**21,954**

- **The "brands, concessions and patents" account includes** € 7,365 thousand for the Pierre & Vacances brand and € 3,236 thousand for the Maeva brand. In accordance with the valuation principles detailed in the section on tangible and intangible fixed assets in the paragraph "accounting principles and valuations methods" p. 61, no amortisation or depreciation expense was booked on these assets at September 30th 2003.
- The "purchased businesses" account includes:
  - project management and property development activities. Its net book value at September 30th 2003 was € 1,951 thousand (gross value: € 4,878 thousand; cumulative amortisation: € 2,927 thousand).
  - the businesses of the French Tourism division which stood at € 1,586 thousand on September 30th 2003;
  - the businesses on the residences in Italy whose net book value, at September 30th 2003, stood at € 1,119 thousand.
- The "Other intangible fixed assets" account mainly includes investments made by the French Tourism division, for a total amount of € 5,612 thousand, as part of the overhaul of its IT systems.

NOTE 6 Tangible fixed assets

GROSS VALUES: CHANGES OVER THE FINANCIAL YEAR

IN THOUSANDS OF EUROS	30/09/02	CHANGES IN GROUP STRUCTURE	ACQUISITIONS	DISPOSALS	RECLASS.	30/09/03
Land	38,908	-13,575	966	-1,125	4,554	**29,728**
Buildings	298,979	-153,386	1,538	-2,802	6,057	**150,386**
Fixtures and fittings	223,022	-90,380	1,311	-96	21,253	**155,110**
Other tangible fixed assets	95,927	16,373	4,419	-10,285	7,120	**113,554**
Fixed assets in progress/prepayments	7,182	-6,047	51,726	-	-40,678	**12,183**
TOTAL	**664,018**	**-247,015**	**59,960**	**-14,308**	**-1,694**	**460,961**

DEPRECIATION EXPENSES: CHANGES OVER THE FINANCIAL YEAR

IN THOUSANDS OF EUROS	30/09/02	CHANGES IN GROUP STRUCTURE	CHARGES	WRITE-BACKS	RECLASS.	30/09/03
Land	-217	-1,371	-39	6	4	**-1,617**
Buildings	-134,474	62,121	-6,030	1,571	990	**-75,822**
Fixtures and fittings	-135,184	71,525	-12,683	589	1,371	**-74,382**
Other tangible fixed assets	-59,888	-8,961	-9,705	7,922	-1,370	**-72,002**
TOTAL	**-329,763**	**123,314**	**-28,457**	**10,088**	**995**	**-223,823**

NET VALUES AT YEAR-END

BREAKDOWN BY TYPE

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Land	28,111	38,691	43,369
Buildings	74,564	164,505	178,947
Fixtures and fittings	80,728	87,838	90,432
Other tangible fixed assets	41,552	36,039	38,314
Fixed assets in progress/prepayments	12,183	7,182	16,268
TOTAL	**237,138**	**334,255**	**367,330**

BREAKDOWN BY SECTOR OF ACTIVITY AND COUNTRY

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Netherlands	111,802	155,020	132,495
France	100,643	84,758	142,215
Belgium	221	56,339	52,041
Germany	11,152	33,691	37,659
Italy	647	440	-
Tourism	**224,465**	**330,248**	**364,410**
France	5,489	4,007	2,920
Italy	7,184	-	-
Property development	**12,673**	**4,007**	**2,920**
TOTAL	**237,138**	**334,255**	**367,330**

Tangible fixed assets, representing a net book value of € 237,138 thousand as at September 30th 2003, essentially include the assets of:

- **The Center Parcs Continental Europe tourism division** which represents a net book value of € 143,912 thousand as at September 30th 2003.
  This is principally made up of:
  - property assets in the amount of € 80,332 thousand comprising the freehold (lands and buildings) of the Eemhof site, still owned by the Group. This site was sold at the end of October 2003 (see Note 33 – Events after closing of the financial year);
  - furniture and infrastructure facilities required to operate the sites in the amount of € 54,559 thousand.

The principal changes over the financial year result from:
- the Group' share (50%) in the capital expenditure made by the Center Parcs Continental Europe division over the financial year amounting to € 44,597 thousand. These Capex are mainly linked to improvements in the product mix across all sites, which amounted to € 42,686 thousand. The improvements include the renovation of sites in the Netherlands for € 21,105 thousand (€ 6,520 thousand for the Port Zeland site and € 5,446 thousand for the Meerdal site), in Belgium for € 7,228 thousand, in Germany for € 5,150 thousand and France for € 6,380 thousand and also the acquisition of new land reserves (€ 2,822 thousand) for the Eemhof site in the Netherlands;
- the changes in the consolidation of this division break down as follows:
  - the net decrease of € 208,935 thousand resulting from the sale of the legal structures that owned the freehold (lands and buildings) of the seven sites on September 25th 2003. These sales correspond to land in the amount of € 25,395 thousand, buildings in the amount of € 117,294 thousand, fixtures and fittings for € 56,479 thousand and other fixed assets in the amount of € 9,767 thousand;
  - 50% of the net book value of fixed assets owned by Center Parcs Continental Europe after the sale of the lands and buildings of seven villages. This change in consolidation scope linked to the full acquisition of the Center Parcs Continental Europe sub-group increased the net book value of tangible fixed assets by € 75,556 thousand and is broken down into land in the amount of € 9,354 thousand, buildings in the amount of € 21,687 thousand, fixtures and fittings in the amount of € 38,243 thousand and other fixed assets in the amount of € 6,272 thousand.

- **The French Tourism division,** representing a net book value of € 76,484 thousand. These assets principally comprise:
  - infrastructure facilities, premises, fixtures, fittings and equipment required to run the sites of the French Tourism division in the amount of € 28,966 thousand. In 2002/2003, Société d'Exploitation Touristique Pierre & Vacances Maeva France acquired infrastructure facilities in the amount of € 1,277 thousand on the Ax-les-Thermes, Bourgenay, Marciac, Monflanquin, Saint-Lary, and Val d'Europe sites;
  - property assets, essentially:
    - shops directly owned by CPCE on the Cap Esterel site, in the amount of € 2,023 thousand;
    - the buildings of Antibes and Deauville residences (€ 2,646 thousand);
    - of two other residences, Bénodet (€ 2,116 thousand) and Le Prado (€ 2,064 thousand) operated under a financial lease agreement restated in the Group's financial statements;
    - and of the hotel Latitudes Le Rouret (€ 4,257 thousand);

- the furniture owned by the French Tourism division, in the amount of € 16,715 thousand. When investors acquire an unfurnished property from Pierre & Vacances, Société d'Exploitation Touristique Pierre & Vacances Maeva France, as the leaseholder, finances the furnishing of the property. Acquisitions during the financial year amounted to € 1,855 thousand.

- **The Italy division,** representing a net book value of € 7,831 thousand. This mainly relates to property (for a net amount of € 7,184 thousand) corresponding to the acquisition of the land of the Cefalù site in Sicily and the buildings of this new tourist residence in 2002/2003.

- **The Property Development division,** representing a net book value of € 4,323 thousand. This division mainly includes the building in Cogolin (with a net book value of € 1,716 thousand) held under a lease agreement by Les Terrasses de Saint-Tropez SCI, which entered the Pierre & Vacances Group consolidation scope during the 2002/2003 financial year.

NOTE 7 Long-term investments

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Shares in non-consolidated companies	9,194	7,382	6,834
Loans to non-consolidated companies	12	78	66
Loans and other long-term investments	38,916	45,299	42,752
GROSS VALUE	**48,122**	**52,759**	**49,652**
Depreciation	-1,127	-396	-506
NET VALUE	**46,995**	**52,363**	**49,146**

The breakdown of shares in non-consolidated companies is available in Note 8.

"Loans and other long-term investments", representing a net book value of € 38,732 thousand at September 30th 2003, principally consist of:

- a receivable of € 8,207 thousand due from two companies, Société Hôtelière Rivière à la Barque and Société Hôtelière Anse à la Barque, which co-own a hotel managed by Pierre & Vacances in Sainte-Anne in Guadeloupe. This receivable, which results from an agreement under which Pierre & Vacances has agreed to replace the co-owners as debtor vis-à-vis their bank creditors according to a schedule implemented from the outset of the financing, is repaid out of the gross operating income generated by managing the hotel. The corresponding liability to the banks is included in bank borrowings (see Note 18). The interest on these loans is paid quarterly. The repayment of the principal is also carried out on a quarterly basis. The first principal repayment was carried out during the first quarter of the 2002 calendar year and the last principal repayment falls due in the second quarter of the 2014 calendar year;
- loans granted to intercompany partnership companies (GIE) in connection with the securitisation of receivables resulting from sales made under the "Propriété Pierre & Vacances" scheme, in the amount of € 2,140 thousand. These are fixed-rate loans (with interest rates ranging from 5.12% to 6.40%) and are repaid according to a schedule drawn up at the outset. The final repayment date varies between November 2nd 2009 and September 30th 2014.
  The repayment of these loans by the GIE companies is subordinate to the full payment of all their creditors;
- guarantee deposits in the amount of € 23,944 thousand paid to owner/lessors of properties and suppliers, which increased by € 12,836 thousand on the previous year essentially relating to the Center Parcs Continental Europe sub-group, including € 9,750 in guarantee deposits for three months' rent paid to the new owners on the sale of the freehold (lands and buildings) of the seven sites;
- loans to the Spanish joint venture Med Pierre & Vacances in the amount of € 2,103 thousand.

NOTE 8 Shares in non consolidated companies

COMPANIES IN THOUSANDS OF EUROS	% GROUP HOLDING	NET BOOK VALUE OF SHARES HELD GROSS	 NET	TURNOVER	NET INCOME	SHARE-HOLDERS' EQUITY	FINANCIAL DEBT	TOTAL BALANCE SHEET ITEMS	NOTES
Sviluppi Turistici S.p.A.	33.20%	6,066	6,066	-	456	18,258	-	20,502	31/12/02
SCI Flatotel Appartement 22	100.00%	1,006	1,006	85	-19	-568	-	180	31/12/02
Alpha Ferien Park Köln Gmbh	6.00%	900	-	-	663	17,941	30,701	67,087	30/09/03
Med PV S.L.	50.00%	600	600	72	-172	400	-	3,249	31/12/03
Pierrebac S.A.	49.00%	90	90	-	17	40	634	1,192	30/09/03
Pierre & Vacances Investissement XX SAS	100.00%	38	38	-	-2	36	-	76	30/09/03
Pierre & Vacances Investissement XXI SAS	100.00%	38	38	-	-2	36	-	76	30/09/03
Pierre & Vacances Investissement XXII SAS	100.00%	38	38	-	-2	36	-	76	30/09/03
Pierre & Vacances Investissement XXIII SAS	100.00%	38	38	-	-2	36	-	76	30/09/03
Pierre & Vacances Investissement XXIV SAS	100.00%	38	38	-	-2	36	-	76	30/09/03
Pierre & Vacances Investissement XXV SAS	100.00%	38	38	-	-2	36	-	76	30/09/03
Financière PV I SNC	100.00%	15	15	-	-	15	-	16	30/09/03
Financière PV II SNC	100.00%	15	15	-	-	15	-	16	30/09/03
Pierre & Vacances Investissement IX SAS	100.00%	15	15	-	-	15	-	15	30/09/03
La Financière P&V Cie	100.00%	15	15	-	1	16	-	16	30/09/03
Other		244	200						
TOTAL		**9,194**	**8,250**						

"Shares in non-consolidated companies" principally correspond to Group equity investment in:

- the Italian company Sviluppi Turistici, in the amount of € 6,066 thousand corresponding to 33.2% of its capital. This entity, which was set up during the 1999/2000 financial year in partnership with the Italian group Beni Stabili, buys tourist residences in Italy, which are subsequently managed by Pierre & Vacances Italia;
- in Flatotel Appartements 22 SCI, in the amount of € 1,006 thousand, corresponding to 100% of its capital (acquired from a non-Group company in July 2003);
- the company Alpha Ferien Park Köln Gmbh for a gross value of € 900 thousand corresponding to 6% of its capital. This investment is fully provisioned as it will be sold outside the Group in 2003/2004 for € 1;
- the Spanish company Med Pierre & Vacances in the amount of € 600 thousand. This structure, created in October 2001 in a 50/50 partnership with Med Group (Soros Real Estate Partners), was set up to deploy the Pierre & Vacances development model in Spain.

Given the insignificant impact that their inclusion within the consolidation scope would have on Group results, these companies are not consolidated.

NOTE 9 Investments in companies accounted for by the equity method

IN THOUSANDS OF EUROS	30/09/02	SHARE IN RESULTS OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD	30/09/03
Domaine Skiable de Valmorel	1,100	-126	974
TOTAL	**1,100**	**-126**	**974**

NOTE 10 Inventories and work in progress

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Work in progress	76,788	87,957	20,105
Completed properties	79,175	5,888	5,910
Provisions	-6,764	-1,217	-819
PROPERTY DEVELOPMENT PROGRAMMES	**149,199**	**92,628**	**25,196**
Other inventories	17,526	13,668	12,475
TOTAL	**166,725**	**106,296**	**37,671**

As at September 30th 2003, the contribution of property programmes to inventories and work in progress amounted to € 149,199 thousand (the details of the contribution by property programme are given in Note 11).

The change in work in progress and completed properties essentially stems from:

- new renovation property development programmes following the acquisition of:
  - the Paris Côté Seine residence, on June 26th 2003, which increased stocks by € 32,621 thousand;
  - nine residences (Lacanau Ocean, Lacanau Bleu Marine, Maubuisson, Moliets, La Rochelle, Perros-Guirec, Trouville, Le Touquet and Pyrénées 2000) purchased from institutional investors, for € 29,746 thousand after accounting for renovation work completed at September 30th 2003;
  - two Avoriaz residences in the amount of € 7,417 thousand;
  - the Branville residence near Deauville in the amount of € 2,621 thousand;
- new property development programmes as yet undelivered, including Isola (€ 5,741 thousand), Bourgenay (€ 2,378 thousand) and Biscarrosse (€ 1,848 thousand);
- the delivery during 2002/2003 of programmes still under development at September 30th 2002, which reduced stocks by € 29,162 thousand, namely:
  - Val d'Europe (Disneyland Paris), for which 286 apartments were delivered, thus reducing stocks by € 11,994 thousand;
  - Cannes Beach (307 apartments delivered, reducing stocks by € 3,816 thousand);
  - Praz de Lys (110 apartments delivered, reducing stocks by € 3,453 thousand);
  - Valmeinier (68 apartments delivered, reducing stocks by € 2,774 thousand);
  - Ax Les Thermes (70 apartments delivered, reducing stocks by € 2,455 thousand).

The net change in other stocks is essentially due to the full integration of the balance sheet items of Center Parcs Continental Europe sub-group, which accounts for € 4,260 thousand.

NOTE 11

Analysis of the contribution of property programmes to the balance sheet

ASSETS

IN MILLIONS OF EUROS	NET WORK IN PROGRESS	NET COMPLETED PROPERTIES	NET INVENTORIES	TRADE RECEIVABLES	PREPAYMENTS
Paris côté Seine	32.62	-	**32.62**	-	-
Cala Rossa	20.20	-	**20.20**	0.28	-
Cannes Beach	-	19.56	**19.56**	3.62	2.21
Isola	8.83	-	**8.83**	3.64	2.13
Avoriaz	-	7.42	**7.42**	0.27	0.27
Branville	0.32	7.05	**7.37**	0.70	0.07
Moliets	-	6.41	**6.41**	-	0.03
Lacanau	-	6.29	**6.29**	-	0.49
Trouville	-	5.06	**5.06**	-	0.10
Bourgenay	2.98	1.90	**4.88**	3.42	0.74
Les Issambres	-	4.53	**4.53**	-	-
Mandelieu	-	4.04	**4.04**	-	-
Le Touquet	-	3.58	**3.58**	-	0.01
Perros Guirec	-	3.04	**3.04**	-	-
La Rochelle	-	2.40	**2.40**	-	0.20
Maubuisson	-	2.21	**2.21**	-	0.05
Biscarosse	1.85	-	**1.85**	0.88	0.63
Valmorel	-	1.08	**1.08**	-	-
Loches	0.77	-	**0.77**	0.66	0.57
Pyrénées	-	0.77	**0.77**	0.28	0.06
Monflanquin	0.68	0.06	**0.74**	0.51	0.55
Uhart Cize	0.74	-	**0.74**	-	0.56
Val d'Europe	-	0.45	**0.45**	1.66	0.02
Le Guilvinec	-	0.39	**0.39**	0.84	0.03
Valmeinier	-	0.39	**0.39**	0.14	-
Belle Dune	0.27	0.02	**0.29**	0.07	-
Saint Lary	-	0.13	**0.13**	1.05	0.01
Marciac	-	0.08	**0.08**	0.25	-
Other	1.89	1.19	**3.08**	11.87	0.47
CONTRIBUTION AT 30/09/03	**71.15**	**78.05**	**149.20**	**30.14**	**9.20**
CONTRIBUTION AT 30/09/02	**87.58**	**5.05**	**92.63**	**32.98**	**12.19**

LIABILITIES

IN MILLIONS OF EUROS	FINANCIAL DEBT	OTHER DEBT	DEFERRED INCOME
Paris côté Seine	32.40	50.00	-
Cala Rossa	16.01	0.52	-
Cannes Beach	8.82	0.11	2.16
Moliets	4.94	0.02	-
Lacanau	4.93	-	-
Trouville	4.03	0.02	-
Avoriaz	3.52	0.03	0.13
Le Touquet	3.03	0.01	-
Perros Guirec	2.52	-	-
Branville	1.91	0.01	-
Maubuisson	1.61	0.01	-
La Rochelle	1.52	0.01	-
Isola	0.72	-	12.68
Bourgenay	-	0.07	1.57
Loches	-	0.05	1.26
Other	0.12	8.91	1.10
CONTRIBUTION AT 30/09/03	**86.08 (*)**	**59.77**	**18.90**
CONTRIBUTION AT 30/09/02	**48.00**	**5.43**	**49.07**

(*) This amount excludes loans taken out to finance the purchase of the freehold of residences operated under the Group's tourism business and not intended for resale in the short term. These assets, booked under tangible fixed assets, correspond to the Italian residence in Cefalù and residences acquired via property lease finance agreements (Marseille Prado, Bénodet, Cogolin).

NOTE 12 Trade receivables and related accounts

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Tourism	125,269	89,996	73,266
Property development	30,287	32,975	28,235
Services	1,342	1,143	1,484
GROSS TRADE RECEIVABLES	**156,898**	**124,114**	**102,985**
Tourism	-8,150	-5,468	-4,142
Property development	-144	-144	-26
PROVISIONS	**-8,294**	**-5,612**	**-4,168**
NET TRADE RECEIVABLES	**148,604**	**118,502**	**98,817**

At September 30th 2003, trade receivables had increased by € 30,102 thousand (net value) on the previous year.

The change in the net value of trade receivables related to the tourism business includes:

- an increase in the amount of € 10,110 thousand for the Center Parcs Continental Europe division (which includes € 7,960 thousand as a result of the increase in the Group's holding from 50% to 100% and € 2,150 thousand in trade receivables contracted during the financial year);
- an increase of € 1,418 thousand linked to the development of Pierre & Vacances' tourist activities in Italy.

The amount of trade receivables of the property development business fell by € 2,688 thousand given the high number of deliveries in the 2002/2003 financial year (including Val d'Europe, Cannes Beach, Praz de Lys, Valmeinier, Ax Les Thermes, Saint Lary, Les Issambres, Mandelieu and Cala Rossa).

NOTE 13 Other receivables, prepayments and deferred charges

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Current accounts	5,381	3,184	7,957
Taxes recoverable	64,442	39,420	29,684
Deferred tax assets	131,567	26,698	21,097
"Propriété Pierre & Vacances" loans	15,162	2,943	956
Other receivables	99,804	22,877	50,699
Gross value	**316,356**	**95,122**	**110,393**
Provisions	-466	-329	-360
TOTAL OTHER RECEIVABLES	**315,890**	**94,793**	**110,033**
Advertising and sales fees - Tourism	6,450	4,956	5,408
Advertising and sales fees - Property development	9,199	12,188	8,459
Rentals	19,590	5,443	4,357
Sundry prepayments	19,411	14,138	7,860
Prepayments	**54,650**	**36,725**	**26,084**
Sundry deferred charges	6,933	3,142	3,072
TOTAL PREPAYMENTS AND DEFERRED CHARGES	**61,583**	**39,867**	**29,156**
TOTAL OTHER RECEIVABLES, PREPAYMENTS & DEF. CHARGES	**377,473**	**134,660**	**139,189**

The change in "Other receivables" essentially breaks down as follows:

- an increase in "Taxes recoverable" essentially linked to the Tourisme France division (€ 16,768 thousand);
- an increase of € 104,869 thousand in "Deferred tax assets" for the Group mainly linked to the acquisition of the additional 50% stake in Center Parcs Continental Europe and the expected impact of the legal restructuring of this division on the Group's tax situation;
- an increase of € 12,219 thousand in "Propriété Pierre & Vacances loans", notably due to the integration of "Nouvelle Propriété" receivables acquired from Résidences MGM;
- a net increase of € 76,790 thousand in other receivables, as follows:
  - € 13,628 thousand for the Center Parcs Continental Europe sub-group (including € 9,168 thousand due to its full consolidation and € 4,460 thousand pertaining to changes registered in the financial year);
  - € 46,566 thousand for the Property Development division (including € 46,599 thousand in receivables acquired under the Paris Côté Seine transaction).

The main changes in prepayments and deferred charges result from:

- a decrease of € 2,989 thousand in "Advertising and sales fees – Property Development" given the high number of deliveries in the 2002/2003 financial year, including Val d'Europe, Valmeinier, Ax Les Thermes, Saint Lary, Les Issambres and Mandelieu;
- a net increase of € 1,494 thousand in "Advertising and sales fees – Tourism" including + € 3,201 thousand linked to the full consolidation of the Center Parcs Continental Europe sub-group and - € 1,707 thousand registered during the financial year;
- an increase of € 14,147 thousand in "Rental prepayments", mainly on Center Parcs Continental Europe, including € 9,750 thousand corresponding to the three months of rent paid in advance under the sale of the freehold and leaseback transaction and € 4,225 thousand due to changes in consolidation scope;
- a net increase of € 5,273 thousand in "Sundry prepayments", including € 6,186 thousand due to the changes in the Center Parcs Continental Europe consolidation scope.

NOTE 14 Short-term investments

At September 30th 2003, short-term investments by type and market value broke down as follows:

IN THOUSANDS OF EUROS	BOOK VALUE	MARKET VALUE	UNREALISED CAPITAL GAIN/LOSS
Money market funds	20,698	20,720	22
Deposits	7,000	7,000	0
Certificates of deposit	15	15	0
Treasury stock	27	32	5
TOTAL SHORT-TERM INVESTMENTS	**27,740**	**27,767**	**27**

The individual market value of short-term investments is not less than the value booked in the balance sheet.

NOTE 15 Changes in shareholders' equity

IN THOUSANDS OF EUROS	CAPITAL	ADDITIONAL PAID-IN CAPITAL	CONSOLIDATED RESERVES	TOTAL SHAREHOLDERS' EQUITY
Shareholders' equity at October 1st 2001	**23,329**	**22,443**	**87,667**	**133,439**
Capital increase	10,676	45,238	-	55,914
Net income for the financial year	-	-	37,816	37,816
Dividend payment	-	-	-6,886	-6,886
Shareholders' equity at September 30th 2002	**34,005**	**67,681**	**118,597**	**220,283**
Capital increase	174	490	-	664
Net attributable income for the financial year	-	-	47,329	47,329
Dividend payment	-	-	-9,386	-9,386
Shareholders' equity at September 30th 2003	**34,179**	**68,171**	**156,540**	**258,890**

Pierre & Vacances SA carried out three capital increases in 2002/2003, issuing new shares following the exercise of stock options granted by the Board of Directors on December 18th 1998. These capital increases were carried out on:

- February 19th 2003, following the exercise of 20,000 stock options;
- September 26th 2003, following the exercise of 6,100 stock options;
- September 30th 2003, following the exercise of 17,500 stock options.

These transactions increased shareholders' equity by € 664 thousand.

Following this transaction, the share capital stood at € 34,179,400, comprising 8,544,850 fully paid-up ordinary shares with a nominal value of € 4 per share.

Potential capital: stock option plans

On December 18th 1998, the Board of Directors made use of the authorisation granted by the Extraordinary Meeting of Shareholders of September 10th 1998 and allocated stock options with a strike price of € 15.24. As at September 30th 2003, 162,540 of these options were still outstanding.

The Extraordinary Meeting of Shareholders of March 17th 2000 authorised the Board of Directors to grant a maximum of 100,000 stock options. The number of valid options granted by the Board of Directors under this authorisation on March 20th 2000 stood at 81,693, with a strike price of € 47.00. The Board of Directors allocated 5,000 stock options with a strike price of € 59.99 on June 20th 2000, 2,000 of which are still valid, and 3,600 stock options with a strike price of € 60.20 on November 13th 2000, 1,635 of which are still valid.

The Joint Meeting of Shareholders of March 9th 2001 authorised the Board of Directors to award a total of up to 100,000 stock options to certain members of the company. On July 13th 2001, the Board of Directors granted 5,700 options with a strike price of € 61.56, 4,304 of which are still valid and, on March 29th 2002, it allocated 25,000 options with a strike price of € 66.73. As the beneficiaries waived their stock options, the stock option plan of March 29th 2002 was cancelled on April 11th 2003.

The Extraordinary Meeting of Shareholders of March 10th 2003 authorised the Board of Directors to grant a maximum of 150,000 stock options. Accordingly, the Board of Directors awarded 25,000 stock options on April 11th 2003 with a strike price of € 44.00.

Only 162,540 of the total outstanding stock options were exercisable at September 30th 2003.

NOTE 16 Minority interests

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
Minority interests at Octobre 1st	**691**	**390**	**428**
Changes in Group structure	-1	-1	4
Dividends paid/appropriation of income	-687	-387	-428
Net income for the financial year	646	689	386
MINORITY INTERESTS AT SEPTEMBER 30th	**649**	**691**	**390**

NOTE 17 Provisions for contingencies and charges

IN THOUSANDS OF EUROS	30/09/02	CHANGES IN GROUP STRUCTURE	CHARGES	WRITE-BACKS	RECLASS.	30/09/03
Support fund	24,347	5,580	5,778	-4,696	-	**31,009**
Refurbishments	35,959	15,023	8,628	-13,287	124	**46,447**
Retirement benefits	5,578	2,193	360	-1,190	-	**6,941**
Other provisions	16,252	3,617	9,541	-7,321	-124	**21,965**
Negative goodwill	-	1,414	-	-1,414	-	**0**
TOTAL	**82,136**	**27,827**	**24,307**	**-27,908**	**0**	**106,362**
of which provisions relating to operations			*16,171*	*-14,527*		
of which extraordinary provisions			*8,136*	*-11,967*		
of which amortisation of goodwill				*-1,414*		

The changes in the provisions for contingencies and charges reflect:

- an increase of € 27,827 thousand linked to changes in Group structure (including € 20,751 thousand relating to the acquisition of the remaining stake in Center Parcs Continental Europe), consisting of:
  - € 5,580 thousand relating to provisions for support funds for Hôtel du Golf de Toulouse and SAGITS;
  - € 15,023 thousand relating to provisions for refurbishment (due to the integration of the additional 50% stake in the Center Parcs Continental Europe sub-group);
  - € 2,193 thousand relating to provisions for retirement benefits (due to the change in Group structure of the Center Parcs Continental Europe sub-group);
  - € 3,617 thousand relating to provisions for restructuring and other risks (including € 3,355 thousand relating to the full consolidation of Center Parcs Continental Europe);
  - € 1,414 thousand in negative goodwill over the financial year (including € 754 thousand on Les Minimes SCI, € 422 thousand on Palais Joséphine SNC and € 238 thousand on Les Terrasses de Saint-Tropez SCI.
- A reduction of € 3,601 thousand, linked to changes over the financial year, including a write-back on provisions for restructuring of € 6,275 thousand, equal to the costs incurred during the 2002/2003 financial year (€ 3,622 thousand for the French Tourism division and € 2,653 thousand for the Center Parcs Continental Europe sub-group) and write-backs on negative goodwill of € 1,414 thousand over the financial year (these badwills cannot be attributed to identifiable future losses).

At September 30th 2002, provisions for risks and charges broke down as follows:

IN THOUSANDS OF EUROS	30/09/01	CHANGES IN GROUP STRUCTURE	CHARGES	WRITE-BACKS	RECLASS.	30/09/02
Support fund	24,860	-	3,170	-3,683	-	**24,347**
Refurbishments	24,776	9,593	4,949	-7,874	4,515	**35,959**
Retirement benefits	5,790	15	596	-821	-2	**5,578**
Other provisions	29,536	3,083	4,472	-20,901	62	**16,252**
TOTAL	**84,962**	**12,691**	**13,187**	**-33,279**	**4,575**	**82,136**
of which provisions relating to operations			*13,054*	*-20,187*		
of which extraordinary provisions			*133*	*-13,092*		

NOTE 18 Bank and other borrowings

BREAKDOWN BY TYPE AND SECTOR OF ACTIVITY

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Bank borrowings	**322,971**	**230,686**	**342,700**
• *Tourism*	*291,162*	*210,680*(**)	*342,700*(**)
• *Property development*	*31,809*	*20,006*(*)	-
Bridging loans (property development)	**68,920**	**25,600**(*)	**-**
Lease finance agreements (property development)	**5,376**	**2,851**(**)	**3,151**(**)
Overdrafts	**6,932**	**12,831**	**5,301**
• *Tourism*	*3,280*	*11,007*	*2,319*
• *Property development*	*3,652*	*1,824*	*2,982*
TOTAL	**404,199**	**271,968**	**351,152**

(*) After the reclassification of bridging loans in the amount of € 25,600 thousand initially booked under "Bank borrowings".
(**) After the reclassification of lease finance agreements initially booked under "Bank borrowings".

Bank borrowings and bridging loans break down as follows:

Tourism business:

- € 170,500 thousand in new borrowings taken out as part of the purchase of the additional 50% stake in the Center Parcs Continental Europe sub-group;
- the € 71,000 thousand bridging loan taken out as part of the future sale of the Eemhof site.
  The principal still owed at September 30th 2002 on bank borrowings used to finance the acquisition of the eight sites of which Center Parcs Continental Europe owned the freehold (Group share: € 142,903 thousand) was partially repaid during the financial year (Group share: € 36,549 thousand) and the remainder sold on September 25th 2003 under the sale of the legal structures that owned the freehold (lands and buildings) of seven of the eight sites (€ 106,354 thousand);
- the principal still owed on loans taken out to finance the acquisitions of Maeva (€ 14,600 thousand), Gran Dorado (€ 15,300 thousand) and Center Parcs Continental Europe (€ 8,730 thousand). The Gran Dorado loan (€ 15,300 thousand) and a portion of the Maeva loan (€ 7,600 thousand) were refinanced in connection with the finance set up for the acquisition of the additional 50% stake in Center Parcs Continental Europe;
- the loan in the amount of € 8,207 thousand, corresponding to outstanding mortgage debt taken over from Société Hôtelière Anse à la Barque and Société Hôtelière Rivière à la Barque under an agreement whereby Pierre & Vacances Tourisme agreed to substitute itself for these two companies as debtor vis-à-vis their bank creditors.

Property Development business:

- the € 32,300 bridging loan taken out to finance the acquisition of the buildings of the Paris Côté Seine residence; The value of the stock thus acquired amounted to € 32,621 thousand;
- the € 13,512 thousand loan linked to the financing of the unsold apartments at the Cala Rossa residence in Sardinia. The net book value of the assets to be sold amounts to € 20,200 thousand;

- the principal still owed on bridging loans taken out by the Group for a total of € 22,400 thousand to finance the acquisition of the buildings of eight residences operated by the French Tourism division from GMF/MACIF (net book value of assets to be sold: € 29,746 thousand).
- the loan taken out primarily to finance the "Nouvelle Propriété" debt acquired from Résidences MGM (€ 11,297 thousand);
- the € 8,820 thousand bridging loan taken out to finance the acquisition of the Cannes Beach residence. This bank loan (€ 25,600 thousand), which was booked under "Borrowings" in the financial year ended September 30th 2002, was reclassified under "Bridging loans" on September 30th 2003 (net book value of assets to be sold: € 19,642 thousand).
- the € 7,000 thousand loan taken out by Pierre & Vacances Italia Srl to finance the Cefalù transaction. The Group's net property assets in Cefalù totalled € 7,184 thousand at September 30th 2003;
- the € 3,500 thousand bridging loan initially taken out by the Group to finance the acquisition and renovation of the two Avoriaz residences (net book value of assets to be sold: € 7,417 thousand).

The financial debt corresponding to the restatement of lease finance agreements breaks down as follows:

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Bénodet Residence	1,816	1,816	2,000
Marseille Prado Residence	1,829	1,035	1,151
Cogolin Residence	1,731	-	-
TOTAL	**5,376**	**2,851**	**3,151**

At September 30th 2003, the net book value of these underlying assets amounted to € 5,896 thousand.

The specific guarantees attached to bank borrowings are presented in the paragraph on off-balance sheet commitments (see Note 29 – Off-balance sheet commitments).

BREAKDOWN BY MATURITY

		MATURITIES					
IN THOUSANDS OF EUROS	30/09/03	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	>5 YEARS
Bank borrowings	**322,971**	**97,644**	**51,452**	**58,967**	**46,709**	**56,385**	**11,814**
• Tourism	*291,162*	*90,983*	*44,699*	*51,740*	*44,378*	*54,106*	*5,256*
• Property development	*31,809*	*6,661*	*6,753*	*7,227*	*2,331*	*2,279*	*6,558*
Bridging loans (Property development)	**68,920**	**38,200**	**15,140**	**13,000**	**2,580**	**-**	**-**
Lease finance agreements (Prop. devt.)	**5,376**	**1,622**	**1,056**	**438**	**458**	**480**	**1,322**
Overdrafts	**6,932**	**6,932**	**-**	**-**	**-**	**-**	**-**
• Tourism	*3,280*	*3,280*	-	-	-	-	-
• Property development	*3,652*	*3,652*	-	-	-	-	-
TOTAL	**404,199**	**144,398**	**67,648**	**72,405**	**49,747**	**56,865**	**13,136**

BREAKDOWN BY CURRENCY

All the Group's bank borrowings and debt are denominated in euros and therefore incur no currency risk.

BREAKDOWN BY INTEREST RATE TYPE

Fixed rate loans:

The nominal amount of fixed-rate bank loans and lease finance agreements amounts to € 17,674 thousand and the interest rates vary between 4.4% and 10.4%:

BANK BORROWINGS AND LEASE FINANCE AGREEMENTS				
	DATE OF SUBSCRIPTION	FINAL REPAYMENT DATE	PRINCIPAL OUTSTANDING AT 30/09/03 (in millions of euros)	INTEREST RATE
Bank borrowings:				
	06/07/95	06/07/06	0.2	5.05%
	10/09/97	10/09/08	0.4	5.30%
	31/12/97	31/12/13	2.7	7.50%
	31/12/97	10/01/14	1.4	7.50%
	10/12/98	10/12/09	0.1	5.00%
	10/10/00	10/10/11	0.3	4.90%
	20/10/00	14/06/11	0.3	4.40%
	14/02/01	17/11/03	8.7	10.40%
Sub-total			**14.1**	
Lease finance agreements:	01/04/85	31/03/05	1.7	6.74%
	01/05/89	30/04/09	1.8	6.74%
Sub-total			**3.5**	
TOTAL			**17.6**	

Floating rate borrowings:

The nominal amount of floating rate bank borrowings and lease finance agreements totals € 310,171 thousand and the interest rates vary between 1-month Euribor + margin and 6-month Euribor + margin.

The nominal amount of floating rate bridging loans totals € 68,920 thousand, with an interest rate of Eonia + a margin or a rate that varies between Euribor 1-month + margin and Euribor 3-year + margin.

To manage the interest rate risk incurred on its floating rate loans, the Pierre & Vacances Group has taken out interest rate swap and cap contracts (the characteristics of which are described in note 29 – Off-balance sheet commitments).

Variable rate bank loans, bridging loans and lease finance agreements together with the related hedging instruments break down as follows:

BANK BORROWINGS, BRIDGING LOANS AND LEASE FINANCE AGREEMENTS				HEDGING			
DATE OF SUBSCRIPTION	MATURITY DATE	PRINCIPAL STILL OWED AT 30/09/03*	INTEREST RATE	INSTRUMENT	NOTIONAL AT 30/09/03*	MATURITY DATE	RATE CHARACTERISTICS
BANK LOANS:							
13/12/97	13/12/13	**1.4**	3-month Euribor + margin	None			
13/12/97	20/04/13	**1.4**	3-month Euribor + margin	None			
13/12/97	31/03/13	**1.4**	3-month Euribor + margin	None			
28/12/01	28/12/05	**1.0**	3-month Euribor + margin	None			
29/03/02	29/03/06	**13.5**	3-month Euribor + margin	None			
31/10/02	31/10/05	**7.0**	3-month Euribor + margin	None			
12/03/03	30/06/13	**7.0**	3-month Euribor + margin	None			
17/09/03	30/09/11	**11.3**	6-month Euribor + margin	None			
26/09/03	26/09/08	**150.5**	1to 6 month Euribor + margin				
26/09/03	26/09/08	**20.0**	1 to 6 month Euribor + margin				
26/09/03	26/09/08	**15.3**	1 to 6 month Euribor + margin	Swap	**58.0**	26/09/08	Lender rate: 6-month Euribor Borrower rate : fixed : 3.3050%
26/09/03	26/09/08	**7.6**	1 to 6 month Euribor + margin				
26/09/03	26/09/05	**71.0**	1 to 6 month Euribor + margin	None			
Sub-total		**308.4**			**58.0**		

(*) in millions of euros

LOANS, BANK LOAN AND LEASE FINANCE AGREEMENT				HEDGING			
DATE OF SUBSCRIPTION	MATURITY DATE	PRINCIPAL STILL OWED AT 30/09/03*	INTEREST RATE	INSTRUMENT	NOTIONAL AT 30/09/03*	MATURITY DATE	RATE CHARACTERISTICS
BRIDGING LOANS:							
07/03/02	05/03/05	**1.9**	Eonia + margin	None			
28/06/02	31/12/06	**8.8**	Eonia + margin	Cap	**20.0**	01/01/2004	Cap: 3.00%
13/03/03	31/03/04	**1.5**	3-month Euribor + margin				
13/03/03	30/06/04	**0.9**	3-month Euribor + margin				
13/03/03	31/12/06	**3.0**	3-month Euribor + margin				
13/03/03	31/12/06	**1.6**	3-month Euribor + margin	Cap Cap	**10.0** **10.0**	01/01/2005 01/01/2004	Cap: 3.25 % Cap: 3.00 %
13/03/03	31/12/06	**4.9**	3-month Euribor + margin				
13/03/03	31/12/05	**2.5**	3-month Euribor + margin				
13/03/03	30/06/06	**4.0**	3-month Euribor + margin				
13/03/03	30/09/06	**4.0**	3-month Euribor + margin				
10/07/03	31/10/03	**32.3**	1-month Euribor + margin	None			
28/07/03	31/12/04	**3.5**	Eonia + margin	None			
Sous-total		**68.9**			**40.0**		
LEASE FINANCE AGREEMENTS:							
16/07/99	16/07/11	**1.8**	3-month Euribor + margin	None			
Sub-total		**1.8**			**0.0**		
TOTAL		**379.1**			**98.0**		

(*) in millions of euros

Between September 30th 2003 and the date on which the financial statements were approved by the Board of Directors (December 9th 2003) (see Note 33 "Events after closing of the financial year"), the Pierre & Vacances Group finalised interest rate hedging on floating rate borrowings taken out to finance the acquisition of the additional 50% stake in Center Parcs Continental Europe (€ 170.5 million) and to refinance loans on Gran Dorado (€ 15.3 million) and Maeva (€ 7.6 million). As such, six new interest rate caps set at a maximum 3.5% rate and with a total notional amount of € 56.6 million were set up, covering 60% of outstanding, in line with the requirements of the lending banks. In order to benefit from the drop in interest rates on the markets following the set-up of these caps and to complete its hedging against interest rate risk, a new swap (lender rate: Euribor 6-month, borrower rate: 2.24%) was set up for a notional amount of € 132.0 million.

Given the short financing period (3.5 months) for the Paris Côté Seine property transaction, the interest rate risk on the bridging loan (€ 32,300 thousand at September 30th 2003) was not hedged.

DEBT-TO-EQUITY RATIO IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Bank borrowings	404,199	271,968	351,152
Other borrowings	1,043	33,714	44,081
Borrowings	**405,242**	**305,682**	**395,233**
Short-term investments	27,740	74,663	49,759
Cash	79,336	53,047	87,597
Cash and cash equivalents	**107,076**	**127,710**	**137,356**
NET DEBT	**298,166**	**177,972**	**257,877**
GROUP SHAREHOLDERS' EQUITY	**258,890**	**220,283**	**133,439**
DEBT-TO-EQUITY RATIO	**1.15**	**0.81**	**1.93**

When the Group acquired the additional 50% stake in the Center Parcs Continental Europe sub-group, the debt corresponding to the deferred payment granted by the seller Scottish & Newcastle (Group share of € 32,338 thousand) was fully repaid.

After recognising cash and cash equivalents of € 107,076 thousand, the Pierre & Vacances Group's net debt amounted to € 298,166 thousand. At September 30th 2003, the Group's net debt-to-equity ratio came out at 1.15. After accounting for the sale of the land and buildings of Eemhof site on October 30th 2003, the Group's gearing stood at 0.83.

None of the bank loans of the Pierre & Vacances Group are based on the Group's rating. The contracts set up to finance the acquisition of Center Parcs Continental Europe (€ 170.5 million), the € 71.0 million bridging loan taken out pending the sale of the Eemhof site, the refinancing of the principal outstanding on loans taken out in connection with the acquisitions of Gran Dorado (€ 15.3 million), Maeva (€ 7.6 million) and the Paris Côté Seine tower (€ 32.3 million), contain clauses referring to the financial position of the Pierre & Vacances Group. The ratios are adapted to the repayment terms of the borrowings and relate to the following aggregates:

- net debt-to-equity ratio;
- adjusted net debt/EBITDAR (adjusted net debt = net debt + 8 times the annual rent expense excluding the head offices, EBITDAR = EBITDA before rent expense);
- operating cash flow/debt charge (operating cash flow = EBITDA – tax – change in working capital requirement – acquisitions + disposals – dividends paid; debt charge = financial expenses + loan repayment).

These financial ratios, also referred to as financial covenants, were defined and set prospectively in collaboration with the lending banks. Compliance with these ratios is checked once per year only, at year-end. Only the first two ratios apply to the financial statements closed on September 30th 2003. On this date, the net debt-to-equity ratio had to be less than 1.4 and the adjusted net debt/EBITDAR ratio less than 5.85. The Pierre & Vacances Group fully respected these ratios.

If the Group does not comply with the ratios, the lending banks can demand early repayment of the loans (in full or in part).

These credit lines are also subject to the customary legal covenants: "negative pledge", "pari passu" and "cross default".

GUARANTEES

IN THOUSANDS OF EUROS	30/09/03	MATURITIES 1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	> 5 YEARS
Guarantees	387,954	131,474	69,193	70,154	51,651	59,762	5,720

The guarantees granted by the Group with reference to its bank borrowings mainly include:

- first-call guarantees granted by Pierre & Vacances SA to banks in connection with the acquisition of the additional 50% stake in Center Parcs Continental Europe, for € 290,840 thousand, based on 1.1 times the value of the borrowings at September 30th 2003. Company securities were pledged to back these first-call guarantees;
- guarantees given to banks by Pierre & Vacances SA as part of the Pierre & Vacances Group's expansion in Italy, in the amount of € 27,996 thousand:
  - € 16,012 thousand for Cala Rossa Immobiliare SrL;
  - € 9,709 thousand for Pierre & Vacances Italia SrL for the construction of the Cefalù residence in Sicily;
  - € 2,275 thousand for Part House Srl;
- in connection with the Pierre & Vacances Group's property development business in France, totalling € 68,920 thousand:
  - € 32,300 thousand for the financing granted to Pierre & Vacances Investissement XXII for the acquisition of the Paris Côté Seine tower;
  - € 22,400 thousand to back the financing set up by the property development structures for the acquisition in March 2003 of eight tourist residences already operated by the Group from GMF/MACIF (Moliets, La Rochelle, Maubuisson, Pyrénées 2000, Le Touquet, Perros-Guirec, Trouville and Lacanau). Company securities were also pledged and mortgages granted as guarantees.
  - € 14,220 thousand for the financing granted for the renovation of the Cannes Beach residence in Cannes (€ 8,820 thousand), the Saskia and Elinka residences in Avoriaz (€ 3,500 thousand) and Branville (€ 1,900 thousand).

NOTE 19 Other liabilities and deferred income

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
VAT and other taxes payable	55,757	40,353	32,414
Deferred tax liabilities	18,204	7,144	11,277
Wages (including social security commitments)	65,695	44,834	29,116
Suppliers of fixed assets	10,423	5,172	4,981
Sundry liabilities	124,581	49,964	48,957
Other liabilities	**274,660**	**147,467**	**126,745**
Property sales and support fund	18,895	48,663	23,876
Other deferred income	6,527	11,389	7,540
Deferred income	**25,422**	**60,052**	**31,416**
TOTAL OTHER LIABILITIES AND DEFERRED INCOME	**300,082**	**207,519**	**158,161**

The main changes in "Other liabilities" relate to:

- the increase in "VAT and other taxes payable" of € 15,404 thousand linked to the increase in corporate income tax due by the Center Parcs division (for € 5,843 thousand) and tax liabilities of the French Tourism division in the amount of € 9,014 thousand;
- an increase in wages and social security liabilities of € 20,861 thousand, mainly relating to the Center Parcs Continental Europe sub-group (in the amount of € 13,756 thousand), essentially owing to changes in the consolidation scope, and the French Tourism division, for € 7,111 thousand;
- an increase in deferred tax liabilities of € 11,060 thousand, mainly resulting from the increase in the Group's stake in Center Parcs Continental Europe from 50% to 100% (€ 8,185 thousand);
- an increase in "Sundry liabilities" (€ 74,617 thousand), including € 50,000 thousand relating to the Paris Côté Seine transaction and € 23,900 thousand for the Center Parcs Continental Europe sub-group, of which € 9,993 thousand correspond to fees on the disposal of the lands and buildings of the sites.

The decrease in deferred income on property sales (€ 29,768 thousand) is due to the delivery of programmes during the 2002/2003 financial year, including Val d'Europe, Valmeinier, Ax Les Thermes and Saint Lary. This deferred income corresponds to deeds of sale signed in the presence of a notary relating to programmes not delivered as at September 30th 2002.

BREAKDOWN OF THE MAIN PROFIT AND LOSS ACCOUNT ITEMS

NOTE 20 Turnover

BREAKDOWN BY SECTOR OF ACTIVITY

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
Pierre & Vacances Tourisme / Maeva / Résidences MGM	431,262	461,239	274,958
Center Parcs Continental Europe	261,685	262,821	152,542
Gran Dorado	-	-	53,515
Tourism	**692,947**	**724,060**	**481,015**
Property development and project management	182,241	64,862	120,826
Property sales	5,313	4,378	2,154
Other	1,033	1,386	920
Property development	**188,587**	**70,626**	**123,900**
TOTAL	**881,534**	**794,686**	**604,915**

BREAKDOWN BY COUNTRY

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
France	466,138	497,644	302,807
Netherlands	134,676	135,110	112,353
Belgium	39,640	41,354	25,248
Germany	37,361	39,718	40,607
Italy	15,132	10,234	-
Tourism	**692,947**	**724,060**	**481,015**
France	180,829	70,626	123,900
Italy	7,758	-	-
Property development	**188,587**	**70,626**	**123,900**
TOTAL	**881,534**	**794,686**	**604,915**

Consolidated turnover for the 2002/2003 financial year was up by 10.9% on the previous financial year.

When adjusted for changes in Group structure, the change in consolidated turnover by business line breaks down as follows:

IN THOUSANDS OF EUROS	2002/2003	2001/2002(*)	VARIATION
Tourism	692,947	686,734	+0.9 %
Property development	188,587	70,660	+166.9 %
TOTAL	**881,534**	**757,394**	**+16.4 %**

(*) Including the following principal restatements for the 2001/2002 financial year: the activity of Maeva over twelve months (versus 13 months in reported data), the activity of Pierre & Vacances Tourisme after the sale of residences to France Location and Lagrange as of October 1st pursuant to the decision of the DGCCRF (French Competition and Consumer Protection agency) and the activity of Résidences MGM over nine months (January 1st – September 30th).

On a like-for-like basis, turnover for the 2002/2003 financial year increased by 16.4%.

NOTE 21 Other operating revenues

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
Costs transferred	16,887	13,166	12,264
Write-backs of amortisation and provisions	16,148	26,570	28,595
Other revenues	15,547	4,311	1,617
TOTAL	**48,582**	**44,047**	**42,476**

NOTE 22 Purchases, other purchases and external charges

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
PURCHASES	**-150,239**	**-69,267**	**-48,292**
Property development inventorised purchases	-80,997	-36,991	-42,824
Rents payable and other co-ownership charges	-180,257	-173,342	-112,787
Subcontracted services (laundry, catering, cleaning)	-14,524	-33,981	-35,402
Advertising and fees	-74,944	-65,072	-57,710
Others	-149,094	-128,136	-84,065
OTHER PURCHASES AND EXTERNAL CHARGES	**-499,816**	**-437,522**	**-332,788**

The change in “Purchases” and “Other pruchases and external charges” masks contrasting trends in the tourism and property development businesses. The growth in the property development business generated an increase in expenses, while the tourism business, affected by a like-for-like sales decrease, recorded a drop in expenses primarily linked to tight cost control, as well as synergies produced as a result of the restructuring of the French Tourism division.

In 2002/2003, rents paid to private owners of the residences and sites operated by the Group totalled € 140.9 million (€ 124.8 million for residences sold under the Pierre & Vacances, Maeva and Résidence MGM brands and € 16.1 million for Center Parcs Continental Europe sites).

NOTE 23 Financial income

IN THOUSANDS OF EUROS	2002/2003	20001/2002	2000/2001
Financial income	7,371	6,172	8,139
Financial expenses	-20,865	-21,567	-14,606
TOTAL	**-13,494**	**-15,395**	**-6,467**

The improvement in net financial income can mainly be attributed to the € 2,645 thousand reduction in the cost of financing the freehold of the Center Parcs Continental Europe sites (prior to the sale of the lands and buildings of seven sites on September 25th 2003), which totalled € 10,126 thousand in 2002/2003 (versus € 12,771 thousand the previous year).

NOTE 24 Breakdown of earnings before tax and extraordinary items by business

IN MILLIONS OF EUROS	TOURISM 2002/2003	TOURISM 2001/2002	TOURISM 2000/2001	PROPERTY DEVELOPMENT 2002/2003	PROPERTY DEVELOPMENT 2001/2002	PROPERTY DEVELOPMENT 2000/2001	TOTAL 2002/2003	TOTAL 2001/2002	TOTAL 2000/2001
Turnover	692.9	724.1	481.0	188.6	70.6	123.9	881.5	794.7	604.9
Other operating revenues	34.4	22.2	22.9	14.2	21.8	19.6	48.6	44.0	42.5
Assets produced and held as stock	-	-	0.1	74.1	9.3	-33.4	74.1	9.3	-33.3
REVENUES FROM OPERATING ACTIVITIES	**727.3**	**746.3**	**504.0**	**276.9**	**101.7**	**110.1**	**1 004.2**	**848.0**	**614.1**
Purchases	-49.6	-62.9	-40.8	-100.6	-6.4	-7.5	-150.2	-69.3	-48.3
Personnel expenses	-184.8	-188.9	-112.4	-14.4	-13.9	-12.2	-199.2	-202.8	-124.6
Other purchases and external charges	-370.2	-373.2	-260.5	-129.6	-64.3	-72.3	-499.8	-437.5	-332.8
Taxes excluding corporate income tax	-14.6	-14.8	-9.4	-1.6	-1.2	-0.9	-16.2	-16.0	-10.3
Depreciation, amortisation and provisions	-39.8	-38.3	-37.2	-16.5	-10.9	-9.6	-56.3	-49.2	-46.8
OPERATING INCOME	**68.3**	**68.2**	**43.7**	**14.2**	**5.0**	**7.6**	**82.5**	**73.2**	**51.3**
Financial income	-12.9	-15.6	-7.5	-0.6	0.2	1.1	-13.5	-15.4	-6.4
EARNINGS BEFORE TAX AND EXTRAORDINARY ITEMS	**55.4**	**52.6**	**36.2**	**13.6**	**5.2**	**8.7**	**69.0**	**57.8**	**44.9**

NOTE 25 Extraordinary items

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
Extraordinary operations	-36,474	-5,899	-11,883
Capital gains or losses on asset disposals	24,348	-1,480	4,058
Net change in provisions	5,052	12,913	13,470
EXTRAORDINARY ITEMS	**-7,074**	**5,534**	**5,645**

Extraordinary items for 2002/2003 mainly include:

- a gain of € 18,734 thousand on the sale of the freehold (lands and buildings) of villages owned by Center Parcs Continental Europe;
- an expense of € 15,659 thousand corresponding to the Group's share in the purchase of the stakes in Center Parcs Continental Europe held by mezzanine funds and its management team in connection with the full acquisition of the company;
- an expense totalling € 4,504 thousand linked to the restructuring of the French Tourism division;
- an expense of € 3,301 thousand relating to the cost-cutting programme implemented at the Center Parcs Continental Europe division;
- an expense of € 3,510 thousand related to the creation of structures in southern Europe.

Extraordinary items in the 2001/2002 financial year essentially included income of € 6,208 thousand linked to changes in the Group's tax position.

NOTE 26 Corporate income tax and deferred taxes

BREAKDOWN OF THE TAX CHARGE

	IN THOUSANDS OF EUROS
Consolidated income before tax	**61,901**
Income not subject to tax:	
Capital losses on securities	-29,513
Impact of deconsolidations	-22,541
Unrecognised tax assets	1,332
Use of losses carried forward	-3,029
Acquisition cost of Center Parcs Continental Europe shares booked under extraordinary items	15,659
Others	3,139
Income taxable at corporate tax rate applicable in France	**26,948**
Tax rate in France	35.42 %
Theoretical tax charge at corporate tax rate applicable in France	**9,545**
Impact of changes in tax rates on valuation of deferred taxes	-687
Tax rate differential	-110
Group tax charge	**8,748**
of which corporate income tax	*-2,618*
of which carry back	*-2,298*
of which deferred taxes	*13,664*

BREAKDOWN OF DEFERRED TAX ASSETS AND LIABILITIES

IN THOUSANDS OF EUROS	30/09/02	CHANGES IN GROUP STRUCTURE	CHANGES	30/09/03
Deferred taxes on timing differences	18,259	4,450	-10,674	12,035
Deferred taxes on consolidation adjustments	-9,170	99,079	-14,959	74,950
Deferred taxes on losses carried forward	10,465	3,944	11,969	26,378
TOTAL	**19,554**	**107,473**	**-13,664**	**113,363**
of which deferred tax assets	*26,698*	*86,939*	*17,930*	*131,567*
of which deferred tax liabilities	*-7,144*	*20,534*	*-31,594*	*-18,204*

NOTE 27 Earnings per share

AVERAGE NUMBER OF SHARES

	2002/2003	2001/2002	2000/2001
Number of shares outstanding at October 1st	8,501,250	7,651,250	7,651,250
Number of shares issued during the financial year	43,600	850,000	-
Number of shares oustanding at September 30th	**8,544,850**	**8,501,250**	**7,651,250**
Weighted average number of shares	8,513,040	8,099,861	7,651,250
Weighted average number of shares after dilution	8,776,948	8,408,203	7,951,428

The following dilutive instruments were taken into account in the calculation of the weighted average number of shares after dilution:

NUMBER OF STOCK OPTIONS AWARDED BY THE BOARD OF DIRECTORS	2002/2003	2001/2002	2000/2001
on 18/12/98 and still valid	162,540	206,140	206,140
on 20/03/00 and still valid	81,693	81,693	84,700
on 20/06/00 and still valid	2,000	2,000	5,000
on 13/11/00 and still valid	1,635	1,635	3,600
on 13/07/01 and still valid	4,304	4,304	5,700
on 29/03/02 and still valid	-	25,000	-
on 11/04/03 and still valid	25,000	-	-

EARNINGS PER SHARE

	2002/2003	2001/2002	2000/2001
Earnings before extraordinary items (in thousands of euros) (*)	**40,100**	**31,949**	**26,304**
Weighted net earnings before extraordinary items per share (in €)	4.71	3.94	3.44
Weighted net earnings before extraordinary items per share after dilution (in €)	4.58	3.82	3.34
Net attributable income (in thousands of euros)	**47,329**	**37,816**	**30,950**
Weighted net attributable income per share (in €)	5.56	4.67	4.05
Weighted net attributable income per share after dilution (in €)	5.41	4.52	3.92

(*) net earnings before extraordinary items + corporate income tax on recurrent earnings + share in results of companies accounted for by the equity method + recurrent goodwill amortisation + minority interests.

NOTE 28 Headcount and personnel expenses

The average headcount (full-time equivalent) over the financial year of companies within the Pierre & Vacances Group that are either consolidated in full or by the proportionate method (total number of staff included) stands as follows:

	2002/2003	2001/2002	2000/2001
Executive staff	542	555	550
Supervisory and clerical staff	7,864	7,832	7,688
TOTAL	**8,406**	**8,387**	**8,238**

Personnel expenses fell by 1.8% to € 199,187 thousand in 2002/2003, versus € 202,821 thousand for the previous year.

NOTE 29 Off-balance sheet commitments

The real securities granted by the Group as guarantees to its bank loans are broken down in Note 18 – Bank and other borrowings. They are not included in the table below:

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Guarantees	38,453	37,381	38,871
Mortgages	4,154	4,370	4,573
Rental commitments	1,882,648	1,003,637	823,670
COMMITMENTS GIVEN	**1,925,255**	**1,045,388**	**867,114**
Guarantees	17,933	11,005	6,353
Guarantees on completion provided by bank	18,019	43,987	38,239
Interest rate caps	40,000	137,727	152,494
COMMITMENTS RECEIVED	**75,952**	**192,719**	**197,086**
RECIPROCAL COMMITMENTS	**58,020**	**82,807**	**100,331**

Commitments given:

- At September 30th 2002, guarantees principally comprised:
  - those given by Pierre & Vacances SA to economic partnership companies (GIE) in connection with the securitisation of receivables created under the "Propriété Pierre & Vacances" scheme, in the amount of € 18,762 thousand. Pierre & Vacances guaranteed the payment of rent receivable by the economic partnership companies;
  - in connection with the Pierre & Vacances Group's tourism activities in the French West Indies carried out under management mandates:
    - the first-call guarantee given by SET Pierre & Vacances Maeva France SAS to Comptoir des Entrepreneurs, which issued a long-term loan to Bougainville SNC, owner of a hotel in Sainte Luce (Martinique), on which € 5,808 thousand in principal remained payable at September 30th 2003 . This loan is secured by a senior mortgage on the hotel that was financed by the loan;
    - the guarantee undertaken by SET Pierre & Vacances Maeva France SAS vis-à-vis Comptoir des Entrepreneurs to meet the obligations of any defaulting shareholders in Bougainville SNC for an amount of € 2,287 thousand.
- Assets pledged as mortgages to creditors at September 30th 2003 concern:
  - properties located at the Le Crouesty site (€ 2,077 thousand);
  - shops and shared facilities at the Pont Royal site (€ 2,077 thousand).
- In connection with the refinancing of the loan taken out for the acquisition of Gran Dorado and Maeva, the two pledges existing at September 30th 2002 were removed in 2002/2003.
- When the residences, sites and villages operated by the Pierre & Vacances Group's tourist operating companies are sold, a lease agreement is signed with the new owners. At September 30th 2003, the remaining rent that will be payable by the Group amounts to € 1,882,648 thousand.

  The present value of these rental commitments, using a discount rate of 8% stood at € 1,218 million at September 30th 2003.

  The change in these rental commitments is mainly due to the contribution of Center Parcs Continental Europe, reflecting the inclusion of all the sub-group's rental commitments at September 30th 2003 (versus 50% at September 30th 2002) and the sale and lease-back of the freehold (lands and buildings) of seven of the eight sites still fully owned by the Group on September 25th 2003. The sale agreement included a lease agreement on the land and property of these seven sites, covering 11.5 to 15 years, renewable by the lessee for a further 10 to 12 years. In accordance with local laws, the lease agreement on the German site, covering an initial duration of 11.5 years, provides for an extension of 3.5 years at the request of the lessor and provides for a right of first refusal instead of according the right of renewal to the lessee. The rents are indexed to inflation, with a minimum of 1.75% and a maximum of 3.75%. In addition to the payment of rent, the agreements stipulate that the lessee bears certain expenses that are incumbent on the owner (property tax, insurance, etc.). If the initial lease is renewed on expiry, the new annual rent payable will be calculated using either the market price or the last annual rent, revised where applicable. Pierre & Vacances SA guaranteed the payment of the rent due by its operating subsidiaries to Green Buyco B.V., the new owner of the freehold of the seven sites.
- In connection with developments in Martinique and Guadeloupe, SET Pierre & Vacances Maeva France SAS has committed to buy out the shares held by investors in the property companies that own the hotels operated by the Group for a minimum price of € 0.15, and to discharge them from any obligation after a period of 7 years, under an agreement to buy their shares.

At the same time, the investors have committed to sell their shares to SET Pierre & Vacances Maeva France SAS at the end of an eight-year period. All of these commitments are counter-guaranteed by Société d'Investissement Touristique et Immobilier, a company indirectly controlled by the Chairman and CEO, founder and indirect majority shareholder of Pierre & Vacances SA.

Commitments received:

- Guarantees received correspond to commitments granted by banks to the Group's property development and tourism operating companies with respect to regulated activities, so they may obtain the relevant licences to carry out their property management, business and property trading and travel agency activities. At September 30th 2003, the total amount of these commitments stood at € 15,090 thousand.
- Société d'Investissement Touristique et Immobilier guaranteed the buyback commitments granted by SET Pierre & Vacances Maeva France SAS to investors in the partnerships that own the hotels operated by the Pierre & Vacances Group in Martinique and Guadeloupe.
- Green Participations SAS (a company indirectly owned by the Chairman and CEO, founder and indirect majority shareholder of Pierre & Vacances SA) negotiated a possible earn-out on the 50% stake in Green Buyco BV sold to a non-Group company, calculated according to the return on investment obtained by the buyer and payable following a period of up to seven years. Green Participations SAS withdrew its claim to the revenue on this possible earn-out in favour of Pierre & Vacances SA.
- Completion guarantees are issued by banks with respect to property development transactions. At September 30th 2003, several new completion guarantees of this type (totalling € 18,563 thousand) were issued. These mainly relate to the programmes in Biscarrosse (€ 6,450 thousand), Loches (€ 5,085 thousand), Cannes Beach Loisirs (€ 2,313 thousand) and Bourgenay (€ 1,331 thousand). In addition, five guarantees on completion expired over the period, namely Val d'Europe (€ 21,343 thousand), Saint Lary (€ 8,913 thousand), Monflanquin (€ 6,902 thousand), Ax les Thermes (€ 4,370 thousand) and Valmeinier (€ 1,372 thousand).
- Interest rate caps were taken out with banks to hedge certain floating-rate loans (see Note 18 - Bank and other borrowings) used to finance the Group's external growth and the acquisition of new residences. On September 30th 2003, the initial contract set up with respect the Cannes Beach residence was replaced, and two new contracts were signed over the financial year to finance the acquisition of residences from institutional investors. Moreover, the hedging put in place in relation to the finance set up for the acquisitions of Gran Dorado, the initial stake in Center Parcs Continental Europe and Maeva was cancelled following the full repayment of these borrowings in 2002/2003. Details on these three caps are provided in the table below:

CAP RATE	NOTIONAL AT 30/09/03 (in thousands of euros)	START DATE	MATURITY DATE
3.00 %	20,000	January 1st 2003	January 1st 2004
3.25 %	10,000	January 1st 2003	January 1st 2005
3.00 %	10,000	January 1st 2003	January 1st 2004

Reciprocal commitments:

Reciprocal commitments correspond to the hedging of floating-rate loans (see Note 18 – Bank and other borrowings). Three new interest rate swaps were set up in relation to the acquisition of the additional 50% stake in Center Parcs Continental Europe. Details on these three new contracts are provided in the table below:

LENDER RATE	BORROWER RATE	NOTIONAL AT 30/09/03 (in thousands of euros)	START DATE	MATURITY DATE
6-month Euribor	3.3050 %	19,340	October 1st 2003	September 26th 2008
6-month Euribor	3.3050 %	19,340	October 1st 2003	September 26th 2008
6-month Euribor	3.3050 %	19,340	October 1st 2003	September 26th 2008

The Pierre & Vacances Group had no other significant off-balance sheet commitments at September 30th 2003.

NOTE 30 Maturity schedule of off-balance sheet commitments

The structure of the guarantees granted by the Group with respect to its bank loans is broken down in Note 18 – Loans and financial debt. It is not repeated in the table below:

OFF-BALANCE SHEET COMMITMENTS

IN THOUSANDS OF EUROS	30/09/03	< 1 YEAR	MATURITY 1 TO 5 YEARS	> 5 YEARS
Guarantees	38,453	3,352	23,220	11,881
Mortgages	4,154	278	1,340	2,536
Rental commitments	1,882,648	194,595	740,917	947,136
Commitments given	**1,925,255**	**198,225**	**765,477**	**961,553**
Guarantees	17,933	-	-	17,933
Guarantees on completion provided by banks	18,019	18,019	-	-
Interest rate caps	40,000	30,000	10,000	-
Commitments received	**75,952**	**48,019**	**10,000**	**17,933**
Reciprocal commitments	**58,020**	**1,449**	**56,571**	**-**

NOTE 31 Remunerations granted to members of the Board of Director and of the Executive Committee

No member of the Board of Directors or Executive Committee received any remuneration for their duties as officers of the Company during the 2002/2003 financial year.

The Senior Officers of Pierre & Vacances SA received no remuneration from companies controlled by the Pierre & Vacances Group, as defined in article L. 233-16 of the French Commercial Code. However, SITI, Gérard Brémond's asset management holding company, invoiced Pierre & Vacances Group a total of € 1,762 thousand in management fees for services provided by Mr Gérard Brémond, François Georges and Thierry Hellin during the financial year ended September 30th 2003.

NOTE 32 Identity of ultimate holding company

The financial statements of the Pierre & Vacances Group are fully consolidated by Société d'Investissement Touristique & Immobilier.

NOTE 33 Events after closing of the financial year

Guarantees granted in connection with the Paris Côté Seine transaction:

On October 7th 2003, the guarantee given by Pierre & Vacances SA to Crédit Lyonnais for the loan granted to Pierre & Vacances Investissement 12 was revised to € 50,000 thousand on the payment of the building.

Sale of Eemhof site

On October 30th 2003, the Pierre & Vacances Group sold the freehold (lands and buildings) of the Eemhof village in the Netherlands to an external consortium led by the Dutch company, Zeeland Investments Beheer, for € 90 million (€ 81 million net of fees and tax). At September 30th 2003, the net book value of these assets amounted to € 80.3 million, financed by a bridging loan in the amount of € 71.0 million pending their future resale. This disposal was accompanied by a 15-year leasing agreement relative to this site, renewable by the lessee for a further 10 years. Société d'Investissement Touristique et Immobilière (a company indirectly held by Gérard Brémond, founder and indirect majority shareholder of Pierre & Vacances SA) has a purchase option enabling it to acquire the freehold of the Eemhof site when the lease expires in October 2018, for € 70 million. The annual rent provided for in the contract amounts to € 7.65 million. This amount will be revised at a fixed rate of 2.9%. If the initial lease is renewed on expiry the new annual rent will be calculated on the basis of the most recent annual rent payable. Pierre & Vacances guaranteed the payment of the rent due by its operating subsidiary to Zeeland Investments Beheer.

Construction of a third Center Parcs Continental Europe village in France

In line with its development in France, the Pierre & Vacances Group signed an agreement with the Aisne departmental authorities on November 27th 2003 concerning the construction of a third Center Parcs village. The village, located 120 kilometres northeast of Paris, will be built on a site covering some 70 hectares and will include 700 cottages, a tropical swimming complex, restaurants, bars, boutiques and sports facilities, for a total investment of € 155 million. The Domaine de l'Ailette site is scheduled to open in the summer of 2007.

Acquisition by Center Parcs Continental Europe of "Nordsee Tropen Parc" holiday village in Tossens in Germany

In December 2003, Center Parcs Continental Europe acquired the "Nordsee Tropen Parc" village in Germany – in Tossens on the shores of the North Sea near Bremerhaven – from Eurohypo AG (Frankfurt) for € 8.6 million.

This holiday village comprises 345 cottages, a 76-room hotel and sports and leisure facilities including a tropical swimming pool, restaurants, bars and conference rooms.

Upon completion of the renovation works, the village will be marketed under the "SeaSpirit from Center Parcs" brand.

New hedging contracts and changes in reciprocal commitments linked to refinancing of debt in relation to the acquisition of the additional 50% stake in Center Parcs Continental Europe.

- **Interest rate caps:**
  Pierre & Vacances set up interest rate caps with banks to hedge its floating rate borrowings taken out to finance the acquisition of the additional 50% stake in the Center Parcs Group. Details on these hedging contracts are provided in the table below:

CAP RATE	INITIAL NOTIONAL AMOUNT (in thousands of euros)	START DATE	MATURITY DATE
3.50%	14,666	March 26th 2004	September 26th 2006
3.50%	4,190	March 26th 2004	September 26th 2006
3.50%	14,666	March 26th 2004	September 26th 2006
3.50%	4,190	March 26th 2004	September 26th 2006
3.50%	14,666	March 26th 2004	September 26th 2006
3.50%	4,190	March 26th 2004	September 26th 2006

- **Interest rate swaps:**
  The Pierre & Vacances Group set up a new swap to complete its hedging of the interest rates on loans taken out to finance the acquisition of the additional 50% stake in Center Parcs Continental Europe. Details on this contract are provided in the table below:

LENDER RATE	BORROWER RATE	INITIAL NOTIONAL AMOUNT (in thousands of euros)	START DATE	MATURITY DATE
6-month Euribor	2.2400 %	131,996	March 26th 2004	March 26th 2005

Capital increase following the exercise of 21,340 stock options

On December 23rd 2003, Pierre & Vacances SA increased its capital via the issue of 21,340 new shares following the exercise of 21,340 stock options that had been awarded by the Board of Directors on December 18th 1998.
This transaction led to an increase in shareholders' equity of € 325 thousand.

Following this transaction, the share capital stood at € 34,264,760, comprising 8,566,190 fully paid-up ordinary shares with a nominal value of € 4 per share.

Allocation of stock options

Under the authorisation to award 150,000 stock options granted by the Extraordinary Meeting of Shareholders of March 10th 2003, the Board of Directors allocated 7,150 stock options with strike price € 63.83 on November 3rd 2003.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended September 30th 2003)

To the Shareholders,

In accordance with the terms of our appointment by the Annual General Meeting, we have audited the attached consolidated financial statements of Pierre & Vacances for the year ended September 30th 2003.
The Board of Directors is responsible for the preparation of the consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with the auditing standards applicable in France. These standards require that we perform such tests and procedures as to give reasonable assurance that the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the information contained in the financial statements. It also includes assessing the accounting policies used and significant estimates made by management, and evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for the opinion expressed below.
In our opinion, the consolidated financial statements, drawn up in compliance with the accounting principles applicable in France, give a true and faire view of the Group's consolidated results, net assets and financial position.

Observations and justification of our opinion

In accordance with the provisions of article L.225-235 of the French Commercial Code concerning the justification of our opinion which have been applied for the first time to this financial year, we would like to draw your attention to the following items, which have been taken into account in the aforementioned opinion on the consolidated financial statements:

- Notes 1 and 3.1 to the financial statements describe the main transactions that took place within the Group during the financial year, namely:
  - the sale by the Center Parcs Continental Europe sub-group of its stakes in companies that owned the freehold (lands and buildings) of seven Center Parcs sites in the Netherlands, Belgium and Germany, and the leasing by the Center Parcs Continental Europe sub-group of the land and property assets sold under this transaction;
  - the full acquisition by Pierre & Vacances of the Center Parcs Continental Europe sub-group through the purchase of the capital thus far owned by other shareholders.

As part of our assessment of the accounting principles applied by the Group, we have checked the consistency of the accounting methods applied and the information provided in the notes to the financial statements.

- Note 2.1 outlines the change in accounting method applied by the Group for the first time as of October 1st 2002, in accordance with CRC Regulation No. 2000-06 on liabilities.

As part of our assessment of the accounting principles applied by the Group, we have checked the consistency of the accounting treatment resulting from this change in method and its presentation.

Specific procedure

Our audit also covered the information relating to the Group provided in the Management Report. We have no comment to make on the fairness of such information or its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, February 19th 2004

Statutory Auditors

A.A.C.E. Ile-de-France
Michel Riguelle

BARBIER FRINAULT & AUTRES
ERNST & YOUNG
Michel Roucart

PERSONAL NOTES

PERSONAL NOTES

PARENT COMPANY FINANCIAL STATEMENTS

SUMMARY OF PIERRE & VACANCES SA FINANCIAL STATEMENTS

The accounts shown therein are an extract of the parent company financial statements, and do not include the notes relative to these financial statements. The full set of the parent company financial statements is presented to the Annual General Meeting of shareholders, and is released in compliance with the regulation in France.

BALANCE SHEET - ASSETS

IN THOUSANDS OF EUROS	GROSS VALUE	AMORT./DEPR.	NET VALUE 30/09/03	NET VALUE 30/09/02	NET VALUE 30/09/01
INTANGIBLE FIXED ASSETS	**10,794**	**57**	**10,737**	**10,962**	**7,393**
TANGIBLE FIXED ASSETS					
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Plants and equipment	-	-	-	-	-
Other tangible fixed assets	5,762	1,342	4,420	4,646	3,352
Fixed assets in progress	-	-	-	6	-
Downpayments to suppliers	-	-	-	-	-
LONG-TERM INVESTMENTS					
Other participating interests	330,498	137,741	192,757	129,805	148,619
Loans	3,981	-	3,981	8,619	9,181
Other long-term investments	19,159	9	19,150	18,712	896
FIXED ASSETS	**370,194**	**139,149**	**231,045**	**172,750**	**169,441**
Stock and work in progress	-	-	-	-	-
Downpayments to suppliers	358	-	358	162	94
Trade receivables and related accounts	8,841	-	8,841	4,588	5,423
Other receivables	123,199	-	123,199	19,126	11,329
Short-term investments	185	-	185	85	3,812
Cash	23	-	23	14	150
Prepayments	1,979	-	1,979	1,104	695
CURRENT ASSETS	**134,585**	**-**	**134,585**	**25,079**	**21,503**
Deferred charges	4,064	-	4,064	278	708
TOTAL ASSETS	**508,843**	**139,149**	**369,694**	**198,107**	**191,652**

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY

IN THOUSANDS OF EUROS	30/09/03	30/09/02	30/09/01
Share capital	34,179	34,005	23,329
Additional paid-in capital	68,171	67,681	22,443
Statutory reserve	3,247	2,333	1,775
Regulated reserves	2,355	2,355	-
Retained earnings	39,410	31,427	16,446
NET INCOME FOR THE YEAR	**9,134**	**18,283**	**24,781**
SHAREHOLDERS' EQUITY	**156,496**	**156,084**	**88,774**
PROVISIONS FOR CONTINGENCIES AND CHARGES	**3,789**	**1,481**	**2,029**
FINANCIAL LIABILITIES			
Bank borrowings	166,326	148	76,825
Other borrowings	4,898	15,321	8,986
Downpayments from customers	754	-	-
OPERATING LIABILITIES			
Trade payables and related accounts	14,428	4,592	8,173
Tax and employee-related liabilities	1,726	2,728	816
OTHER LIABILITIES			
Trade payables and related accounts in respect of fixed assets	4,092	4,682	211
Others	15,741	12,260	4,919
ACCRUALS			
Deferred income	1,444	811	919
LIABILITIES	**209,409**	**40,542**	**100,849**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**369,694**	**198,107**	**191,652**

PROFIT AND LOSS ACCOUNT

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
Sales of services	10,833	4,790	7,242
NET TURNOVER	**10,833**	**4,790**	**7,242**
Capitalised production	-	-	-
Operating subsidies	-	-	-
Write-backs of depreciation, amortisation & provisions, costs transferred	15,068	4,587	5,135
Other revenues	3,996	2,772	2,369
OPERATING REVENUES	**29,897**	**12,149**	**14,746**
Other purchases and external charges	-28,966	-8,806	-10,801
Taxes other than corporate income tax	-396	-284	-257
Wages and salaries	-	-	-
Social security charges	-444	-307	-136
Depreciation on fixed assets	-758	-905	-916
Charges to provisions for fixed assets	-	-	-
Charges to provisions for current assets	-	-	-
Charges to provisions for contingencies and charges	-	-	-
Other charges	-136	-1	-352
OPERATING EXPENSES	**-30,700**	**-10,303**	**-12,462**
OPERATING INCOME	**-803**	**1,846**	**2,284**
Income from long-term investments	146,458	45,822	16,985
Income from other investment securities and long-term loans	221	618	676
Other interests and similar income	1,691	374	3,000
Write-backs of provisions, costs transferred	27,860	232	-
Foreign exchange gains	2	-	-
Net gains from disposal of short-term investments	394	5	139
FINANCIAL REVENUES	**176,626**	**47,051**	**20,800**
Amortisation and provisions on financial items	-134,613	-27,601	-3,128
Interest and similar charges	-12,431	-10,843	-1,263
Foreign exchange losses	-29,513	-	-
Net charges on disposal of marketable securities	-16	-1	-
FINANCIAL EXPENSES	**-176,573**	**-38,445**	**-4,391**
FINANCIAL INCOME	**53**	**8,606**	**16,409**
EARNINGS BEFORE TAX AND EXTRAORDINARY ITEMS	**-750**	**10,452**	**18,693**

IN THOUSANDS OF EUROS	2002/2003	2001/2002	2000/2001
Extraordinary income in operations	104	45	30
Extraordinary gains on asset disposals	133,588	83	5,992
Write-backs of provisions, costs transferred	29,598	1,584	3,123
EXTRAORDINARY INCOME	**163,290**	**1,712**	**9,145**
Extraordinary expenses in operations	-5,388	-524	-287
Extraordinary expenses on asset disposals	-164,536	-87	-3,414
Extraordinary depreciation, amortisation and provisions	-2,308	-1,298	-
EXTRAORDINARY EXPENSES	**-172,232**	**-1,909**	**-3,701**
EXTRAORDINARY ITEMS	**-8,942**	**-197**	**5,444**
Employee profit sharing	-	-	-
Corporate income tax	18,826	8,028	643
TOTAL INCOME	**369,813**	**60,912**	**44,691**
TOTAL EXPENSES	**-360,679**	**-42,629**	**-19,910**
PROFIT (LOSS)	**9,134**	**18,283**	**24,781**

SUBSIDIARIES AND INVESTMENTS TABLE

IN THOUSANDS OF EUROS	SHARE CAPITAL	SHAREHOLDERS' EQUITY (escl. share capital and net income)	INTEREST HELD IN CAPITAL (in %)	GROSS VALUE OF INVESTMENT	NET BOOK VALUE OF INVESTMENT
Subsidiaries (over 50% of capital held)					
Pont Royal SA	4,660	18,542	99.94	4,580	4,580
Pierre & Vacances Maeva Tourisme SA	12,165	65,108	99.98	94,225	94,225
Pierre & Vacances Conseil Immobilier SA	652	-1,755	99.99	3,128	-
Pierre & Vacances FI SNC	15	-	99.00	15	15
Pierre & Vacances International SA	16,679	-10,704	100.00	16,952	16,952
Pierre & Vacances Transactions SARL	38	12,583	99.96	37	37
La Financière Pierre & Vacances & Cie SNC	15	-	99.02	15	15
Cobim SARL	76	-4,685	100.00	-	-
Cala Rossa Immobiliare Srl	99	709	89.89	916	916
Financière P & V I SNC	15	-	98.36	15	15
Financière P & V II SNC	15	-	98.36	15	15
Med PV SL	1,200	-627	50.00	600	600
Part-House Srl	99	1,007	55.00	1,054	1,054
Pierre & Vacances Courtage SARL	8	-21	99.99	8	8
Pierre & Vacances Investissement XXV SAS	38	-	100.00	38	38
Pierre & Vacances Investissement XX SAS	38	-	100.00	38	38
Pierre & Vacances Investissement XXI SAS	38	-	100.00	38	38
Pierre & Vacances Investissement XXII SAS	38	-	100.00	38	38
Pierre & Vacances Investissement XXIII SAS	38	-	100.00	38	38
Pierre & Vacances Investissement XXIV SAS	38	-	100.00	38	38
SCI Les Minimes	2	-63	100.00	-	-
SCI Les Terrasses de Saint Tropez	2	1,066	100.00	-	-

LOANS AND ADVANCES GRANTED BY THE COMPANY AND NOT YET REPAID	AMOUNT OF GUARANTEES GIVEN BY THE COMPANY	TURNOVER EXCLUSIVE OF VAT FOR LAST FINANCIAL YEAR	NET INCOME FOR LAST FINANCIAL YEAR	DIVIDENDES RECEIVED BY THE COMPANY OVER THE LAST FINANCIAL YEAR	NOTES
89	99	42,466	12,183	-	30/09/2003
-	-	-	-43	7,585	30/09/2003
-	-	24,032	-1,314	-	30/09/2003
13,471	-	-	491	-	30/09/2003
-	-	-	-6,608	-	30/09/2003
-	900	898	-123	906	30/09/2003
-	-	-	1	-	30/09/2003
-	-	40	-3,211	-	30/09/2003
1,310	16,012	7,557	646	-	30/09/2003
-	-	-	-	-	30/09/2003
-	-	-	-	-	30/09/2003
2,103	-	72	-172	-	31/12/2003
2,865	2,275	2,578	20	-	30/09/2003
-	-	11	1	-	30/09/2003
-	-	-	-2	-	30/09/2003
-	-	-	-5,002	-	30/09/2003
-	-	-	-2	-	30/09/2003
-	-	-	-2	-	30/09/2003
-	-	-	-2	-	30/09/2003
-	-	-	-2	-	30/09/2003
221	-	113	530	-	30/09/2003
-	-	146	-961	-	30/09/2003

COMPANY FIVE-YEAR FINANCIAL HIGHLIGHTS

IN THOUSANDS OF EUROS (except specified other wise)	30/09/1999	30/09/2000	YEAR END 30/09/2001	30/09/2002	30/09/2003
I - FINANCIAL POSITION AT YEAR-END					
a) Share capital	23,329	23,329	23,329	34,005	34,179
b) Number of shares outstanding	7,651,250	7,651,250	7,651,250	8,501,250	8,544,850
c) Par value (in euros)	3.05	3.05	3.05	4.00	4.00
II - RESULTS FOR THE YEAR					
a) Turnover excl. VAT	196	623	7,242	4,790	10,833
b) Earnings before tax, depreciation, amortisation and provisions	2,554	10,216	25,059	38,213	100,097
c) Corporate income tax	-2,672	-1,529	-643	-8,028	-18,826
d) Net income after tax, depreciation, amortisation and provisions	2,768	8,479	24,781	18,283	9,134
e) Profit distribution	3,826	5,356	6,886	8,501	-
III - EARNINGS PER SHARE (IN EUROS)					
a) Earnings after tax, before depreciation amortisation and provisions	0.68	1.54	3.36	5.44	13.92
b) Net income after tax, depreciation, amortisation and provisions	0.36	1.11	3.24	2.15	1.07
c) Dividend per share	0.50	0.70	0.90	1.00	-
IV - EMPLOYEE DATA					
a) Number of employees	-	-	-	-	-
b) Salaries and wages	-	-	-	-	-
c) Other employee benefits	-	-	-	-	-

STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

(For the year ended September 30th 2003)

The auditors report applies to the full set of the parent company financial statements (financial statements, subsidiaries and investments table and notes to the financial statements), of which only an extract is shown in this document.

To the Shareholders,

In accordance with the terms of our appointment by the Annual General Meeting, we hereby present our report for the year ended September 30th 2003 on:
- the audit of the attached financial statements of Pierre & Vacances SA,
- the specific procedures and disclosures required by law.

The Board of Directors is responsible for the preparation of the annual financial statements. Our responsibility is to express an opinion on the financial statements based on our audit.

Opinion on the annual financial statements

We conducted our audit in accordance with the auditing standards applicable in France. These standards require that we perform such tests and procedures as to give reasonable assurance that the annual financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the information contained in the financial statements. It also includes assessing the accounting policies used and significant estimates made by management, and evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the annual financial statements, drawn up in compliance with the accounting principles applicable in France, give a true and fair view of the company's results for the year ended September 30th 2003, and of its net assets and financial position at that date.

Observations and justification of our opinion

In accordance with the provisions of article L.225-235 of the French Commercial Code concerning the justification of our opinion, which have been applied for the first time to this financial year, we would like to draw your attention to the following items, which have formed the basis of the aforementioned opinion on the overall financial statements:
- Notes III.1, III.2, III.3, III.4, III.11 and III.12 to the financial statements outline the internal legal restructuring within the Pierre & Vacances Group that took place during the financial year as well as the financial flows pertaining to some of these restructuring operations (payment of dividends, financing, etc.) and having a direct or indirect impact on Pierre & Vacances' annual financial statements, in particular, the payment of a significant dividend by DN1 to its shareholders, including Pierre & Vacances, which resulted in the impairment of this subsidiary's shares for an equal amount in the annual financial statements.
  As part of our assessment of the accounting principles applied by the Group, we have checked the consistency of the accounting treatment of these transactions and the information provided in the notes to the financial statements.
- Note II (Accounting methods and principles) outlines the change in accounting method resulting from the initial application, as of October 1st 2002, of CRC regulation No. 2000-06 on liabilities.
  As part of our assessment of the accounting principles applied by the Group, we have checked the consistency of the accounting treatment resulting from this change in method and its presentation in this document.

Special procedures and disclosures

We have also performed the specific procedures required by the law, in accordance with French auditing standards.
We have no comments to make on the sincerity and consistency of the information given in the Management Report of the Board of Directors or in the other documents addressed to shareholders concerning the company's financial position and the annual financial statements.
As required by law, we have verified that the information regarding acquisitions of minority or controlling interests and the identity of holders of shares or voting rights has been communicated to you in the Management Report of the Board of Directors.

Paris and Neuilly sur Seine, February 19th 2004

Statutory Auditors

A.A.C.E. Ile-de-France
Michel RIGUELLE

BARBIER FRINAULT ET AUTRES
ERNST & YOUNG
Michel ROUCART

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS

(For the year ended September 30th 2003)

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements:

AGREEMENTS AUTHORISED DURING THE FINANCIAL YEAR:

In accordance with article L.225.38 of the French Commercial Code, we have been advised of certain contractual agreements which were authorised by your Board of Directors.

We are not required to ascertain whether any other contractual agreements exist, but to inform you, on the basis of the information provided to us, of the terms and conditions of agreements indicated to us. It is not our role to comment as to whether they are beneficial or appropriate. It is your responsibility, under the terms of article 92 of the decree of March 23rd 1967, to evaluate the benefits of these agreements prior to their approval.

We have conducted our work in accordance with professional standards applicable in France. These standards require that we perform the necessary procedures to verify that the information provided to us is consistent with the documentation from which it has been extracted.

Sale of shares in PIERRE & VACANCES SERVICES SNC:

On December 10th 2002, the Board of Directors authorised the sale of shares in PIERRE & VACANCES SERVICES SNC

COMPANIES INVOLVED	NUMBER OF SHARES	INDIVIDUALS INVOLVED
PIERRE ET VACANCES TOURISME FRANCE SA	399 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
CLUBHOTEL SARL	400 shares	Gérard BREMOND and François GEORGES
SGRT SARL	400 shares	Gérard BREMOND and François GEORGES
LATITUDES TOULOUSE SEILH SNC	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
MAEVA LOISIRS SNC	400 shares	Gérard BREMOND and François GEORGES
SOCIETE DE VACANCES ET DE TOURISME SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
CLUB UNIVERS DE FRANCE SARL	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
PIERRE ET VACANCES TOURISME PARIS S.A.S.	400 shares	Gérard BREMOND and François GEORGES
PIERRE ET VACANCES TOURISME SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
PIERRE ET VACANCES DISTRIBUTION SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
PIERRE & VACANCES CONSEIL IMMOBILIER SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
GROUPE MAEVA SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
ORION VACANCES SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
MAEVA SAS	400 shares	Gérard BREMOND and François GEORGES
LOCAREV MAEVA RESIDENCES SNC	400 shares	Gérard BREMOND and François GEORGES
COMPAGNIE HOTELIERE PIERRE ET VACANCES SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
S.E.T. PIERRE ET VACANCES FRANCE SAS	400 shares	Gérard BREMOND
SOGIRE SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN
CLUBHOTEL MULTIVACANCES SA	400 shares	Gérard BREMOND and François GEORGES
PONT-ROYAL SA	400 shares	Gérard BREMOND, François GEORGES and Thierry HELLIN

With HÔTEL DU GOLF DE TOULOUSE SEILH SA:

On February 24th 2003, the Board of Directors authorised the payment of a subsidy to HÔTEL DU GOLF DE TOULOUSE SEILH SA in the amount of € 1,422,750.

Persons concerned by this agreement: Gérard Brémond, François Georges and Thierry Hellin.

With PIERRE & VACANCES TOURISME FRANCE SA:

On April 11th 2003, the Board of Directors authorised the sale of the following to PIERRE & VACANCES TOURISME FRANCE SA:

- 25,000 shares in HÔTEL DU GOLF DE TOULOUSE SEILH SA for € 1;
- the two current accounts it holds in the books of HÔTEL DU GOLF DE TOULOUSE SEILH SA recorded at their book value of € 1,788,999.85 and € 132,676.47.

On June 25th 2003, the Board of Directors authorised the sale of its current account held in the books of SAGITS, in the amount of € 3,767,285.43, to PIERRE & VACANCES TOURISME FRANCE SA for € 1.

On September 22nd 2003, the Board of Directors authorised the sale of your Company's entire stake in PIERRE & VACANCES ITALIA SRL, representing 99% of the share capital, to PIERRE & VACANCES TOURISME FRANCE SA for € 1, and issued a guarantee to the same, stipulated in the sales contract, covering any losses incurred by PIERRE & VACANCES ITALIA SRL prior to the sale of said shares.

Persons concerned by these agreements: Gérard Brémond, François Georges and Thierry Hellin.

With SET PIERRE & VACANCES MAEVA FRANCE SAS:

On June 25th 2003, the Board of Directors authorised the sale of 7,091 shares in GOLF INTERNATIONAL DE TOULOUSE SEIHL SA - SAGITS - to SET PIERRE & VACANCES MAEVA FRANCE SAS for € 1.

Person concerned by this agreement: Gérard Brémond

With SITI – SOCIÉTÉ D'INVESTISSEMENT TOURISTIQUE ET IMMOBILIER

On July 31st 2003, the Board of Directors authorised the signing of a letter under which the Company shall substitute SOCIÉTÉ D'INVESTISSEMENT TOURISTIQUE ET IMMOBILIER SA – SITI - with respect to all its rights and obligations as defined in the Share Purchase Agreement to be signed with MIDOCEAN concerning the acquisition of 100,000 shares in DN 7 HOLDING BV.

Persons concerned by this agreement: Gérard Brémond, François Georges and Thierry Hellin.

With HOLDING GREEN BV:

On July 31st 2003, the Board of Directors authorised the sale of 3,774 shares, representing 99% of the share capital, in GREEN PARTICIPATIONS SAS (an inactive company, formerly named PIERRE & VACANCES INVESTISSEMENTS VIII SAS) to HOLDING GREEN BV at their par value, for a total of € 37,740:

Person directly or indirectly concerned by this agreement: Gérard Brémond, as Chairman and CEO and indirect shareholder of Pierre & Vacances and legal representative and shareholder of Holding Green BV.

With GREEN BUYCO BV:

The sale and lease-back of the lands and buildings of certain Center Parcs sites

On July 31st 2003, the Board of Directors authorised PIERRE & VACANCES (acting as Guarantor) to sign the preliminary sales agreement between CENTER PARCS NETHERLANDS NV (acting as Seller) and GREEN BUYCO BV (acting as Buyer) involving the sale of the entire share capital of DN 4 HOLDING NV, which owned the shares in the subsidiaries that owned the freehold (lands and buildings) of the Het Meerdal, De Huttenheugte, De Kempervennen, Het Heijderbos, Erperheide, De Vossemeren and Bispinger Heide sites.

Rental guarantees

On July 31st 2003, the Board of Directors authorised PIERRE & VACANCES to guarantee all the commitments of rental companies (operating subsidiaries of the Center Parcs Continental Europe Group) concerning the leases to be signed with the companies that own the freehold (lands and buildings) of the Het Meerdal, De Huttenheugte, De Kempervennen, Het Heijderbos, Erperheide, De Vossemeren and Bispinger Heide sites.

Guarantees on rental obligations

On July 31st 2003, the Board of Directors authorised PIERRE & VACANCES to guarantee all the obligations undertaken by rental companies concerning the Opco Cash Deed (an agreement whereby the rental companies undertake to transfer all their earnings to accounts opened in the name of the companies which own the assets, with the latter undertaking to free all earnings paid into these accounts over an above an amount equal to three months' rent, provided the obligations of PIERRE & VACANCES, acting as guarantor, and the rental companies as set in the lease agreements and guarantee commitments are met).

These agreements were authorised by the Board of Directors in connection with the sale of the freehold (lands and buildings) of the seven sites mentioned above through the sale of shares in DN4 HOLDING NV, which held shares in the companies that owned these assets, to GREEN BUYCO BV. The implicit value of the sale of the property and land arising from the sales price agreed with GREEN BUYCO BV, after restating this company's debt, stood at € 440 million, an amount validated by independent experts.

The cumulated annual rents provided for in the rental contracts signed between the CENTER PARCS subsidiaries that rent the seven sites and the subsidiaries of GREEN BUYCO BV which own the assets, totals € 39 million.

These rents are indexed to inflation, with a minimum of 1.75% and a maximum of 3.75%.

In addition to the payment of rent, agreements stipulate that the lessee bears certain expenses that are incumbent on the owner (property tax, insurance, etc.). Moreover, the lessee undertakes to maintain the assets rented in a correct operating condition and to allocate 4.5% of its net annual rental income to the maintenance thereof.

The rental agreements are signed for 11.5 and 15 years, renewable by the lessee for a further 10 to 12 years.
In accordance with local laws, the lease agreement on the German site, covering an initial duration of 11.5 years, provides for an extension of 3.5 years at the request of the lessor. It also provides for a right of first refusal for the lessee if the lessor renews the lease on the site.

If the initial leases are renewed on expiry, the new annual rent payable will be calculated using either the market price or the last annual rent, revised where applicable.

Under the sale and lease-back of the freehold (lands and buildings) of the seven sites to GREEN BUYCO BV an option to buy 70% of the company with the same financial terms as those granted to the initial non-Group shareholders was granted to GREEN PARTICIPATIONS SAS, a company indirectly controlled by the Chairman and CEO of your Company and also the indirect majority shareholder of PIERRE & VACANCES. This option took effect under the sale and lease-back agreement signed on September 25th 2003. Part of it was immediately sold, conferring the right to 12.5% of the share capital of GREEN BUYCO BV and the obligation to take over the corresponding amount of the company's subordinate debt. At September 30th 2003, GREEN PARTICIPATIONS SAS benefited from a residual option, which, if exercised, could be converted into 57.5% of the share capital and the subordinate debt of GREEN BUYCO B.V. On November 28th 2003, GREEN PARTICIPATIONS SAS exercised this residual option and sold
a portion of the shares received, representing 50% of the share capital of GREEN BUYCO BV, to a non-Group company, which also took over the corresponding amount of the subordinate debt. Consequently, GREEN PARTICIPATIONS SAS now only holds 7.5% of the share capital of GREEN BUYCO BV and finances the corresponding amount of the subordinate debt.

Moreover, as part of the aforementioned sale of options and shares, GREEN PARTICIPATIONS SAS waived its claim to any earnings arising from these transactions in favour of PIERRE & VACANCES.

Person directly or indirectly concerned by this agreement: Gérard Brémond as Chairman and CEO, indirect majority shareholder of PIERRE & VACANCES, and legal representative (Director) and shareholder of HOLDING GREEN BV.

With SITI – Société d'Investissement Touristique et Immobilier

Sale and lease-back to ZEELAND INVESTMENTS BEHEER BV:

As part of the sale by DN 8 HOLDING BV to ZEELAND INVESTMENTS BEHEER BV and four other investors of all of the shares comprising the capital of RECREATIECENTRUM DE EEMHOF BV, the owner of the property assets of the Eemhof site and sole shareholder of CENTER PARCS DE EEMHOF BV (the latter owning the land of the Eemhof site operated under the Center Parcs brand), SITI was granted a fully transferable option to buy 100% of the shares in RECREATIECENTRUM DE EEMHOF BV or the site buildings, which can be exercised in 10 years. If the option is exercised, SITI must acquire 100% of the shares in RECREATIECENTRUM DE EEMHOF BV or the site buildings on the fifteenth anniversary of the sale, i.e. October 30th 2018, for € 70 million.

Furthermore, PIERRE & VACANCES guaranteed the payment of the rent payable by its operating subsidiary to ZEELAND INVESTMENTS BEHEER BV for the duration of the lease.

On July, 31st 2003, the Board of Directors authorised PIERRE & VACANCES to guarantee the obligations of the seller under the terms of the sale agreement.

Persons concerned by this agreement: Gérard Brémond, François Georges and Thierry Hellin.

With PIERRE & VACANCES MAEVA DISTRIBUTION:

On September 22nd 2003, the Board of Directors authorised PIERRE & VACANCES to pay a subsidy to PIERRE & VACANCES MAEVA DISTRIBUTION SA, which is fully owned by the Group, in the amount of € 5,270,690.

Persons concerned by this agreement: Gérard Brémond, François Georges and Thierry Hellin.

AGREEMENTS APPROVED IN PREVIOUS YEARS AND CONTINUED DURING THE LAST FINANCIAL YEAR:

In application of the decree of March 23rd 1967, we have been informed that the following agreements, approved in previous years, were pursued during the last financial year:

With SET PIERRE & VACANCES MAEVA FRANCE SAS (under the rights of ORION VACANCES SA):

Within the framework of the first-call guarantee issued by the Caisse Centrale des Banques Populaires to Almaloisir et Immobilier with respect to the commercial lease dated December 20th 1999 and signed by the company and ORION VACANCES SA, and at the request of Natexis Banques Populaires, your Company granted a counter-guarantee to this bank in the amount of € 4,850,928 until January 20th 2005 and € 2,425,464 from January 21st 2005 to January 20th 2006.

AGREEMENT NOT PREVIOUSLY AUTHORISED BY THE BOARD OF DIRECTORS:

We also present our report on an agreement governed by article L.225-42 of the French Commercial Code.

In accordance with article L.225-240 of this Code, we draw your attention to the fact that, due to a simple omission, the following agreement was not previously authorised by the Board of Directors.

Our duty is to inform you, based on the information provided to us, of the nature and basic terms of this agreement, as well as the circumstances whereby the authorisation procedure was not followed, without comment on its utility or merit. It is your responsibility, under the terms of article 92 of the decree of March 23rd 1967, to evaluate the benefits resulting from this agreement prior to their approval.

With SET PIERRE & VACANCES MAEVA FRANCE SAS:

On May 23rd 2003, PIERRE & VACANCES sold 3,812 shares in PIERRE & VACANCES INVESTISSEMENT XVIII, representing 100% of the share capital, to SET PIERRE & VACANCES MAEVA FRANCE SAS for € 38,120.

Person concerned by this agreement: Gérard Brémond.

Signed in Paris and Neuilly-sur-Seine, February 19th 2004

The Statutory Auditors

A.A.C.E. Ile-de-France
Michel RIGUELLE

BARBIER FRINAULT ET AUTRES
ERNST & YOUNG
Michel ROUCART

PERSONAL NOTES

PERSONAL NOTES

LEGAL AND ADMINISTRATIVE INFORMATION

REPORT OF THE BOARD OF DIRECTORS AND RESOLUTIONS PROPOSED AT THE ORDINARY ANNUAL GENERAL MEETING

APPROVAL OF THE FINANCIAL STATEMENTS

The Annual General Meeting (AGM) is asked to approve the consolidated and parent company financial statements for the 2002/2003 financial year, as presented in this document.

APPROPRIATION OF EARNINGS

Net of all charges, taxes, depreciation and amortisation, the financial statements of the parent company show an accounting net profit of € 9,134,393.55.

It is proposed that this profit be appropriated as follows:

- to the statutory reserves .... € 170,956.41
- to retained earnings .... € 8,963,437.14

Following this appropriation of earnings, shareholders' equity will break down as follows:

- share capital .... € 34,179,400.00
- additional paid-in capital .... € 68,171,224.59
- statutory reserve .... € 3,417,940.00
- special reserve for long-term capital gains .... € 2,354,801.50
- retained earnings .... € 48,373,483.13

TOTAL .... € 156,496,849.22

Dividends paid in respect of previous financial years

In accordance with article 243 bis of the French General Tax Code, shareholders are hereby reminded that the dividends paid per share over the last three financial years were as follows:

YEAR	NUMBER OF SHARES	NOMINAL VALUE	NET DIVIDEND	DIVIDEND TAX CREDIT[1]	GROSS DIVIDEND
2001/2002	8,501,250	€ 4.00	€ 1.00	€ 0.50	€ 1.50
2000/2001	7,651,250	€ 4.00	€ 0.90	€ 0.45	€ 1.35
1999/2000	7,651,250	F 20.0	€ 0.70	€ 0.35	€ 1.05

(1) The dividend tax credit has been systematically calculated at 50%.

Non-tax deductible expenses

In accordance with article 223 quater of the French General Tax Code, the shareholders are hereby informed that the financial statements for the year ended September 30th 2003 do not include any non-tax deductible expenses as defined under article 39-4 of that Code.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND EQUITY INVESTMENTS

A list of subsidiaries and equity investments is appended to the balance sheet.

Particular information on these subsidiaries and equity investments is given below.

Significant investments:

During the past financial year, the company made the following investments:

SA du Golf International de Toulouse Seilh
On December 13th 2002, Pierre & Vacances SA acquired 331,760 shares (representing 97.47% of the share capital) in SA du Golf International de Toulouse Seilh from Bouygues RT, for € 1.

SA Hôtel du Golf de Toulouse Seilh
On December 13th 2002, Pierre & Vacances SA acquired 25,000 shares (representing 100% of the share capital) in SA Hôtel du Golf de Toulouse Seilh from Bouygues RT, for € 1.

Société Civile Immobilière
Les Terrasses de Saint Tropez

On March 13th 2003, Pierre & Vacances SA acquired:
- from Société Compagnie Immobilière Macif: 45 shares;
- from Compagnie Mutuelle GMF Assurances: 45 shares;

representing 90% of the capital of Société Civile Immobilière Les Terrasses de Saint Tropez for € 1. Pierre & Vacances SA held a 10% stake in the company prior to these acquisitions.

Société Civile Immobilière de la Résidence
Les Minimes

On March 13th 2003, Pierre & Vacances SA acquired:
- from Société Compagnie Immobilière Macif: 49 shares;
- from Compagnie Mutuelle GMF Assurances: 49 shares;

representing 98% of the capital of Société Civile Immobilière Résidence Les Minimes for € 1. Pierre & Vacances SA held a 2% stake in the company prior to these acquisitions.

SA Orion Vacances

On March 31st 2003, in payment of the Groupe Maeva SA shares' contribution (see significant disposals), Orion Vacances SA issued 171,072 shares of a nominal value of € 15 per share to Pierre & Vacances SA. On March 31st 2003, Orion Vacances SA was merged with Pierre & Vacances Tourisme SA.

SA Pierre & Vacances Tourisme
On March 31st 2003, in payment of the aforementioned merger between Orion Vacances and Pierre & Vacances Tourisme, Pierre & Vacances Tourisme SA issued 184,539 shares at € 15 per share, all of which were allocated to Pierre & Vacances SA.

SARL Pierre & Vacances Courtage
On May 6th 2003, Pierre & Vacances SA acquired 499 shares (representing 99.80% of the share capital) in SARL Pierre & Vacances Courtage from SA Pierre & Vacances Conseil Immobilier, for € 7,609.75.

SAS Pierre & Vacances Investissement XX
At the time of the incorporation of Pierre & Vacances Investissement XX SAS on September 9th 2003, Pierre & Vacances SA subscribed for 3,812 shares with a nominal value of € 10 (100% of the share capital).

SAS Pierre & Vacances Investissement XXI
At the time of the incorporation of SAS Pierre & Vacances Investissement XXI on September 9th 2003, Pierre & Vacances SA subscribed for 3,812 shares with a nominal value of € 10 (100% of the share capital).

SAS Pierre & Vacances Investissement XXII
At the time of the incorporation of SAS Pierre & Vacances Investissement XXII on September 9th 2003, Pierre & Vacances SA subscribed for 3,812 shares with a nominal value of € 10 (100% of the share capital).

SAS Pierre & Vacances Investissement XXIII
At the time of the incorporation of SAS Pierre & Vacances Investissement XXIII on September 17th 2003, Pierre & Vacances SA subscribed for 3,812 shares with a nominal value of € 10 (100% of the share capital).

SAS Pierre & Vacances Investissement XXIV
At the time of the incorporation of SAS Pierre & Vacances Investissement XXIV on September 17th 2003, Pierre & Vacances SA subscribed for 3,812 shares with a nominal value of € 10 (100% of the share capital).

SAS Pierre & Vacances Investissement XXV
At the time of the incorporation of SAS Pierre & Vacances Investissement XXV on September 17th 2003, Pierre & Vacances SA subscribed for 3,812 shares with a nominal value of € 10 (100% of the share capital).

DN 1 Holding BV
On September 26th 2003, Pierre & Vacances SA acquired:
- from MidOcean: 90,000 shares for € 178,218,308;
- from European Mezzanine Fund III: 2,972 shares for € 6,050,278.72;
- from Intermediate Finance Europe Fund: 1,114 shares for € 2,267,836.64;
- from Copernicus Euro CDO-I BV: 260 shares for € 529,297.60;
- from ING Fund: 223 shares for € 453,974.48;
- from Mezzanis Fund: 1,374 shares for € 2,797,134.24

Following these acquisitions, Pierre & Vacances SA directly holds a 48.43% stake in DN 1 Holding BV (the remaining 51.57% is indirectly held by Pierre & Vacances SA).

Significant disposals:

During the financial year ended September 30th 2003, the company sold the following investments:

Pierre & Vacances Investissement XVII
On November 19th 2002, Pierre & Vacances SA sold 3,812 shares (100% of the share capital) in SAS Pierre & Vacances Investissement XVII to SA Société d'Investissement Touristique et Immobilier — SITI, for € 38,120.

Pierre & Vacances Investissement XIX
On December 18th 2002, Pierre & Vacances SA sold 3,812 shares (100% of the share capital) in SAS Pierre & Vacances Investissement XIX to Lagrange Gestion, for € 38,120.

SNC Pierre & Vacances Services
On December 18th 2002, Pierre & Vacances SA sold 8,399 shares of a nominal value of € 15 per share in SNC Pierre & Vacances Services (prior to its change of corporate form into an intercompany partnership - GIE) to the following companies:
- SA Pierre & Vacances Tourisme France .... 399 shares
- SARL Clubhôtel .... 400 shares
- SARL SGRT .... 400 shares
- SNC Latitudes Toulouse SEILH .... 400 shares
- SNC Maeva Loisirs .... 400 shares
- SA Société de Vacances et de Tourisme .... 400 shares
- SARL Club Univers de France .... 400 shares
- S.A.S. Pierre & Vacances Tourisme Paris .... 400 shares

- SA Pierre & Vacances Tourisme .... 400 shares
- SA Pierre & Vacances Distribution .... 400 shares
- SA Pierre & Vacances Conseil Immobilier .... 400 shares
- Groupe Maeva SA .... 400 shares
- SA Orion Vacances .... 400 shares
- Maeva S.A.S. .... 400 shares
- SNC Locarev Maeva Résidences .... 400 shares
- SA Compagnie Hôtelière Pierre & Vacances ... 400 shares
- S.E.T. Pierre & Vacances France S.A.S. .... 400 shares
- Center Parcs France S.A.S. .... 400 shares
- SA Sogire .... 400 shares
- SA Clubhôtel Multivacances .... 400 shares
- Pont-Royal SA .... 400 shares

These sales were all made at the nominal value of € 15 per share.

Following the sale of these equity investments, Pierre & Vacances SA's stake in SNC Pierre & Vacances Services was reduced to 16%.

Groupe Maeva SA
On March 31st 2003, Pierre & Vacances SA contributed all of its shares in Groupe Maeva SA (682,554 shares out of a total of 682,560 shares) to Orion Vacances SA.

SAS Pierre & Vacances Investissement XVIII
On May 23rd 2003, Pierre & Vacances SA sold 3,812 shares (100% of the share capital) in SAS Pierre & Vacances Investissement XVIII to SET Pierre & Vacances Maeva France SAS, for € 38,120.

SA Hôtel du Golf de Toulouse Seilh
On May 26th 2003, Pierre & Vacances SA sold 25,000 shares (100% of the share capital) in SA Hôtel du Golf de Toulouse Seilh to SA Pierre & Vacances Tourisme France, for € 1.

SA du Golf International de Toulouse Seilh
On July 17th 2003, Pierre & Vacances SA sold 7,091 shares in SA du Golf International de Toulouse Seilh to SET Pierre & Vacances Maeva France SAS, for € 1.

SAS Pierre & Vacances Investissement VIII
On July 31st 2003, Pierre & Vacances SA sold 3,774 shares (99% of the share capital) in SAS Pierre & Vacances Investissement VIII to Holding Green B.V. for € 37,740.

Pierre & Vacances Italia S.r.l.
On September 29th 2003, Pierre & Vacances SA sold 99% of the share capital in Pierre & Vacances Italia S.r.l., a company governed by Italian law, to SA Pierre & Vacances Tourisme France, for € 1.

Significant investments and disposals made after the closing of the financial year:

On December 4th 2003, DN 1 Holding BV was merged within Gran Dorado Leisure NV. Under this operation 698,121 shares in Gran Dorado Leisure NV were allotted to Pierre & Vacances SA.

On December 5th 2003, the company Gran Dorado Leisure NV was merged within Center Parcs Europe NV. Under this operation 114,534 shares in Center Parcs Europe NV (31.40% of the share capital) were allotted to Pierre & Vacances SA.

CHANGES TO THE SHARE CAPITAL DURING THE FINANCIAL YEAR

The Board of Directors meeting of February 24th 2003 noted that, on February 19th 2003, one of the beneficiaries of the stock option plan authorised by the Extraordinary General Meeting of Shareholders of September 10th 1998 and amended by the Extraordinary General Meeting of Shareholders of January 29th 1999 exercised 20,000 stock options granted by the Board of Directors on December 18th 1998.

Consequently, the Board of Directors noted:
- the issue of 20,000 new shares with a nominal value of € 4 per share,
- the corresponding capital increase, whereby the company's share capital rose from € 34,005,000 comprising 8,501,250 shares to € 34,085,400 comprising 8,521,250 shares.

The Board of Directors meeting of October 3rd 2003 noted that, on September 26th and 30th 2003, three of the beneficiaries of the stock option plan authorised by the Extraordinary General Meeting of Shareholders of September 10th 1998 and amended by the Extraordinary General Meeting of Shareholders of January 29th 1999 had exercised a total of 23,600 stock options granted by the Board of Directors on December 18th 1998.

Consequently, the Board of Directors noted:
- the issue of 23,600 new shares with a nominal value of € 4 per share,
- the corresponding capital increase, whereby the company's share capital rose from € 34,085,000 comprising 8,521,250 shares to € 34,179,400 comprising 8,544,850 shares.

CHANGES TO THE SHARE CAPITAL AFTER THE CLOSING OF THE FINANCIAL YEAR

On January 27th 2004, the Board of Directors noted that, on December 23rd 2003, one of the beneficiaries of the stock option plan authorised by the Extraordinary Shareholders' Meeting of September 10th 1998 and amended by the Extraordinary Shareholders' Meeting of January 29th 1999 exercised 21,340 stock options granted by the Board of Directors on December 18th 1998.

Consequently, the Board of Directors noted:
- the issue of 21,340 new shares with a nominal value of € 4 per share;
- the corresponding capital increase, whereby the company's share capital rose from € 34,179,400 comprising 8,544,850 shares to € 34,264,760 comprising 8,566,190 shares.

REGULATED AGREEMENTS

Agreements governed by article L. 225-38 of the French Commercial Code

New agreements, which had been previously authorised, were reached during the 2002/2003 financial year and are indicated in the report of the Statutory Auditors.

Agreement governed by article L. 225-42 of the French Commercial Code

On May 23rd 2003, Pierre & Vacances sold the 3,812 shares that comprise the share capital of Pierre & Vacances Investissement XVIII to SET Pierre & Vacances Maeva France SAS, for € 38,120.

The Statutory Auditors of the company have been duly informed of the existence of these new agreements in order to report on it in their special report to be submitted to the Ordinary General Meeting of Shareholders.

Furthermore, in accordance with the law, the list of agreements governed by the provisions of article L. 225-39 of the French Commercial Code and implemented during the 2002/2003 financial year shall be made available to any shareholder upon request.

RATIFICATION OF THE CO-OPTING OF TWO BOARD MEMBERS

The Meeting is informed of the following provisional appointments:
- Sven Boinet, residing at 7 rue des Princes, 92100 Boulogne, appointed as board member to replace Willy Stricker following his resignation (decided by the Board of Directors at its meeting of February 24th 2003);
- SA Société d'Investissement Touristique et Immobilier – SITI – whose head office is located at l'Artois – Espace Pont de Flandre – 11 rue de Cambrai – 75947 Paris Cedex 19 and registered in Paris under number 325 952 182, appointed as board member to replace SA SITI Participation following its resignation (decided by the Board of Directors at its meeting of October 3rd 2003).

In accordance with the legal and statutory provisions in force, the shareholders are asked to ratify these appointments.

EXPIRY OF MANDATES OF STATUTORY AUDITORS

As the mandates of:
- S.A.S.BARBIER FRINAULT & Autres, principal Statutory Auditor;
- A.A.C.E. – Ile de France, principal Statutory Auditor;
- Patrick Malvoisin, substitute Statutory Auditor;
- François Robert, substitute Statutory Auditor;

are set to expire, we propose:
- the renewal of the mandates of SAS Barbier Frinault & Autres and A.A.C.E. – Ile de France for a term of six years, namely until the end of the Meeting called to approve the financial statements for the year ending September 30th 2009;
- the appointment of Pascal Macioce, of 41 rue Ybry, 92576 Neuilly sur Seine Cedex, as substitute Statutory Auditor for a term of six years, namely until the end of the Meeting called to approve the financial statements for the year ending September 30th 2009, to replace Patrick Malvoisin, whose mandate has not been renewed;
- the appointment of Jean-Baptiste Poncet, of 10 rue de Florence, 75008 Paris as substitute Statutory auditor for a term of six years, namely until the end of the Meeting called to approve the financial statements for the year ending September 30th 2009, to replace François Robert, whose mandate has not been renewed.

RESOLUTIONS PROPOSED AT THE ANNUAL ORDINARY GENERAL MEETING

(Votes on these resolutions are subject to the conditions reserved for Ordinary Meetings as to quorum and majority)

First resolution

The Annual General Meeting of Shareholders (AGM), having heard the reports of the Board of Directors and the Statutory Auditors for the financial year ended September 30th 2003, approves the parent company financial statements for the period as presented, together with the transactions reflected in these financial statements or described in these reports.
It discharges all the Directors wholly and without reservation from responsibility in respect of the performance of their duties during the year.

Second resolution

The AGM resolves to appropriate the net income for the year of € 9,134,393.55 as follows:
- to the statutory reserves € 170,956.41
- to retained earnings € 8,963,437.14

The AGM notes that the dividends paid per share with respect to each of the three preceding financial years were as follows:

YEAR	NUMBER OF SHARES	NOMINAL VALUE	NET DIVIDEND	DIVIDEND TAX CREDIT[1]	GROSS DIVIDEND
2001/2002	8,501,250	€ 4.00	€ 1.00	€ 0.50	€ 1.50
2000/2001	7,651,250	€ 4.00	€ 0.90	€ 0.45	€ 1.35
1999/2000	7,651,250	FRF 20.0	€ 0.70	€ 0.35	€ 1.05

(1) The dividend tax credit has been systematically calculated at 50%

Third resolution
The AGM, having heard the report of the Board of Directors and the report of the Statutory Auditors on the consolidated financial statements for the year ended September 30th 2003, approves the consolidated annual financial statements for the period as presented, together with the transactions reflected in these financial statements or described in these reports.
The consolidated financial statements as at September 30th 2003 show a consolidated turnover of 881,534 thousands euros and a net attributable income of 47,329 thousands euros.

Fourth resolution
The AGM, having heard the special report of the Statutory Auditors on agreements governed by articles L. 225-38 and following of the French Commercial Code, approves the conclusions of the report and the agreements cited therein.

Fifth resolution
An agreement governed by the provisions of article L. 225-38 of the French Commercial Code reached during the 2002/2003 financial year was not subject to prior authorisation owing to an omission. The AGM of Shareholders is therefore requested to ratify the following agreement:
The AGM, having heard the special report of the Statutory Auditors on an agreement governed by article L. 225-42 of the French Commercial Code and noting the agreement reached on May 23rd 2003 involving the sale by Pierre & Vacances of 3,812 shares in Pierre & Vacances Investissement XVIII to SET Pierre & Vacances Maeva France SAS for € 38,120, ratifies this agreement in accordance with the provisions of article L. 225-42 of the French Commercial Code.

Sixth resolution
The AGM ratifies the co-opting of Sven Boinet to the Board as director, following his provisional appointment by the Board of Directors at its meeting of February 24th 2003 to replace Willy Stricker for the remaining term of the mandate of the latter, namely until the end of this Meeting.

Seventh resolution
The AGM ratifies the co-opting of SA Société d'Investissement Touristique et Immobilier – SITI to the Board as director, following its provisional appointment by the Board of Directors at its meeting of October 3rd 2003 as a replacement for SA SITI Participation for the remaining term of the mandate of the latter, namely until the end of this Meeting.

Eighth resolution
Given the expiry of the mandate of SAS BARBIER FRINAULT & Autres, principal Statutory Auditor, the AGM renews the mandate for a six-year term, namely until the end of the Meeting called to approve the financial statements for the year ending September 30th 2009.

Ninth resolution
Given the expiry of the mandate of A.A.C.E. – ILE DE FRANCE, principal Statutory Auditor, the AGM renews the mandate for a six-year term, namely until the end of the Meeting called to approve the financial statements for the year ending September 30th 2009.

Tenth resolution
The AGM appoints Pascal Macioce, of 41 rue Ybry, 92576 Neuilly sur Seine Cedex, as substitute Statutory Auditor for a term of six years, namely until the end of the meeting called to approve the financial statements for the year ending September 30th 2009, to replace Patrick Malvoisin, whose mandate as substitute Statutory Auditor has not been renewed.

Eleventh resolution
The AGM appoints Jean-Baptiste Poncet, of 10 rue de Florence, 75008 Paris, as substitute Statutory Auditor for a term of six years, namely until the end of the Meeting called to approve the financial statements for the year ending September 30th 2009, to replace François Robert, whose mandate as substitute Statutory Auditor has not been renewed.

Twelfth resolution
Full powers are given to the bearer of a copy or extract of the minutes of the present AGM to carry out all filing and publication formalities required by law.

REPORT OF THE BOARD OF DIRECTORS AND RESOLUTIONS PROPOSED AT THE JOINT GENERAL MEETING OF SHAREHOLDERS (EXTRAORDINARY AND ORDINARY MEETINGS)

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL

Given the company's growth potential, it seems necessary for the Board of Directors to benefit from a sufficient overall authorisation to allow it to increase the share capital on one or more occasions quickly and with full flexibility. The regulations in force authorise shareholders to delegate to the Board the necessary powers to enable it, and to increase the share capital by any means (apart from a capital increase reserved for named persons), within an overall limit, while leaving the Board the right to define the type of securities to be issued and the terms and conditions of each issue.

This authorisation is granted for a maximum of twenty-six months.

The Board must report to the Annual Ordinary General Meeting of Shareholders on the use it makes of the overall authorisation.

It is proposed that the General Meeting authorises the Board of Directors to increase the share capital by a maximum nominal amount of € 17,142,857, while leaving preferential subscription rights in place.

It is also proposed that the General Meeting authorises the Board of Directors to increase the capital while cancelling preferential subscription rights, for a maximum nominal amount of € 17,142,857, to be charged against the amount stipulated above.

Under the terms of this overall authorisation, the Board will be able to increase the share capital by all means authorised by the regulations in force.

This authorisation replaces the previous authorisation granted at the Extraordinary Meeting of February 18th 2002 (which would have expired on April 18th 2004), for the unused portion of said authorisation, i.e. € 8,033,676 out of a total nominal amount of € 11,433,676.

OPENING OF A STOCK OPTION PLAN

Reasons for opening a new stock subscription plan

The stock subscription plan set up by the Extraordinary Meeting of Shareholders on March 10th 2003 authorised the allocation of 150,000 stock options before May 10th 2006. Of this total, the Board of Directors allocated 25,000 stock options at its meeting of April 11th 2003 and 7,150 stock options at its meeting of November 3rd 2003. With the plans set up in 1998 and 2000 expiring in the 2003/2004 financial year, it seems necessary to renew Group policy with respect to awarding stock options to employees and to submit a plan similar to previous plans to the General Meeting for their approval.

Method for setting the price

The General Meeting is asked to approve a new stock subscription plan for 200,000 options, and to grant the Board of Directors discretion to set the subscription price, to be at least equal to 95% of the average share price traded during the twenty trading sessions preceding the date on which the Board grants the options.

The other terms of the plan will remain identical to those applicable in the first stock option plan (notably the duration of ten years), excluding changes made under the NRE law (new legislative provisions in France), notably the duration of the minimum holding period for tax purposes, which stands at 4 years from the date on which the options are granted.

This authorisation will replace the previous authorisation for 150,000 stock options granted by the Extraordinary General Meeting of March 10th 2003, for the unused portion of the plan, i.e. 117,850 stock options out of a total of 150,000 stock options.

AMENDMENTS TO THE COMPANY'S BY-LAWS

The Extraordinary Meeting of Shareholders is asked to approve the proposed amendments to the company's by-laws to take account of recommendations concerning corporate governance.

These amendments notably include the following provisions:
- authorising the Board of Directors to set up research committees;
- reducing the term of board members' mandates from six to three years;
- prohibiting the appointment of board members over 70 (versus 75 previously) if the appointment means that the proportion of Board members aged over 70 exceeds one third of the total number;
- allowing Board meetings to be held using videoconferencing facilities.

If the General Meeting approves the proposed amendments, articles 9, 10 and 11 of the company's by-laws shall be modified accordingly.

CAPITAL INCREASE BY INCORPORATION OF € 51,397,140 FROM "ADDITIONAL PAID-IN CAPITAL" AND INCREASE IN THE NOMINAL VALUE

For the purposes of the presentation of the accounts, the Extraordinary General Meeting is asked to increase the share capital by € 51,397,140, thus raising the current share capital from € 34,264,760, comprising 8,566,190 shares of a nominal value of € 4, to € 85,661,900.

This capital increase would be carried out by incorporating € 51,397,140 from the account "additional paid-in capital" and increasing the nominal value of each of the 8,566,190 shares included in the share capital from € 4 to € 10 per share.

The amount of the capital increase may change if new shares are created with respect to the exercise of stock options after publication of this Reference Document.

If the General Meeting approves the proposed amendments, article 6 of the company's by-laws shall be modified accordingly.

EXPIRY OF DIRECTORS' MANDATES – ATTENDANCE FEES

With the expiry of all Board members' mandates, the General Meeting is asked to approve their renewal for a three-year term.

Information concerning the functions of the Board members and the list of their current mandates are available on pages 150, 151 and 152 of this Registration Document.

It is proposed that the General Meeting approves the payment of € 150,000 in attendance fees to members of the Board of Directors for the 2003/2004 financial year, with the Board being free to decide on the distribution of said attendance fees.

APPOINTMENT OF A NEW BOARD MEMBER

The following appointment is also proposed at the General Meeting: Ralf Corsten, of Seeleitn 23, 82541 Seeheim, Germany, as board member, in addition to the members currently in office, for a term of three years expiring at the end of the Meeting called to approve the financial statements for the year ending September 30th 2006.

SPECIAL ALLOCATION

The Ordinary General Meeting is asked to approve an extraordinary distribution totalling € 12,849,285 (i.e. € 1.50 per share), to be charged against the account "additional paid-in capital".

All Pierre & Vacances SA shareholders will be eligible to receive this distribution, including holders of shares created between October 1st 2003 and the effective date of payment. The total amount of the payment may change if new shares are created with respect to the exercise of stock options after publication of this Registration Document and depending on the number of own shares held by Pierre & Vacances SA.

Shares owned by Pierre & Vacances SA are not eligible for this extraordinary distribution.

This special payment will be made payable within fifteen days of its approval by the General Meeting.

SHARE BUYBACK PROGRAMME

The Joint General Meeting of February 18th 2002 authorised the Board of Directors to implement a share buyback programme, in compliance with the prospectus approved by the COB (French Securities and Exchange Commission) on January 24th 2002 under number 02-054.

The Joint General Meeting of March 10th 2003 authorised the Board of Directors to implement a share buyback programme, in compliance with the prospectus approved by the COB (French Securities and Exchange Commission) registered on February 18th 2003 under number 03-077.

During the year ended September 30th 2003, 35,589 shares were purchased under these authorisations at an average price of € 50.53, and 35,589 shares were sold at an average price of € 60.38.

At September 30th 2003, the company held no shares acquired under the buyback programme.

The company signed a liquidity contract with CLSE-Small Caps, which meets the requirements of the Compliance Charter drawn up by the AFEI (French association of investment firms) and approved by the Autorité des Marchés Financiers (French financial market regulator).

As a result of transactions carried out under said liquidity programme, the company held 509 of its own shares at September 30th 2003. The company held no shares in connection with this liquidity programme at February 18th 2004.

As the authorisation in this respect granted by the General Meeting of March 10th 2003 expires on September 10th 2004, it appears necessary to request a similar authorisation for a further 18 months. The new authorisation will replace the authorisation for the company to trade in its own shares granted by the Ordinary General Meeting of Shareholders of March 10th 2003.

The shares bought under this authorisation may be used (in order of priority) to:

1) enable the company to trade in its own shares in order to regulate the share price by systematically acting against the prevailing market trend;

2) enable the company to allocate shares to holders of securities giving access to the company'shares by repayment, conversion, exchange, presentation of warrants or any other means;

3) enable the company to use shares as a means of payment or exchange for acquisitions with a view to minimising the acquisition cost or, more generally, improving the terms of a transaction;

4) grant shares and/or stock options to employees.

Full information relating to this new share buyback programme is available in the prospectus subject to the clearance procedures of the AMF (French financial market regulator), which was made available to shareholders in the legal form and timeframe stipulated by law.

RESOLUTIONS PROPOSED AT THE JOINT GENERAL MEETING OF SHAREHOLDERS (EXTRAORDINARY AND ORDINARY MEETINGS)

Resolutions within the authority of the Extraordinary General Meeting

(Votes on these resolutions are subject to the conditions reserved for Extraordinary General Meeting as to quorum and majority)

First resolution

Capital increase maintaining preferential subscription rights

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory Auditors, drawn up in accordance with the law, authorises the Board of Directors, in compliance with the provisions of article L.255-129 of the French Commercial Code, to proceed, on one or more occasions, with the issue, in France or abroad, of securities giving an immediate or deferred access to Company' shares, denominated in euros or foreign currencies.

These securities may take any legal form, including warrants that may be issued either against payment in cash, or by a free allocation to shareholders.

The General Meeting decides that the nominal amount of capital increases that may be carried out under the current authorisation may not, in any case, and notwithstanding any adjustments made in compliance with the law, exceed a nominal amount of € 17,142,857 or its equivalent in foreign currency, on the date of issue.

This authorisation implies, for holders of securities giving a deferred access to Company's shares, the full renunciation of this preferential subscription rights attached to the aforementioned securities.

In the event of a capital increase, merger or split, or in the case of other financial transactions comprising a preferential subscription right or reserving a priority subscription period for shareholders, the Board of Directors can suspend the right to exercise the rights attached to the aforementioned securities for a maximum of three months.

In accordance with the conditions provided for by the law, shareholders may exercise their preferential subscription rights on an irrevocable basis. The General Meeting decides that the Board of Directors will have the option to grant shareholders revocable subscription rights to be exercised in proportion to their rights and within the limit of their requests.

If irrevocable and, where applicable, revocable subscriptions do not absorb the full volume of securities to be issued, the Board of Directors may use one or other of the following options, in the order it deems fit:
- limit the issue to the amount of subscriptions received, provided that amount is at least equal to three-quarters of the planned issue;
- freely distribute all or part of the securities not subscribed for;
- offer all or part of the securities not subscribed for to the public.

The General Meeting grants the Board of Directors and, by delegation, the Chairman, under the conditions determined by the legislation in force, full powers to:
- set the amounts to be issued, determine the terms and conditions of the issue and the form of the securities to be created and, generally, to take any necessary steps and reach any agreements required to ensure the successful completion of issues planned, in compliance with the laws and regulations in force;
- note the completion of such issues and make the corresponding amendments to the company's by-laws;
- and generally, reach all agreements, take all measures and accomplish all formalities required by the transactions.

Furthermore, the Extraordinary General Meeting grants the Board of Directors full powers, at its own initiative, to charge fees relating to capital increases against additional paid-in capital and to deduct from the latter the sums needed to ensure that the statutory reserve remains equal to one-tenth of the new share capital following each capital increase.

This authorisation is valid for twenty-six months from the date of the current General Meeting. This authorisation will replace that granted by the Extraordinary General Meeting of February 18th 2002 (which expires on April 18th 2004), for the unused portion of said authorisation, i.e. € 8,033,676, out of a total nominal amount of € 11,433,676.

Second resolution

Capital increase without preferential subscription rights

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory Auditors, drawn up in accordance with the law, decides that issues of securities giving an immediate or deferred access to Company' shares which may be made under the authorisation granted to the Board of Directors by the first resolution submitted to the current General Meeting, can be carried out while cancelling shareholders' preferential subscription rights, subject to the following limits and conditions:

- the nominal amount of capital increases thus carried out will be charged against the amount stipulated in the third paragraph of the first resolution; this amount must therefore not exceed € 17,142,857 or its equivalent in foreign currencies;
- the price or strike price paid or that could be paid to the company for each of the shares to be issued or created by repayment, conversion, exchange, presentation of warrants or any other means, must be at least equal to the average of the opening market price of the shares on ten consecutive trading days chosen among the twenty trading days prior to the start of the issue of the aforementioned securities;
- if the authorised issue(s) are made on the French market, the Board of Directors may award shareholders priority subscription rights, for a period and according to the terms and conditions it may decide.

Third resolution

The General Meeting, having heard the reports of the Board of Directors and the Statutory Auditors, authorises the Board to award to certain employees options giving the right to subscribe for Pierre & Vacances shares, in compliance with articles L. 225-177 and followings, of the French Commercial Code.

The Board of Directors is authorised to grant the said options to the beneficiaries in accordance with article L. 225-180 of the French Commercial Code, namely:

- to employees of companies or intercompany partnership (GIE) directly or indirectly owned by the Company;
- to employees of companies or intercompany partnership (GIE) that directly or indirectly own the Company;
- to employees of companies or intercompany partnership (GIE) that are direct or indirect subsidiaries of companies of which the Company is itself a direct or indirect subsidiary;

as the all set out in the terms of the said article.

The options must be granted, on one or more occasions, before May 11th 2007.

This authorisation replaces the one granted by the Extraordinary General Meeting of March 10th 2003, for the unused stock options, i.e. 117,850 unallocated options, out of a total authorisation of 150,000 options.

The number of shares to be issued in respect of the said options may not exceed 200,000 new shares.

The options must be exercised within ten years of the date on which the Board of Directors grants the options, subject to a minimum holding period of four years.

The Board of Directors shall have full powers to determine the conditions under which the options can be exercised and to set the strike price according to the rules laid out below.

The Board of Directors will set the subscription price, which must equal at the best 95% of the average share price during the twenty trading sessions preceding the Board decision to grant the options.

In accordance with article L.225-181 of the French Commercial Code, the Board may suspend the right to exercise options for a limited period to be defined when an operation on the company's stock requires an adjustment to be made to the share subscription price or requires that the exact number of shares making up the company's capital be known beforehand.

Where required, shareholders renounce their preferential subscription rights to new shares in favour of beneficiaries of stock options when the said options are exercised.

Fourth resolution

The Extraordinary General Meeting, having heard the report of the Board of Directors, decides to amend articles 9, 10 and 11 of the by-laws as follows.

As regards Article 9 – Powers of the Board of Directors:

The following paragraph is added:

"The Board of Directors alone is authorised to set up research committees. The Board of Directors is also authorised to select the members of each research committee. Members may be board members or shareholders."

As regards Article 10 – Composition of the Board of Directors:

The first paragraph, previously as followed:

"The Board of Directors shall comprise a minimum of three members and a maximum of twelve members. These members shall be drawn from amongst the shareholders and shall be appointed for a term of six years by the Annual Ordinary General Meeting of Shareholders."

is cancelled and replaced by the following paragraph:

"The Board of Directors shall comprise a minimum of three members and a maximum of twelve members. These members shall be drawn from amongst the shareholders and shall be appointed for a term of three years by the General Meeting of Shareholders."

The eighth and ninth paragraphs, previously as followed:

"No person may be appointed a Director, if, upon reaching the age of 75, his appointment means the proportion of Board members aged over 75 exceeds one third of the total number.

"Furthermore, if this threshold of one-third of board members is overstepped by an active member of the Board reaching the age of 75, the oldest Director shall be considered automatically to have resigned his seat on the Board."

are cancelled and replaced by the following paragraphs:

"No person may be appointed a Director, if, upon reaching the age of 70, his appointment means the proportion of Board members aged over 70 exceeds one third of the total number.

Furthermore, if this threshold of one-third of board members is overstepped by an active member of the Board reaching the age of 70, the oldest Director shall be considered automatically to have resigned his seat on the Board."

As regards Article 11 – Board of Directors – Chairman – Chief Executive Officer and Chief Executive

The ninth paragraph, previously as followed:

"The Board of Directors shall meet at the company's registered office or at any other location in the same city, at the request of its Chairman, as frequently as is necessary in the company's interests."

is cancelled and replaced by the following paragraph:

"The Board of Directors shall meet at the company's registered office or at any other location in the same city, at the request of its Chairman, as frequently as is necessary in the company's interests. Board members may participate in Board meetings using video-conferencing facilities. They are deemed present for the purposes of establishing quorum and majority. This procedure may not be used for the following decisions: the appointment or removal of the Chairman, Chief Executive Officer, chief executives, the determination of their remuneration, the preparation of the annual financial statements, management report, consolidated financial statements and the management report for the Group if not included in the annual report."

Fifth resolution

The Extraordinary General Meeting, having heard the report of the Board of Directors, resolves to increase the share capital, which currently stands at € 34,264,760 comprising 8,566,190 shares of a nominal value of € 4 per share, by € 51,397,140, bringing the total share capital to € 85,661,900.

This capital increase will be carried out by incorporating € 51,397,140 from the account "additional paid-in capital". The total amount may change if new shares are created upon the exercise of stock options after publication of these proposed resolutions.

Sixth resolution

The capital increase authorised by the preceding resolution will be completed by raising the nominal value of each of the 8,566,190 shares that comprise the share capital from € 4 to € 10. This decision shall also apply to new shares that may be created by the exercise of stock options after publication of these proposed resolutions.

Seventh resolution

As a result of the approval of the preceding resolutions, the General Meeting amends article 6 of the by-laws as follows:

Article 6, previously as followed:

Article 6 – Share capital

"The share capital is currently set at € 34,264,760, divided into 8,566,190 shares, fully paid and all of the same class, with a nominal value of € 4 each."

is cancelled and replaced by the following paragraph:

Article 6 – Share capital

"The share capital is currently set at € 85,661,900, divided into 8,566,190 shares, fully paid and all of the same class, with a nominal value of € 10 each."

If new shares are created by the exercise of stock options after the publication of these proposed resolutions, the AGM grants full powers to the Board of Directors to modify article 6 of the company's by-laws accordingly.

Resolutions within the authority of the Ordinary General Meeting

(Votes on these resolutions are subject to the conditions reserved for Ordinary General Meetings as to quorum and majority)

Eighth resolution

The Ordinary General Meeting notes that the mandate of Gérard Brémond as Board member has expired and decides to renew the mandate for a three-year term, namely until the end of the General Meeting called to approve the financial statements for the year ending September 30th 2006.

Ninth resolution

The Ordinary General Meeting notes that the mandate of François Georges as Board member has expired and decides to renew the mandate for a three-year term, namely until the end of the General Meeting called to approve the financial statements for the year ending September 30th 2006.

Tenth resolution

The Ordinary General Meeting notes that the mandate of Michel Dupont as Board member has expired and decides to renew the mandate for a three-year term, namely until the end of the General Meeting called to approve the financial statements for the year ending September 30th 2006.

Eleventh resolution

The Ordinary General Meeting notes that the mandate of Olivier Brémond as Board member has expired and decides to renew the mandate for a three-year term, namely until the end of the Genaral Meeting called to approve the financial statements for the year ending September 30th 2006.

Twelfth resolution

The Ordinary General Meeting notes that the mandate of SA Société d'Investissement Touristique et Immobilier – SITI as Board member has expired and decides to renew the mandate for a three-year term, namely until the end of the General Meeting called to approve the financial statements for the year ending September 30th 2006.

Thirteenth resolution

The Ordinary General Meeting notes that the mandate of Marc Pasture as Board member has expired and decides to renew the mandate for a three-year term, namely until the end of the General Meeting called to approve the financial statements for the year ending September 30th 2006.

Fourteenth resolution

The Ordinary General Meeting notes that the mandate of Sven Boinet as Board member has expired and decides to renew the mandate for a three-year term, namely until the end of the General Meeting called to approve the financial statements for the year ending September 30th 2006.

Fifteenth resolution

The Ordinary General Meeting decides to appoint:

- Ralf Corsten, of Seeleitn 23, 82541 Seeheim, Germany, as board member, in addition to the members currently in office, for a three-year term expiring at the end of the General Meeting called to approve the financial statements for the year ending September 30th 2006.

Sixteenth resolution

The Ordinary General Meeting sets the attendance fees to be allotted among the Board members for the current financial year at € 150,000.

Seventeenth resolution

The Ordinary General Meeting decides to make an extraordinary distribution, in accordance with the administrative regulation of March 4th 2003, of € 1.50 per share, representing a total of € 12,849,285 for the 8,566,190 shares included in the share capital, to be deducted from the account "additional paid-in capital" in the form of the partial distribution of assets.

All Pierre & Vacances SA shareholders will be eligible to receive this extraordinary distribution, including holders of shares created between October 1st 2003 and the effective date of payment. The total amount of the payment may be changed if new shares are created by the exercise of stock options after publication of these proposed resolutions and depending on the number of shares held by Pierre & Vacances SA.

Shares owned by Pierre & Vacances SA are not eligible for this extraordinary distribution.

This distribution will be made payable within fifteen days of its approval by the General Meeting.

Eighteenth resolution

The General Meeting grants the Board of Directors the right to carry out any transaction involving the company's shares, either directly or by delegation, on condition that any such transaction complies with the legislation in force at the time, and in particular the terms of articles L. 225-209 to L. 225-212 of the French Commercial Code.

The company has the right to acquire its own shares on or outside the stockmarket, and sell all or part of the shares thus acquired, in accordance with the limits given below:

- the total number of shares held shall not exceed 10% of the share capital;
- the unit purchase price shall not exceed € 110 per share (excluding acquisition costs);
- the unit selling price shall not be below € 70 per share (excluding disposal fees).

The theoretical upper limit is therefore € 94,228,090.

The General Meeting decides that shares bought under this authorisation may be used (in order of decreased priority) to:

1) enable the Company to trade in its own shares in order to regulate the share price by systematically acting against the prevailing market trend,

2) enable the Company to allocate shares to holders of securities giving access to the company's capital by repayment, conversion, exchange, presentation of warrants or any other means,

3) enable the company to use shares as a means of payment or exchange for acquisitions with a view to minimising the acquisition cost or, more generally, improving the terms of a transaction,

4) grant shares and/or stock options to employees.

The AGM decides that:

- the purchase of shares as well as the holding, disposal or transfer of shares purchased as such may be carried out on one or more occasions at any time, during a public offer where applicable, by any means available on regulated or over-the-counter markets, notably via the acquisition or disposal of a block of shares or via derivatives (excluding the purchase of call options) or warrants, in accordance with current regulations;
- in the event of a capital increase via the incorporation of reserves, the free allocation of shares, a stock split or reverse split, the above-mentioned prices will be adjusted by a factor equal to the ratio of the number of shares included in the capital before the transaction and the number following the transaction.

The AGM decides to grant full powers to the Board of Directors (with the option to sub-delegate) to:

- carry out, by any means available, the acquisition, disposal or transfer of these shares, including the use of options or derivative instruments (excluding the purchase of call options);
- conclude any agreement notably with regard to keeping share purchase and sales records, make any declarations to the AMF (French financial market regulator) or any other regulatory body, carry out any formalities and generally take all necessary action.

The current authorisation is valid for a period of 18 months as of the date of this AGM. It will cancel and replace the authorisation granted by the Ordinary General Meeting of Shareholders of March 10th 2003 allowing the Company to trade in its own shares.

Nineteenth resolution

Full powers are given to the bearer of a copy or extract of the minutes of the present meeting to carry out all filing and publication formalities required by law.

GENERAL INFORMATION

INFORMATION ON THE COMPANY

Company name
Pierre et Vacances.

Registered office
L'Artois, Espace Pont de Flandre, 11, rue de Cambrai, 75947 PARIS Cedex 19.

Legal form
Société Anonyme (public limited company) with a Board of Directors, incorporated under French law and governed by the new French Commercial Code and Decree 67-236 of March 23rd 1967.

Date of incorporation – Duration
The company was incorporated for 99 years with effect from its registration in the Trade and Company Register on August 7th 1979, unless dissolved or renewed prior to the end of its legal life.

Purpose of the company (article 2 of the by-laws)
The purpose of the company is to:
- take participating interests in all companies, by the formation of new companies, by the acquisition of shares or equivalent rights via exchanges of shares, subscriptions for shares or purchases of shares, by mergers, alliances,

partnerships or any other means, and notably in all companies active in the following areas:
- the sale and management of property;
- the acquisition, development and resale of land, and the building of property;
- the running in whatever form of residences, hotels, motels, unfurnished or furnished premises, and restaurants of all kinds; all activities relating to the organisation and management of holidays and leisure activities; all direct or indirect equity investments in any French or foreign companies involved in the above business or liable to favour the development thereof;

- manage and provide technical, administrative, legal and financial assistance to these companies and their subsidiaries;
- and generally carry out all commercial and financial transactions, and all transactions involving real estate and any investment, relating directly or indirectly to the above business purpose or liable to favour the development thereof.

Trade and Company Register

Registered in the Trade and Company Register of Paris under number 316 580 869.

Business activity code

741 J.

Financial year

The company's financial year runs from October 1st to September 30th of the following year.

Consultation of documents and information relating to the company

The by-laws, financial statements and reports, and the minutes of the General Meetings of Shareholders may be consulted at the registered office.

APPROPRIATION OF EARNINGS (article 20 of the by-laws)

Net incomes generated during the financial year, after deducting overheads and other charges incurred by the company, including all depreciation, amortisation and provisions, constitutes the net profit (or loss) for the financial year.

At least one twentieth of this net profit, less any losses brought forward, shall be appropriated in order to build up the statutory reserve required by law. Such transfers must continue for as long as the statutory reserve represents less than one-tenth of the total share capital.

The residual balance, plus any earnings brought forward, constitutes the profit available for distribution to shareholders.

The AGM is entitled to appropriate whatever sums it deems fit, either to be carried forward as retained earnings to the following financial year, or to be transferred to one or more general or special reserves, the use of which is determined at the AGM.

The AGM may also decide to make payouts from the reserves available for this purpose. In such cases, the resolution must expressly indicate from which reserves the payout is made.

The AGM may offer each shareholder the option to receive all or part of the dividend payment in the form of shares (subject to legal conditions) or in cash.

SPECIFIC CLAUSES IN THE BY-LAWS

Double voting rights (article 16 of the by-laws)

With effect from the Extraordinary Meeting of Shareholders of December 28th 1998, voting rights double those conferred on other shares shall be attributed to all fully-paid shares formally registered in the name of the same shareholder for a period of at least 2 years.

In the event of an increase in the share capital by incorporation of reserves, profits or additional paid-in capital, double voting rights shall be attributed from the date of issuance to registered shares allotted free of charge to a shareholder as a result of his ownership of existing shares that are already entitled to double voting rights.

All shares shall lose double voting rights upon conversion to bearer form or upon transfer of title.

Notwithstanding the above, the transfer by inheritance, by liquidation of spouses' joint property, or by inter vivos donation to a spouse or relative in the line of succession shall not entail the loss of double voting rights, and shall not interrupt the time period stipulated in article L. 225-123 of the French Commercial Code.

Identifying shareholders (article 7 of the by-laws)

The company may at any time, subject to the conditions laid down by regulations, ask the body responsible for clearing its shares to reveal the names, addresses and nationalities of holders of shares conferring an immediate or future right to vote at its General Meetings of Shareholders, together with the number of shares held by each such shareholder and any restrictions attached to these shares; at the company's request, the above information may be limited to shareholders holding a minimum number of shares set by the company.

Disclosure thresholds (article 8 of the by-laws)

In addition to the disclosure thresholds required by law, the company's by-laws stipulate that any individual or corporation that comes to own in any manner, as defined in article L. 233-7 of the French Commercial Code, 5% of the capital or any multiple thereof, must inform the company of the total number of shares in its possession, by registered letter with acknowledgement of receipt sent to the registered office of the company within 15 days of any of these thresholds being breached.

In the event of non-compliance with this disclosure requirement and at the request of one or more shareholders owning at least 5% of the capital, the shares exceeding the percentage that should have been disclosed shall be immediately stripped of voting rights for a period of three months from the date when the shareholder rectifies the disclosure omission.

General Meetings of Shareholders (articles 16, 17 and 18 of the by-laws)

General Meetings of Shareholders shall be held at the registered office of the company or at any other place indicated in the notice of meeting.

Any shareholder shall be entitled to attend General Meetings, irrespective of the number of shares owned, upon simple presentation of proof of identity and of ownership of the shares, in the form of either registration in the shareholder's name or a certificate from an approved broker attesting to the non-transferability of the shares during the period up to and including the date of the General Meeting, such certificate to be deposited at the place indicated in the notice of convocation.

These formalities must be completed five days before the date of the General Meeting.

Any shareholder shall be entitled to exercise a postal vote using a form that may be obtained under the terms specified in the notice of convocation to the General Meeting and under the conditions provided for by the law.

Shareholders participating in the General Meeting via videoconferencing facilities, or via any other means of telecommunication enabling their identity to be established under the conditions provided for by the law, shall be deemed to be present for the purposes of establishing quorum and majority.

Methods of convening General Meetings of Shareholders

The General Meeting shall be convened by the Board of Directors, or failing which by the Statutory Auditor, under the conditions provided for by article 194 of the decree of March 23rd 1967, or by a proxy appointed by the President of the Commercial Court pursuant to a summary ruling given at the request of either any interested party in the event of a matter of urgency, or of one or more shareholders representing at least 5% of the share capital.

The notice of meeting shall be given in the form of an announcement published in one of the journals authorised to publish legal notices in the administrative departement in which the company’s registered office is located. Shareholders holding registered shares shall be convened by formal letter, sent by registered post at the request of the shareholders with the latter bearing the cost of the same.

If all the shares are held in registered form, the notices provided for in the previous paragraph may be replaced by a notice of meeting sent by registered post to each shareholder, with the company bearing the cost of the same.

The period between the last of these letters giving notice of the meeting, or the insertion in an official journal of the notice convening the meeting, and the date of the General Meeting shall be at least thirty days for the first notice and six days for the following notice.

PURCHASE BY THE COMPANY OF ITS OWN SHARES

The Ordinary General Meeting of Shareholders on March 10th 2003 authorised the Company to buy back its own shares, within a limit of 10% of the share capital, i.e. 850,125 shares, corresponding to a maximum theoretical amount of € 76,511,250 on the basis of the maximum purchase price of € 90 allowed by the said General Meeting.

The implementation of this programme was the subject of a prospectus approved by the Commission des Opérations de Bourse (French Securities and Exchange Commission) on February 18th 2003 under number 03-077.

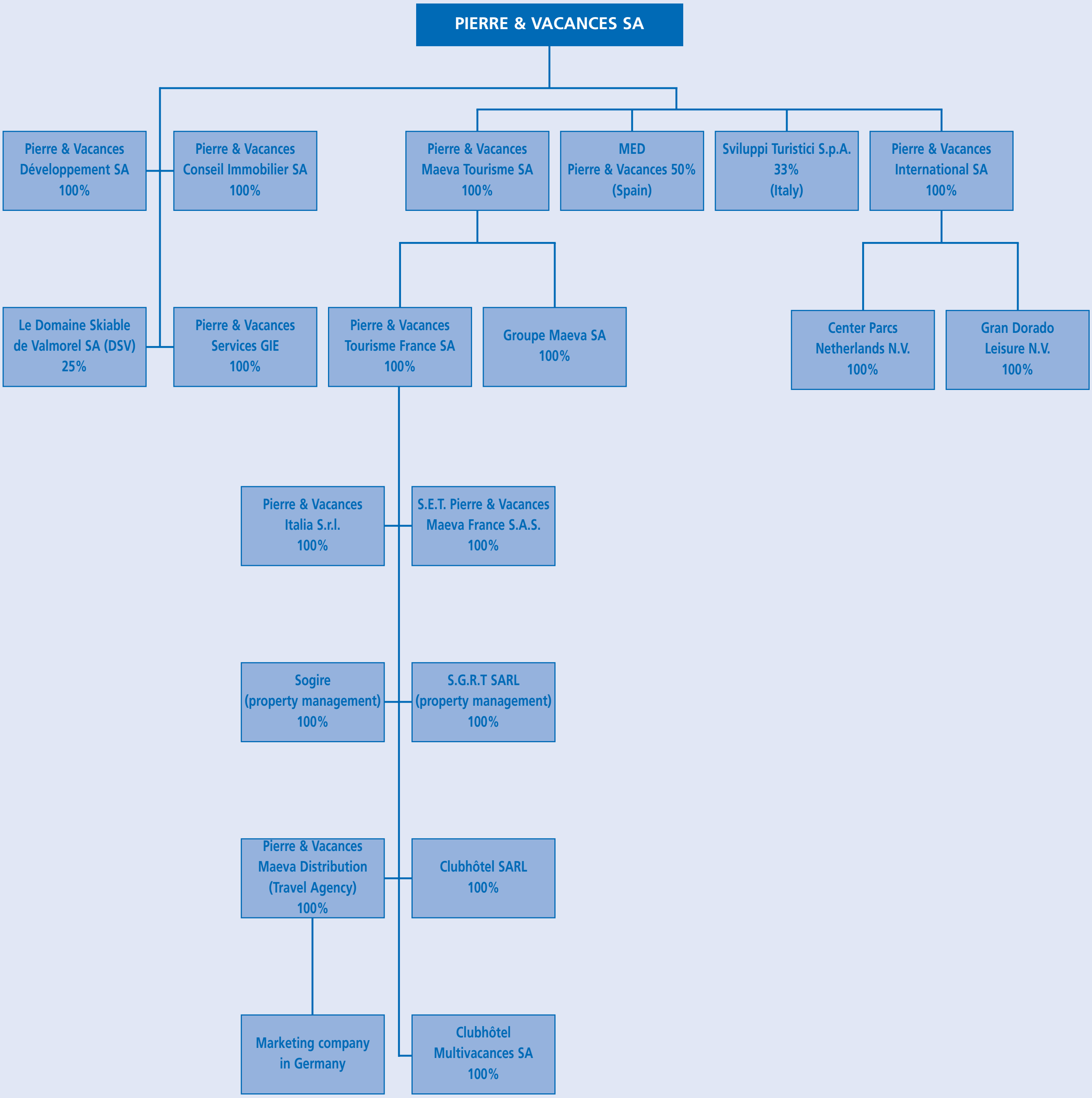
This authorisation will expire on September 10th 2004.

A new authorisation is submitted to the General Meeting of Shareholders of March 11th 2004, which, if approved, will replace that granted by the Ordinary General Meeting of Shareholders of March 10th 2003 allowing the company to trade in its own shares. The prospectus relating to the implementation of this programme and subject to approval by the AMF (French financial market regulator) is available on request.

At September 30th 2003, the company held none of its own shares under the share buyback programme, but held 509 shares purchased under the liquidity contract (AFEI) .

THE LEGAL STRUCTURE OF PIERRE & VACANCES

Simplified legal organisational chart at September 30th 2003



The companies above are all fully consolidated, with the exception of:
- DSV SA (Valmorel ski lift operator), consolidated using the equity method;
- Sviluppi Turistici SpA and Med Pierre & Vacances SL, which are not consolidated as their contribution to consolidated results would be insignificant.

1) Pierre & Vacances SA, the Group holding company, owns:
   - the Pierre & Vacances, Multivacances and Maeva brand names;
   - the shares in all intermediate holding companies.
2) Pierre & Vacances Maeva Tourisme (PVMT SA), the holding company for tourism activities, controls Pierre & Vacances Tourisme France SA, which is the holding company for the Tourism division and itself controls:
   - SET Pierre & Vacances Maeva France SAS, which operates apartments under management agreements and leases, and sells holiday packages under the Pierre & Vacances, Maeva and Résidences MGM brand names;
   - Sogire SA, the property management company for residences operated by Pierre & Vacances;
   - Pierre & Vacances Maeva Distribution, a travel agency that sells holidays to French customers under the Pierre & Vacances, Maeva and Résidences MGM brands;
   - Pierre & Vacances Tourisme GmbH (Karlsruhe), a sales subsidiary that specialises in selling Pierre & Vacances, Maeva and Résidences MGM holidays on the German market;
   - Pierre & Vacances Italia Srl, which operates apartments in Italy under management agreements and leases, and sells holiday packages under the Pierre & Vacances brand name.
3) Pierre & Vacances International SA, a holding company, controls the Center Parcs Continental Europe sub-group, which manages 9,729 holiday homes and apartments in the Netherlands, Germany, France and Belgium.
4) Pierre & Vacances Conseil Immobilier (PVCI SA) finds private buyers for apartments and holiday homes in new residences designed, built and managed by Pierre & Vacances. PVCI also sells apartments in existing residences that have been taken over and renovated by Pierre & Vacances as part of its external growth strategy.
   It also manages the resale of these apartments, if requested by the owners, thereby guaranteeing investors the liquidity of their investment.
5) Pierre & Vacances Développement, (PVD SA) carries out site selection, project management and holds equity stakes in dedicated property development entities.
   In order to simplify management and financing, each development project is housed within a dedicated property development entity in the form of a general partnership (SNC). Once the construction project is completed, the SNC is wound up and its commitments taken over by Pierre & Vacances Développement.
   Because of the strong links between the property development and tourism activities, Pierre & Vacances does not open up the capital of these SNCs to third parties.
6) Pierre & Vacances Services (PVS GIE) carries out and invoices the various Group companies for executive management, administrative, accounting, financial and legal functions, and is responsible for the shared services under service agreements.
7) Domaine Skiable de Valmorel (DSV)
   Pierre & Vacances SA has a 25% stake in the Domaine Skiable de Valmorel, the company that operates the resort's ski lifts, alongside Société Financière de Val-d'Isère.

RISK MANAGEMENT

Risk factor

MARKET RISK

Cash management

Cash is managed centrally by the specialised teams in the Pierre & Vacances Group Finance Department. Cash surpluses generated by subsidiaries are transferred to the Group's central entity (Pierre et Vacances FI) and redistributed or invested as required based on targets of maximum liquidity and minimal counterparty risk. This centralised system efficiently optimises financial resources and ensures that the cash flows of the Group's main entities are closely monitored. Cash surpluses are now invested in money market funds or interest-earning deposit accounts.
There is therefore no capital risk involved. These transactions are carried out exclusively with counterparties authorised by the General Management. Given the diverse nature of these counterparties, which are selected from among high-ranking banking establishments based on their rating and the Group's knowledge of them, Pierre & Vacances believes it is not subject to a concentration of its credit risk.
As the Pierre & Vacances Group management prefers to keep cash on hand at all times, these investments are short-term and liquid. The breakdown of these short-term investments by type and market value at year-end is shown in Note 14 – Short-term investments – to the consolidated financial statements.

Liquidity risk

At September 30th 2003, the cash and cash equivalents of the Pierre & Vacances Group stood at € 107 million plus € 50 million in short-term credit facilities that were confirmed but not used at this date. Taking into account the impact of the sale of the lands and buildings of the Eemhof site in the Netherlands on October 30th 2003, the Group's net debt-to-equity ratio came out at 0.83, stable against September 30th 2002 (0.81).

Details of the Group's debt at September 30th 2003 by type, maturity, rate, coverage and outstanding amount are given in Note 18 – Loans and financial debt – to the consolidated financial statements. None of the Pierre & Vacances Group's bank loans are dependent on its debt rating. Early payment of some bank loans is linked to the respect of financial and legal covenants. Prospective financial ratios have been set in collaboration with the lending banks. Compliance with these ratios is checked once per year at year-end. All the covenants were respected as at September 30th 2003. These covenants are listed in Note 18 – Loans and financial debt – to the consolidated financial statements.

Interest rate risk

Market risk linked to interest rate fluctuations is managed centrally by specialised teams within the Group Finance Department.

The Group aims to reduce its exposure to interest rate fluctuations by using derivatives such as interest rate swaps, caps and floors. These hedging positions are negotiated on over-the-counter markets with leading banking counterparties. Therefore, Pierre & Vacances Group's financial income is little subject to interest rate fluctuations. Only certain bridging loans backing short-term property transactions (less than 9 months) cannot be hedged based on expectations on interest rate fluctuations.

Note 18 – Loans and financial debt – to the consolidated financial statements lists all the fixed and floating rate loans taken out by the Group as at September 30th 2003, as well as all swaps and caps transactions carried out to hedge against floating rate borrowings.

At September 30th 2003, the aged schedule of financial assets and debts before and after accounting for off-balance sheet transactions breaks down as follows:

IN THOUSANDS OF EUROS	30/09/2003	MATURITY < 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Fixed rate borrowings	17,674	10,408	3,743	3,523
Floating rate borrowings	379,092	126,557	242,922	9,613
Accrued interest	501	501	-	-
Financial liabilities	**397,267**	**137,466**	**246,665**	**13,136**
Fixed rate loans	11,007	4,564	3,731	2,713
Floating rate loans	19,006	3,975	9,863	5,168
Accrued interest	69	69	-	-
Short-term investments - floating rate	27,740	27,740	-	-
Financial assets	**57,822**	**36,348**	**13,593**	**7,881**
NET POSITION BEFORE HEDGING	**339,445**	**101,118**	**233,072**	**5,255**
Interest rate caps	40,000	30,000	10,000	-
Interest rate swaps	58,020	1,449	56,571	-
Off-balance sheet commitments	**98,020**	**31,449**	**66,571**	**-**
NET POSITION AFTER HEDGING	**241,425**	**69,669**	**166,501**	**5,255**
Additional hedging:				
Interest rate caps (1)	56,568	1,449	55,119	-
Interest rate swaps (1)	131,996	3,385	128,611	-
Off-balance sheet commitments after year-end	**188,564**	**4,834**	**183,730**	
NET POSITION AFTER HEDGING	**52,861**	**64,835**	**-17,229**	**5,255**

(1) Corresponds to the finalisation of interest rate hedging on floating rate borrowings taken out to finance the acquisition of the remaining 50% stake in Center Parcs Continental Europe (see consolidated financial statements, Note 33 – Events after closing of the financial year).

After accounting for caps and swaps contracts set up to finalise interest rate hedging on floating rate borrowings taken out to finance the acquisition of the remaining 50% stake in Center Parcs Continental Europe, the net position after hedging stood at € 52.9 million. After the sale of the lands and buildings of the Eemhof site (on October 30th 2003), which reduced floating rate bank loans by € 71 million, the net position after hedging came out at € -18.1 million.

At September 30th 2003, the net position of floating-rate bank loans of less than one year after hedging broke down as follows:

IN THOUSANDS OF EUROS	
Bank borrowings	126,557
Loans	3,975
Short-term investments	27,740
NET POSITION BEFORE HEDGING	**94,842**
Interest rate caps	30,000
Interest rate swaps	1,449
NET POSITION AFTER HEDGING	**63,393**
Additional hedging:	
Interest rate caps after year-end (1)	1,449
Interest rate swaps after year-end (1)	3,385
NET POSITION AFTER HEDGING (2)	**58,559**

(1) Corresponds to the finalisation of interest rate hedging on floating rate borrowings taken out to finance the acquisition of the remaining 50% stake in Center Parcs Continental Europe (see consolidated financial statements, Note 33 – Events after closing of the financial year).
(2) After accounting for the impact of the sale of the lands and buildings of the Eemhof site on October 30th 2003, which reduced floating-rate bank loans by € 71 million, the net position of floating-rate bank loans of less than one year after hedging came out at € -12.4 million.

A 1% fluctuation in short-term rates would generate an impact of € 0.3 million on financial income, deemed an insignificant amount in relation to the € 21.6 million in interest expenses booked for 2002/2003 (less than 1.4%).

Exchange rate risk

As all of the Group's assets and liabilities are denominated in euros, it incurs no foreign exchange risk.

Specific risks linked to the Group's tourism and property activities

Risk relating to the seasonal nature of the activity

a) Tourist accommodation management
Since the Pierre & Vacances Group traditionally operates exclusively in France and mainly in coastal and mountain resorts, it has a highly seasonal nature. The activities of the French Tourism division are split into two seasons: a winter season (from November to April) and a summer season (from May to October). This seasonal effect results in a structural loss over the first two quarters of the year. Turnover for this division (residences and villages operated under the Pierre & Vacances, Maeva and Résidences MGM brands) in the first half of 2002/2003, which mainly corresponds to its mountain resorts activity, represented only 38% of annual turnover, while fixed operating expenses (including lease payments) are spread out on a straight-line basis over the full year.

The Group aims to reduce this seasonal effect on turnover thanks to:
- optimising the activities of the French Tourism division;
- its recent acquisitions (Center Parcs Continental Europe, whose business is less seasonal).

The Group is able to gradually extend its site opening periods owing to the more balanced geographical mix of customers, a greater variety of sales marketing, targeted promotions, the development of seminar-related activities, a greater number of short-stay offers in response to new customer demands (following the implementation of the 35-hour working week in France) and by adapting its pricing policy, with a larger price range between peak and low seasons.

The activity of Center Parcs Continental Europe is much less exposed to seasonal changes. Each village offers “all weather” facilities which means that the residences can remain open throughout the year. By adjusting prices and targeting advertising campaigns by period, the villages maintain a relatively stable occupancy rate throughout the year. This enables Center Parcs Continental Europe to generate a balanced turnover over the first (43%) and second (57%) half of the year.

All of this enable to reduce the impact of seasonal changes on turnover in the tourism activity. As such, the breakdown of Group turnover between the first and second half of 2002/2003 (39% and 61% respectively) was more balanced than the one registered in the past.

The full acquisition of Center Parcs Continental Europe on September 26th 2003 will reinforce this trend, as the sub-group’s activity will be fully integrated within the Group Pierre & Vacances' results as of October 1st 2003, compared with only 50% of its activity in 2002/2003.

b) Property development
The Group's property development activity has a significant contribution to the Group’s results and enables it to broaden its tourism offer. Growth in this activity is linked to the Group's ability to launch new tourist residence and village programmes. It is traditionally based on an active management of site prospecting, and now also benefits from the new renovation property development programmes and the development of the Center Parcs concept in France as well as the expansion of the Pierre & Vacances concept in Italy and Spain.

Following major acquisitions in the tourism sector over the past two years, the Pierre & Vacances Group has succeeded in significantly reducing its exposure to the seasonal nature of the property activity. As such, property development accounted for only 21% of Group turnover and 17% of operating income in 2002/2003, versus 42% and 46% respectively in 1998/1999.

Lastly, as tourist residences in mountain resorts are mostly delivered in mid-December and those in seaside resorts in late June-early July, the volume of property development activity is traditionally lower in the second quarter of the year. The portion of turnover generated in the second quarter stood at 11% in 2002/2003, 5% in 2001/2002 and 9% in 2000/2001.

Inventory risk

Inventory risk is linked to the Group's ability to build tourist residences on the lands acquired and to market and sell these residences within a limited period of time.

The Pierre & Vacances Group has set very strict rules as regards its property development business (see page 24 of the annual report).

The Group's land acquisition policy, marketing method (properties sold for delivery on completion) and its, pre-marketing policy, means that the period during which land and buildings are stocked remains limited.

Of the 1,839 apartments and houses delivered during 2002/2003, only 276 apartments were unsold at September 30th 2003. However, most of these apartments have been reserved.

The table of "list of apartments in the process of marketing at September 30th 2003" on page 42 shows the percentage of apartments sold. More than 90% of apartments have been sold at most programmes.

Customer risk

Given the Group's marketing and sales policy for the apartments and houses built by its property development business (sale for delivery on completion), no customer risk is generated by this activity.

Customer risk generated by the tourism activity is low. Most of the turnover from accommodation is generated by direct sales marketing, which means that holidays are paid for in advance.

In 2002/2003, direct marketing accounted for:
- 77% of Center Parcs Continental Europe sales;
- 60% of French Tourism division' sales.

As regards indirect sales marketing, in order to minimise the risk of payment failure from a debtor or the impact an event in a given country could have on its receivables, the Group's policy is to:
- maintain a diversified portfolio of tour operators and travel agencies;
- and only work with major market players.

The Group has therefore always maintained a very low level of unpaid receivables. The average payment time granted to tour operators and travel agencies is 45 days.

Risk relative to rental commitments

The Pierre & Vacances Group's strategy is not to own the lands and buildings of the tourist residences, villages and parks that it operates, and as such it sells these assets to individual or institutional investors. These sales are accompanied by lease agreements signed between the new owners and the Pierre & Vacances Group's tourist management subsidiaries for a period of between 9 and 15 years. The rent payable by the Group on the residual term of the lease agreements is booked under off-balance sheet items.

The risk associated with rental commitments is very low. The revenues generated by the tourist management of these apartments and houses usually cover the payment of those lease agreements. Given the Group's track record in its tourism business, the risk that rental payments over the duration of a lease does not generate an operating profit is very low.

Legal risks

The Group's Legal Department is a centralised function that monitors disputes involving its operating subsidiaries, with the exception of Center Parcs Continental Europe, which has its own Legal Department in Rotterdam. A link has been established between the two legal departments for the purpose of coordinating risk management and insurance coverage.

General risks

a) Property development

- Given the very strict rules applied by the company (described on page 24), its exposure to property risk is low. In particular, the legal risk associated with the rejection of applications for permits for new programmes is virtually non-existent given that the Pierre & Vacances Group only engages in property deals if the necessary official permits have been acquired. As regards renovation property development programmes, the Pierre & Vacances Group acquires existing properties already operated and which generate revenues that are a counterpart to the cost of financing the acquisition.
- The property development companies in charge of the various projects are responsible for taking out all the necessary insurance policies to cover construction risk. It is the Group's policy not to begin construction work until the properties have been marketed so that on completion of construction and as soon as the properties are operational, it no longer fully owns any of them. In practice, the legal risk associated with the ownership of these assets is therefore not the Group's responsibility but that of the private individuals or legal entities that own the properties, within the framework of the co-ownership and lease agreements signed with the Group.

b) Operation and management of tourism activities

The company complies with all regulations specifically applicable to the sale of holiday and leisure activities, notably those relating to:

- consumer protection (ensuring that the general terms and conditions that appear on brochures comply with the laws in force and the recommendations of the "Commission des Clauses Abusives" (committee monitoring unfair terms in contracts));
- the prohibition of false advertising, which requires that a true description of the holiday packages sold be provided;
- the protection of owners' image rights and other intellectual property rights (brochures, websites);
- the safety of tourist residences and facilities made available to customers (swimming pools, slides, etc.);
- activities governed by special regulations or which require specific guarantees (property management by Sogire and SGRT, travel agency activity by Pierre & Vacances Maeva Distribution, etc.).

Since the company complies with all of these provisions, it is not exposed to any particular legal risk that has not already been covered by an appropriate insurance policy or procedure.

More generally, the company enters into a wide range of commercial agreements with travel agents and tour operators in the context of its holiday sales activities. These agreements are drawn up in collaboration with the Group's Legal Department and its advisors and on the basis of models established by it. These contracts and the necessary solvency checks made prior to signature ensure that any risk of commercial insolvency posed by intermediaries is kept to a minimum.

Lastly, due to the nature of the services offered, the Group employs a large workforce both at the head office and at its secondary establishments and tourist resorts. Staff are employed and managed in accordance with the legislation applicable at an individual and collective level. The Group is involved in a very low number of labour disputes (see details below).

Disputes in progress

The total amount of on-going disputes is not significant at September 30th 2003. Each dispute is monitored and analysed by the Group's Legal Department, which assesses its potential cost on a case-by-case basis, with the assistance of external specialists where necessary. A provision is booked for the estimated cost of the risk in the financial statements of the various entities involved. At September 30th 2003, the item "Other provisions" in provisions for contingences and charges covered:

- € 0.7 million for disputes involving property development activities;
- € 1.3 million for disputes involving the operation and management of tourism activities;
- € 0.9 million for individual labour disputes.

a) Property development

The Pierre & Vacances Group is not exposed to any significant property risks.

- The Group manages some disputes relating to builders' liability on behalf of some wholly-owned property companies. Claims have been made against the insurance policies taken out by the property companies.
- The Group also manages some disputes relating to property sales (alleged non-compliance with the plans or commercial documents). Such disputes are rare for the Pierre & Vacances Group and its general policy is to seek an amicable settlement wherever possible.

b) Operation and management of tourism activities

- Customer disputes: out of 828,101 weeks sold per year, the Group manages an average of 8,000 customer claims, only one or two of which are likely to appear before the courts, depending on the scale of the dispute. All other customer disputes are generally resolved through an amicable settlement.
- Disputes with tourism industry professionals: the Pierre & Vacances Group is in the process of recovering money generally owed by small-sized tourism professionals experiencing cashflow problems. The average amount to be recovered stands at around € 500,000.
- Regulated activities: as a property manager, the Group may be involved, either at its own instigation or in its own defence, in property management disputes in which the property management company may be considered liable. The insurance that covers professional liability of the Pierre & Vacances Group property management companies is systematically invoked in such cases and therefore called into play.

c) Labour disputes

- The Group is not currently involved in any collective labour dispute.
- The Group is involved in about thirty individual disputes that have been brought before wage-earners industrial tribunals.

Industrial and environmental risks

The activities of the Pierre & Vacances Group do not present any significant industrial or environmental risks. The Group is trying to reduce the environmental impact of its activities via a number of initiatives deployed throughout its various divisions. Examples of these initiatives are provided in the "Sustainable growth" section on page 29 of this annual report.

Risk insurance and coverage

All company insurance is managed at Group level, including that for Center Parcs Continental Europe.

The budget dedicated to this coverage totals € 7.3 million for the current financial year, down by 20% on the previous year. This reduction reflects contrasting trends in the premiums payable by the Group's different divisions:

- an increase in premiums owing to the growth in the Group's size as a result of new property programmes (including Cannes Beach);
- a rise in the recall[1] (annual limit raised to € 450,000) payable by the French Pierre & Vacances Tourism division;

- a 10% increase (6% excluding indexation) in the premium on the main policies that cover the tourism risks of the Pierre & Vacances French Tourism division;
- a marked drop in the premium invoiced to Center Parcs Continental Europe (down 34% due to the fire prevention work carried out at Center Parcs sites);
- a notable drop in the recall[(1)] payable by the Center Parcs Continental Europe division (the minimum part of the damage to be paid by the Group has been cut by 80% from € 2 million to € 400,000 on the domes, and unchanged at € 150,000 on bungalows).

Most of this budget is allocated to multi-risk property or operating loss insurance for all brands.

The Pierre & Vacances Group is principally insured for professional liability, property damage and operating losses, with a contractual compensation limit of € 83 million per claim (of which € 60 million in property and € 23 million in operating losses) for the French Pierre & Vacances Tourism division and € 107 million per claim for the Center Parcs Continental Europe division. Operating losses are insured for a period corresponding to the time required for the reconstruction in full of a major resort.

Property insurance covers the maximum realistic claim possible on sites with the highest concentration of value.

The Group's insurance broker is Marsh. The insurance pool covering these risks is managed by AXA and only involves first-rate companies.

(1) The portion of risk borne by Pierre & Vacances in the event of a claim.

Extraordinary circumstances and lawsuits

The company is aware of no extraordinary circumstances or lawsuits likely to have or having had in the recent past, a significant effect on the activity, results, financial situation or assets of the Pierre & Vacances Group.

Operational organisation

The operations management department, which is based at head office, oversees the running of the resorts, supervises the local site teams in charge of accommodation (reception, housekeeping), technical management (upkeep and maintenance of residences and gardens, emergency repairs inside apartments) and facilities management (children's' clubs, swimming complexes, etc.). This department ensures that the Group's standards are maintained and coordinates the regional management teams. Site administration and accounts are handled by three regional administrative centres based in Cannes, Moûtiers and Paris. The quality of the teams stems from an effective mix of permanent, seasonal and bi-seasonal staff (experts who work at mountain resorts in winter and seaside resorts in summer), who are multilingual and of different nationalities, and enable the company to cope with demand during peak periods and meet the needs of its multinational customer base.

Breakdown of average annual Group headcount by legal entity* in 2002/2003

	PVM GIE	PVD	PVCI	PVS GIE	CP	TOTAL
Executive and managerial staff	286	11	22	62	161	542
Non-executive staff	2,934	12	70	177	4,671	7,864
TOTAL	**3,220**	**23**	**92**	**239**	**4,832**	**8,406**

* PVM GIE: Pierre & Vacances Tourisme/Maeva/Orion Vacances/Résidences MGM; PVD: Pierre & Vacances Développement; PVCI: Pierre & Vacances Conseil Immobilier; PVS GIE: Pierre & Vacances Services; CP: Center Parcs Continental Europe

INFORMATION ON THE CAPITAL

Share capital

The share capital currently stands at € 34,264,760, divided into 8,566,190 ordinary shares, fully paid and all of the same class, and with a nominal value of € 4 each.

Shares may be held in registered or bearer form, at the shareholder's discretion.

The Company keeps itself informed of the ownership of its shares under the conditions provided for by the law.

The shares are freely transferable, unless otherwise stipulated by legal or regulatory provisions.

The transmission of shares, whether given or sold and whatever their form, is effected by transfer between accounts, in accordance with the procedures laid down by law.

Double voting rights are attributed to shares held in registered form for more than two years. The total number of voting rights stands at 8,616,548 for 8,566,190 shares.

POTENTIAL CAPITAL

Securities with an equity component (stock options)

	1999 STOCK OPTION PLAN	2000 STOCK OPTION PLAN			2001 STOCK OPTION PLAN		2003 STOCK OPTION PLAN	
Date of General Meeting	10/09/1998	17/03/2000			09/03/2001		10/03/2003	
Date of Board of Directors' Meeting	18/12/1998	20/03/2000	20/06/2000	13/11/2000	13/07/2001	29/03/2002	11/04/2003	03/11/2003
Total number of shares that may be subscribed for or bought	141,200	81,693	2,000	1,635	4,304	25,000	25,000	7,150
Number of shares that may be subscribed for or bought by members of the Executive Committee (as it currently stands)	129,000	9,000	2,000	-	3,700	25,000	25,000	4,000
Number of executives concerned	5	9	1	-	2	2	2	1
Date from which options may be exercised	19/12/2002	21/03/2004	21/06/2004	14/11/2004	14/07/2005	30/03/2006	12/04/2007	04/11/2007
Strike price	€ 15.24	€ 47	€ 59.99	€ 60.20	€ 61.56	€ 66.73	€ 44	€ 63.83
Expiry date	19/12/2008	21/03/2010	21/06/2010	14/11/2010	14/07/2011	30/03/2012	12/04/2013	04/11/2013
Number of shares subscribed for	64,940	-	-	-	-	-	-	-
Number of options cancelled	-	-	-	-	-	25,000	-	-
Number of options outstanding	141,200	81,693	2,000	1,635	4,304	-	25,000	7,150
Potential dilution arising from exercise of options (in number of shares)	141,200	81,693	2,000	1,635	4,304	-	25,000	7,150

At present, there are 262,982 outstanding stock options.

If all options were exercised, 262,982 new shares would be issued, increasing the total number of shares to 8,829,172.

These new shares would represent an increase of € 8,031,204.74 in shareholders' equity.

Stock options granted to Senior Officers during the 2002/2003 financial year – Stock options exercised by Senior Officers during the 2002/2003 financial year

	NUMBER OF STOCK OPTIONS GRANTED/EXERCISED	PRICE	EXPIRY DATE
Stock options granted to senior officers during the year by the company, related companies within the meaning of Articles L. 225-180 and controlled companies within the meaning of Article L. 233-16	None	None	None
Options exercised during the year by Senior Officers	20,000 stock options exercised by M. Thierry Hellin	€ 15.24	-

Stock options granted in 2002/2003 to each of the ten employees of the Company who are not Senior Officers and who were awarded the largest number of stock options – Total number of options exercised in 2002/2003 by each of the ten employees of the Company who are not Senior Officers and who were awarded the largest number of stock options

	NUMBER OF STOCK OPTIONS GRANTED/EXERCISED	PRICE	EXPIRY DATE
Stock options granted during the year to each of the ten employees who are not Senior Officers and who were awarded the largest number of stock options	None	None	None
Stock options exercised during the year by each of the ten employees who are not Senior Officers and who were awarded the largest number of stock options	None	None	None

Other securities with an equity component

None.

Non-issued authorised capital

The Extraordinary Meeting of Shareholders of February 18th 2002 granted the Board of Directors the authorisation to increase the share capital, with the option to delegate this authorisation to the Chairman. On March 5th 2002, in accordance with this authorisation, the Board of Directors resolved to increase the company's share capital, via a public issue without preferential subscription rights, by a maximum amount of € 3,400,000 involving 850,000 new shares and granted full powers to the Chairman and CEO to carry out this capital increase and report on its completion. This capital increase was completed on March 29th 2002.

The remaining nominal amount of the authorisation of February 18th 2002 stood at € 8,033,676. As this authorisation expires on April 18th 2004, the Extraordinary Meeting of Shareholders is requested to extend it for a further twenty-six months.

CHANGES IN SHARE CAPITAL SINCE INCORPORATION

IN FRENCH FRANCS

DATE	TRANSACTIONS	NOMINAL VALUE	TRANSACTION AMOUNT	ISSUE PREMIUM	TOTAL SHARE CAPITAL	TOTAL NUMBER OF SHARES OUTSTANDING
05/79	**Incorporation**	500	300,000		300,000	600
03/80	**Capital increase in cash**	500	705,000		1,005,000	2,010
10/81	**Capital increase in cash**	500	505,000		1,510,000	3,020
04/85	**Capital increase in cash and 5-for-1 stock split**	100	9,061,400		10,571,400	105,714
11/86	**Company take-over**	100	-10,571,400			
	and capital increase in cash	100	10,000,000		10,000,000	100,000
07/88	**Capital increase in cash**	100	95,000,000		105,000,000	1,050,000
07/88	**Capital write-down**	100	-104,000,000		1,000,000	10,000
09/88	**Capital increase:**					
	- in cash	100	140,800,000	16,198,230		
	- by conversion of debt	100	40,000,000	4,601,770	161,000,000	1,610,000
10/88	**Capital increase via assets contributed in kind** (1)	100	99,000,000		260,000,000	2,600,000
09/95	**Capital write-down**	100	-143,529,500		116,470,500	1,164,705
03/98	**Capital increase via assets contributed in kind** (2)	100	599,764	472,964	116,597,300	1,165,973
12/98	**Stock split**	20				5,829,865
01/99	**Exercice of warrants** (3)	20	11,508,000	3,108,000	124,997,300	6,249,865
06/99	**Initial public offering**	20	126,155,877	103,529,577	147,623,600	7,381,180
07/99	**Exercice of warrants** (4)	20	30,116,232	24,714,823	153,025,000	7,651,250

(1) Assets acquired from SAMA SA (Sté d'Aménagement de Morzine-Avoriaz).
(2) Contribution by SIPV SA (Sté d'Investissement Pierre & Vacances) of the divisions developing and marketing property under the Pierre & Vacances brand.
(3) Warrants created following the decision of the Extraordinary Meeting of Shareholders of September 4th 1995: 420,000 warrants (based on a nominal value of FRF 20 and a price of FRF 27.40 per share, including share premium).
(4) Warrants created following the decision of the Extraordinary Meeting of Shareholders of January 29th 1999: 270,070 warrants (based on a nominal value of FRF 20 and a price of € 17 per share, including share premium).

SINCE THE CONVERSION OF THE SHARE CAPITAL INTO EUROS

IN EUROS

DATE	TRANSACTIONS	NOMINAL VALUE	TRANSACTION AMOUNT	ISSUE PREMIUM	TOTAL SHARE CAPITAL	TOTAL NUMBER OF SHARES OUTSTANDING
12/01	**Conversion into euros (with capital increase)**	4	7,276,489.14		30,605,000	7,651,250
03/02	**Capital increase**	4	57,375,000	53,975,000	34,005,000	8,501,250
02/03	**Capital increase** (1)	4	80,000	224,800	34,085,000	8,521,250
09/03	**Capital increase** (2)	4	94,400	265,264	34,179,400	8,544,850
01/04	**Capital increase** (3)	4	85,360	239,862	34,264,760	8,566,190

(1) Capital increase following the exercise of stock options on February 19th 2003.
(2) Capital increase following the exercise of stock options on September 26th and 30th 2003.
(3) Capital increase following the exercise of stock options on December 23rd 2003.

CHANGES IN CAPITAL OVER THE PAST THREE FINANCIAL YEARS

	SITUATION AT 30/09/03			SITUATION AT 30/09/02			SITUATION AT 30/09/01		
SHARE OWNERSHIP	NUMBER OF SHARES	% CAPITAL	% VOTING RIGHTS	NUMBER OF SHARES	% CAPITAL	% VOTING RIGHTS	NUMBER OF SHARES	% CAPITAL	% VOTING RIGHTS
S.I.T.I.	6,340	0.07	0.10	6,340	0.07	0.10	6,340	0.08	0.10
S.I.T.I. Participation	1,424,220	16.67	22	1,424,220	16.75	22.08	1,551,720	20.28	25.47
S.I.T.I. Participation 2	2,973,230	34.80	45.92	2,973,230	34.97	46.08	2,973,230	38.86	48.81
Board members	20,060	0.23	0.15	70	-	-	60	-	-
Shares owned by the company	509	-	-	2,393	0.03	-	-	-	-
Float	4,120,491	48.22	31.82	4,094,997	48.17	31.74	3,119,900	40.78	25.61
—o.w. Bolloré Group	*484,570*	*5.67*	*3.74*	*484,570*	*5.70*	*3.76*	*443,050*	*5.79*	*3.64*
TOTAL	**8,544,850**	**100.00**	**100.00**	**8,501,250**	**100.00**	**100.00**	**7,651,250**	**100.00**	**100.00**

Changes in share ownership structure since the closing of the financial year

As a result of the decision of September 30th 2003 to dissolve the companies SITI Participation and SITI Participation 2 without liquidation, prior to the end of their legal life (the dissolution giving rise to the transfer of the assets of the dissolved companies after the period during which creditors may object thereto), SITI SA holds 4,403,790 shares, representing 51.40% of the share capital and 51.18% of the voting rights.

Ownership of shares and voting rights

At the date of publication of this Reference Document, the estimated shareholder structure of Pierre & Vacances was as follows:

	NUMBER OF SHARES	% CAPITAL	NUMBER OF VOTING RIGHTS	% VOTING RIGHTS
S.I.T.I.	4,403,790	51.41	4,410,130	51.18
Board members	85	-	135	-
Shares owned by the company	-	-	-	-
Float (1) *—o.w. Groupe Bolloré*	4,162,315 *484,570*	48.59 *5.66*	4,206,283 *484,570*	48.82 *5.62*
TOTAL	**8,566,190**	**100.00**	**8,616,548**	**100.00**

(1) Of which Pierre & Vacances employee share ownership plan (65,041 shares, i.e. 0.76% of the capital), Groupe Bolloré (484,570 shares, i.e. 5.66% of the capital), and CDC IXIS, which acceded to the rights of CDC Participations (297,405 shares, i.e. 3.47% of the capital).

To the Company's knowledge, no shareholder holds more than 5% of capital or voting rights (other than those mentioned above).

The list below, prepared in accordance with article L. 233-13 of the French Commercial Code and in light of the information and notifications received under the terms of articles L. 233-7 and L. 233-12 of the said Code, identifies shareholders owning more than one-twentieth, one-tenth, one-fifth, one-third or two-thirds of the share capital and voting rights:
- SITI SA owns more than one third of the share capital and voting rights,
- BOLLORE SA (Bolloré Group) owns more than one twentieth of the share capital.

Change in distribution of share capital and voting rights since initial public offering

The main changes to the share ownership structure since Pierre & Vacances' shares were listed on the Second Marché of the Paris Bourse on June 7th 1999 are as follows:

- Stake held by CDC:
June 1999: 6.54%, corresponding to 482,906 shares (632,062 voting rights) of the 7,381,180 shares that comprise the share capital;
July 1999: 6.31% corresponding to 482,906 shares (632,062 voting rights) out of 7,651,250 shares;
October 1999: 3.96% corresponding to 302,906 shares (452,062 voting rights) out of 7,651,250 shares;
November 2000: 2.78% corresponding to 212,836 shares (425,672 voting rights) out of 7,651,250 shares;
June 2001: all shares held by CDC–IXIS (which acceded to the rights of CDC Participations) were converted into bearer form.

- Stake held by SITI Group:
June 1999: 65.90 %, corresponding to 5,042,540 shares (7,019,260 voting rights) out of 7,381,180 shares;
March 2000: 65.25 % corresponding to 4,992,540 shares (9,948,830 voting rights) out of 7,651,250 shares;
September 2000: 64.77 % corresponding to 4,956,290 shares (9,912,580 voting rights) out of 7,651,250 shares;,
November 2000: 59.22 % corresponding to 4,531,290 shares (9,062,580 voting rights) out of 7,651,250 shares;
March 2002: 51.8 % corresponding to 4,403,790 shares (8,807,580 voting rights) out of 8,501,250 shares;
October 2003: 51.54% corresponding to 4,403,790 shares (4,410,130 voting rights) out of 8,544,850 shares.

- Free float
June 1999: 25.14 % corresponding to 1,855,674 shares out of 7,381,180;
July 1999: 27.78 % corresponding to 2,125,734 shares out of 7,651,250;
October 1999: 30.13 % corresponding to 2,305,734 shares out of 7,651,250;
March 2000: 31.96% corresponding to 2,445,666 shares out of 7,651,250;
September 2000: 32.43 % corresponding to 2,481,916 shares out of 7,651,250;
November 2000: 40.78% corresponding to 3,119,900 shares out of 7,651,250;
March 2002: 48.20 % corresponding to 4,097,390 shares out of 8,501,250.

Shareholders' agreements

None.

Dividend payments over the past five financial years – Time limit on dividend claims

Over the past five years, Pierre & Vacances SA made the following dividend payments:

YEAR FOR WHICH DIVIDEND IS PAID	NUMBER OF SHARES	NOMINAL VALUE	NET DIVIDEND IN €	DIVIDEND TAX CREDIT[1] IN €	GROSS DIVIDEND IN €
1997/1998	1,165,973	F. 100	-	-	-
1998/1999	7,651,250	F. 20	0.50	0.25	0.75
1999/2000	7,651,250	F. 20	0.70	0.35	1.05
2000/2001	7,651,250	€ 4	0.90	0.45	1.35
2001/2002	8,501,250	€ 4	1.00	0.50	1.50

(1) systematically calculated at 50%.

Generally, dividends paid amount to between 25% and 30% of net income before extraordinary items. This policy can be revised in line with the Group's financial situation and its expected financial requirements.

As such, no guarantee can be given as to dividend payments for a given year.

Unclaimed dividends are transferred to the state five years after they become payable.

An extraordinary distribution of € 1.50 per share will be proposed at the General Meeting scheduled on March 11th 2004.

Collateral securities

In the context of financing the acquisition of the remaining stake in Center Parcs Continental Europe and the repayment of certain loans, Pierre & Vacances SA granted a right of pledge on all shares in DN 1 Holding BV, Pierre & Vacances Maeva Tourisme and Pierre & Vacances International to Crédit Lyonnais (acting as banking agent). These pledges apply until the loan granted is fully repaid, i.e. until September 26th 2008 at the latest. .

SHARE PRICE AND TRADING VOLUMES

Pierre & Vacances' shares are listed on the Second Marché of Euronext Paris (formerly Paris Bourse) under code 7304.

Trading in shares during the last 18 months:

PERIOD	NUMBER OF SHARES TRADED	CAPITAL (IN MILLIONS OF EUROS)	ADJUSTED HIGH/LOW (IN EUROS)	
			HIGH	LOW
August 02	222,483	15.09	70.90	65.10
September 02	166,751	9.67	70.00	53.35
October 02	88,681	5.19	65.00	50.05
November 02	146,857	9.35	64.95	61.00
December 02	102,953	6.66	70.10	60.50
January 03	110,642	7.04	68.30	60.10
February 03	145,899	7.67	61.00	50.10
March 03	195,437	8.66	52.30	37.02
April 03	197,926	9.54	55.80	42.20
May 03	475,902	23.65	52.80	48.10
June 03	391,034	21.65	61.60	51.20
July 03	327,505	17.55	57.40	50.65
August 03	405,708	23.55	62.95	54.50
September 03	327,001	19.53	66.30	60.10
October 03	373,806	23.74	71.00	63.10
November 03	170,096	11.32	72.45	68.00
December 03	293,551	22.28	81.00	70.00
January 04	364,000	29.11	84.75	75.25

(Source: Euronext)

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Composition of the Board of Directors

NAME	FUNCTION	DATE OF FIRST APPOINTMENT	EXPIRY OF CURRENT MANDATE (1)	PRINCIPAL FUNCTIONS IN THE COMPANY	INDEPENDANT DIRECTOR (2)	NUMBER OF SHARES HELD IN THE COMPANY (3)
Gérard Brémond	Chairman and Chief Executive Officer	22/04/1992	Until the General Meeting called to approve the financial statements for the year ended September 30th 2006	Chairman/CEO	No	10
François Georges	Chief Executive	27/03/1998		Group Chief Executive	No	10
Michel Dupont	Board Member	05/06/2001		-	Yes	10
Olivier Brémond	Board Member	10/07/1995		-	No	10
SA S.I.T.I., represented by Thierry Hellin	Board Member	03/10/2003		Group Corporate Secretary	No	4,403,790 10
Marc R. Pasture	Board Member	10/09/1998		-	Yes	10
Sven Boinet	Board Member	24/02/2003		-	Yes	25
Ralf Corsten	Board Member	11/03/2004 (4)		-	Yes	- (5)

(1) Proposed at the General Meeting of March 11th 2004.
(2) The criteria used to determine whether or not a Board member is considered as being independent are those set in the Bouton Report on Corporate Governance of September 2002.
(3) Board members must hold a minimum of 10 shares in the company.
(4) Appointment proposed at the General Meeting of March 11th 2004.
(5) In accordance with the provisions of article L. 225-25. paragraph 2 of the French Commercial Code, Ralf Corsten has a three-month period to meet the shareholding requirement.

Number of Board meetings held during the 2002/2003 financial year

The Board of Directors met seven times during 2002/2003.

Board of Directors – Internal Control

Since the company's financial year ended on September 30th 2003, article 117 of the French Financial Security Law, which stipulates that the Chairman and CEO must include a special report appended to the management report of the Board of Directors outlining how the Board's duties are prepared and performed as well as the internal control procedures implemented by the company, does not apply to the company to date.

However, note that the Board of Directors met on a regular basis throughout the financial year ended September 30th 2003 to examine, analyse and resolve the major issues concerning the Group, under the supervision of the Chairman and CEO, namely:
- development of activity,
- full acquisition of Center Parcs Continental Europe,
- sale and lease-back of eight Center Parcs villages,
- financing terms and guarantees relating to these transactions,
- new development projects,
- internal legal restructuring,
- remuneration policy and management incentives,
- renewal of the Statutory Auditors' mandates.

Moreover, the internal committees of the different businesses approve and control the transactions undertaken by the Group. An action plan is currently being implemented to allow the Chairman to report on internal control procedures at the end of the 2003/2004 financial year, in accordance with the new provisions of the French Financial Security Law.

Compliance with International Financial Reporting Standards

An internal working group has been set up to deal with the issues pertaining to compliance with the IFRS as of the financial year starting on October 1st 2005. Over the next few weeks, this team will establish, with the technical support of the Statutory Auditors, the differences in accounting treatment between IFRS and current standards, additional information to be furnished and differences in presentation to follow. It will then identify the changes to be made to the current IT systems.

Changes in the composition of the Board of Directors

The Board of Directors, which met on December 10th 2002, took due note of the resignation of Willy Stricker as a Board Member.

The Board of Directors, which met on February 24th 2003, co-opted Sven Boinet as Board Member to replace Willy Stricker.

The Board of Directors, which met on October 3rd 2003, co-opted Société d'Investissement Touristique et Immobilier – SITI SA – as Board Member to replace SITI Participation SA following its resignation.

Ratification of the co-opting of two board members: Identification

- Sven Boinet
  Born on April 11th 1953
  Nationality: French
  Mandates (non-Group): see below
- Société d'Investissement Touristique et Immobilier – SITI SA
  Société anonyme (public limited company) under French law
  Registered in the Trade and Company Register of Paris under number 325 952 182
  Represented by Thierry Hellin
  Born on November 11th 1963
  Nationality: French
  Functions: Group Corporate Secretary
  Mandates (non-Group): see below

Appointment of a new Board member: Identification

Ralf Corsten
Born on February 21st 1942
Nationality: German
Mandates (non-Group): see below

Significant mandates held in other companies

Gérard Brémond:
Chairman of the Board of Directors of:
- Pierre & Vacances Maeva Tourisme SA
- Pierre & Vacances Tourisme France SA
- Pierre & Vacances Développement SA
- Pierre & Vacances Conseil Immobilier SA

Chairman and Chief Executive Officer of:
- SA Société d'Investissement Touristique et Immobilier – SITI
- GB Développement SA

Board Member of:
- Groupe Maeva SA
- MED Pierre & Vacances S.I. (Spain)
- Vivendi Universal

Permanent representative of:
- SA Société d'Investissement Touristique et Immobilier – SITI on the boards of Peterhof, SERL, Lepeudry et Grimard and CFICA.
- GB Développement SA on the boards of Ciné B
- Pierre & Vacances Tourisme France SA on the boards of Cannes Beach Résidence SA and Clubhôtel Multivacances
- OG Communication SARL on the boards of Marathon and Marathon International

Director of:
- Holding Green BV (Netherlands)

Member of the Supervisory Board of:
- Center Parcs Europe NV (Netherlands)

François Georges:
Chairman and Chief Executive Officer of:
- Pierre & Vacances Italia Srl (Italy)

Chief Executive of:
- SA Société d'Investissement Touristique et Immobilier – SITI

Board Member of:
- Pierre & Vacances Développement SA
- Peterhof
- SERL
- MED Pierre & Vacances S.I. (Spain)
- Cala Rossa Immobiliare S.r.l. (Italy)

Permanent representative of:
- SA Société d'Investissement Touristique et Immobilier – SITI on the board of GB Développement SA
- GB Développement SA on the board of Marathon
- Club hôtel Multivacances on the board of CFICA
- Pierre & Vacances on the boards of Pierre & Vacances Maeva Tourisme, Pierre & Vacances Conseil Immobilier
- Pierre & Vacances Maeva Tourisme on the board of Pierre & Vacances Tourisme France
- Peterhof on the board of Lepeudry et Grimard
- Pierre & Vacances Tourisme France on the boards of Sogire, Pierre & Vacances Maeva Distribution and Compagnie Hôtelière Pierre & Vacances
- Bourgenay Loisirs on the board of Société de Développement de Bourgenay

Manager of:
- Pierre & Vacances Transactions SARL
- SETI SARL

Member of the Supervisory Board of:
- Center Parcs Europe NV (Netherlands)

Michel Dupont:

Chairman of:
- Eco-Services Capital SAS

Chairman of the Board of Directors of:
- Euro-Environnement France

Chairman and Chief Executive Officer of:
- IFE Gestion (United States)

Chief Executive of:
- CDC Ixis Private Equity

Chairman of the Supervisory Board of:
- EEI SCA (Luxembourg)

Vice-Chairman of the Supervisory Board of:
- Part'Com Management

Member of the Supervisory Board of:
- Club Méditerranée
- CDC Ixis – Services Industrie
- CDC Ixis Innovation

Board Member of:
- Euro-Environnement France
- Fondinvest 2
- Part'Com
- EEI SA (Luxembourg)
- CDC Ixis Private Equity

Director of:
- CEEEIF (Netherlands)

Member of the Supervisory Board of:
- Caisse des Dépôts Securities INC. (United States)

Permanent representative of:
- CDC Ixis on the board of Fondinvest 1
- CDC Ixis Private Equity on the boards of Fondinvest Capital and Sopardif

Olivier Brémond:
Chairman of the Board of Directors of:
- Marathon SA

Chairman and Chief Executive Officer of:
- Marathon International SA
- Cinéa SA
- Marathon Animation SA

Board Member of:
- SA Société d'Investissement Touristique et Immobilier – SITI

Manager of:
- OG Communication SARL
- Marathon Méditerranée SARL

Thierry Hellin:
Chairman and Chief Executive Officer of:
- Société d'Exploitation de Résidences de Loisirs – SERL
- Groupe Maeva SA

Board Member of:
- Lepeudry et Grimard
- Peterhof
- SA Société d'Investissement Touristique et Immobilier – SITI
- GB Développement SA

Manager of:
- Club Univers de France SARL
- COBIM SARL
- Pierre & Vacances Courtage SARL
- Pierre & Vacances Maeva Tourisme Haute-Savoie SARL

Permanent representative of:
- Pierre & Vacances on the board of Pierre & Vacances Développement
- Peterhof on the board of CFICA
- Pierre & Vacances Développement on the board of Sogire
- Pierre & Vacances Services on the boards of Pierre & Vacances Maeva Distribution, Pierre & Vacances Conseil Immobilier, Compagnie Hôtelière Pierre & Vacances, Société de Développement de Bourgenay, Pierre & Vacances Maeva Tourisme and Pierre & Vacances Tourisme France
- Pierre & Vacances Maeva Distribution on the board of Pierrebac

Marc R. Pasture:
Member of the Supervisory Board of:
- Maritim Hotelgesellschaft mbH (Germany)
- RWE-Harpen AG (Germany)
- Dolce Media AG (Germany)

Sven Boinet:
Board Member of:
- Dinard Golf SA
- Last Minute
- Géodis

Ralf Corsten:
Chairman of the Supervisory Board of:
- Steigenberger Hotels AG
- Messe Berlin GmbH
- TUI China SA

Remuneration of members of the Board of Directors and Executive Committee

The total amount of gross annual wages (including benefits in kind) paid by the Group to the Executive Committee members stood at € 4,539,075 at September 30th 2003.

No attendance fees were paid to Board Members for the financial year ended September 30th 2003.

The payment of € 150,000 in attendance fees to the Board Members for the current financial year beginning on October 1st 2003 will be proposed at the General Meeting on March 11th 2004.

Loans and guarantees granted to members of the Board of Directors

No loans or guarantees have been granted by Pierre & Vacances SA to members of the Executive Committee or the Board of Directors.

Remuneration of Senior Officers

The total gross annual wages (including benefits in kind) paid by the Group to each Senior Officer for the financial year ended September 30th 2003 are as follows:

- Gérard Brémond	Néant (1)
- François Georges	Néant (1)
- Michel Dupont	Néant
- Olivier Brémond	Néant
- Thierry Hellin	Néant (1)
- Marc Pasture	Néant
- Sven Boinet	Néant

(1) Gérard Brémond, François Georges and Thierry Hellin received no remuneration from companies controlled by the Pierre & Vacances Group, as defined in article L. 233-16 of the French Commercial Code. However, SITI, Gérard Brémond's asset management holding company, invoiced Pierre & Vacances Group management fees amounting to € 516,007, € 799,040 and € 447,225 for services provided by Gérard Brémond, François Georges and Thierry Hellin respectively for the financial year ended September 30th 2003.

Management holdings in Pierre & Vacances SA's capital

This information is provided on page 147, in the section "Ownership of shares and voting rights", on page 150 "Composition of the Board of Directors" and on page 144, in the section "Potential capital".

Employee share ownership plan

The Group's employee share ownership plan was set up with the payment of the employees' profit-sharing entitlement for the 1997/1998 financial year. Employees were invited to make a voluntary contribution, backed by a contribution from the Company, to subscribe for Pierre & Vacances shares in connection with the initial public offering and the capital increase of March 2002.

Shares acquired by employees via this share ownership plan are held by a dedicated mutual fund, invested solely in Pierre & Vacances shares. This fund owned 0.80% of the share capital as at September 30th 2003 (representing 68,441 shares).

Stock option plan

Outstanding options represent 2.98% of the capital after the capital increase.

Employee profit-sharing

The special profit-sharing reserve for employees covered by the Group-wide profit-sharing plan amounted to € 3,290,608 for the 2002/2003 financial year.

Persons responsible for the reference document & the audit of the financial statements

Persons responsible for the reference document:

Gérard Brémond, Chairman and Chief Executive Officer.

François Georges, Chief Executive.

The opinion of the Statutory Auditors on the fairness of the financial and accounting information does not cover the legal information that appears in this document.

The Company's management assumes sole responsibility for the legal information contained herein.

Statement by the persons responsible for the reference document

To the best of our knowledge, the present reference document provides a true and fair view of Pierre & Vacances, and includes all the information necessary for investors to form an opinion of the net assets, activities, financial position, results and prospects of Pierre & Vacances.
It does not contain any omission liable to alter the implications of the document.

Paris, February 27th 2004

Gérard Brémond	François Georges
Chairman and Chief Executive Officer	Chief Executive

THE STATUTORY AUDITORS

Principal auditors:

SAS BARBIER FRINAULT & Autres (Ernst & Young)
Michel Roucart
41, rue Ybry – 92576 Neuilly sur Seine
First appointed by the General Meeting of May 29th 1990
Reappointed for six financial years by the General Meeting of March 11th 2004 (1)

A.A.C.E. – Ile De France
Michel Riguelle
10, rue de Florence – 75008 Paris
First appointed by the General Meeting of October 3rd 1988
Reappointed for six financial years by the General Meeting of March 11th 2004 (1)

Substitute auditors:

Pascal Macioce
41, rue Ybry – 92576 Neuilly sur Seine
First appointed by the General Meeting of March 11th 2004 (1)

Jean-Baptiste Poncet
10, rue de Florence – 75008 Paris
First appointed by the General Meeting of March 11th 2004 (1)

(1) Proposed at the General Meeting of March 11th 2004.

Fees paid to the Statutory Auditors and members of their network

The table below shows the fees paid to the Statutory Auditors responsible for certifying the individual financial statements and the consolidated financial statements of Pierre & Vacances. These include fees for services provided and booked as expenses during the 2002/2003 financial year in the financial statements of Pierre & Vacances S.A. and its fully-consolidated subsidiaries.

IN THOUSANDS OF EUROS	S.A.S. BARBIER FRINAULT & AUTRES				A.A.C.E. - ILE-DE-FRANCE			
	AMOUNT		%		AMOUNT		%	
	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02	30/09/03	30/09/02
Audit								
Statutory Auditors services and certification of individual and consolidated financial statements	452	358	96%	96%	278	252	100%	100%
Additional services	22	15	4%	4%				
Sub-total	**473**	**373**	**100%**	**100%**	**278**	**252**	**100%**	**100%**
Other services								
Legal, tax, labour relations, IT, internal audit and other advisory services								
Sub-total								
TOTAL	**473**	**373**	**100%**	**100%**	**278**	**252**	**100%**	**100%**

The 2002/2003 annual and consolidated financial statements of Center Parcs Continental Europe, which were consolidated via the proportionate consolidation method in the Pierre & Vacances SA consolidated financial statements until the end of September 2003 and which will henceforth be fully consolidated following the full acquisition at the end of September 2003, were audited by firms that belong to the Ernst & Young network in the Netherlands, Germany, Belgium and by Barbier Frinault & Autres SAS in France.

Fees for legal or contractual audit services concerning Center Parcs Continental Europe provided during the 2002/2003 financial year by members of the aforementioned Ernst & Young network and which are not listed in the above table, amounted to 1,207 thousands euros.

Moreover, the fees of members of the Ernst & Young network in the Netherlands, Germany and Belgium for tax services relating to major disposals and internal legal restructuring totalled 1,081thousands euros for the 2002/2003 financial year.

STATEMENT BY THE STATUTORY AUDITORS ON THE REGISTRATION DOCUMENT

(For the year ended September 30th 2003)

To the Shareholders,

In our capacity as Statutory Auditors of Pierre & Vacances, and under regulation 98-01 of the Commission des Opérations de Bourse (French Securities and Exchange Commission), we have audited the information on the financial situation and the historical accounting data provided in this reference document, in accordance with the professional standards applicable in France.

The Chairman and Chief Executive Officer and Chief Executive of Pierre & Vacances are responsible for the reference document. Our responsibility is to express an opinion on the sincerity of the information provided with respect to the financial position and the financial statements.

In accordance with the professional standards applicable in France, our audit consisted in assessing the sincerity of the information provided with respect to the financial situation and the financial statements and in verifying the consistency with the financial statements subject to an auditor's report. We also examined the other information contained within the reference document in order to identify any significant discrepancies with the financial position and the financial statements, and to indicate any misstatements identified as a result of the general knowledge of the company that we acquired during our mission. The prospective data presented corresponds to management targets and not forecast data calculated using a structured process.

We audited the individual financial statements and consolidated financial statements for the years ended September 30th 2001 and 2002, as approved by the Board of Directors, in accordance with the professional standards applicable in France. No reserves were expressed or comments made on these financial statements.

We audited the individual financial statements and consolidated financial statements for the year ended September 30th 2003, as approved by the Board of Directors, in accordance with the professional standards applicable in France. No reserves were expressed on these financial statements. In accordance with the provisions of article L.225-235 of the French Commercial Code concerning the justification of our opinion, which have been applied for the first time to this financial year, our reports cover the following items, which have been taken into account in the aforementioned opinion on the annual and consolidated financial statements:

With regard to the parent company financial statements,

- Notes III.1, III.2, III.3, III.4, III.11 and III.12 to the financial statements outline the internal legal restructuring within the Pierre & Vacances Group that took place during the financial year as well as the financial flows pertaining to some of these restructuring operations (payment of dividends, financing, etc.) and having a direct or indirect impact on Pierre & Vacances' annual financial statements, in particular, the payment of a significant dividend by DN1 to its shareholders, including Pierre & Vacances, which resulted in the impairment of this subsidiary' shares for an equal amount in the annual financial statements.
  As part of our assessment of the accounting principles applied by the Group, we have checked the consistency of the accounting treatment of these transactions and the information provided in the notes to the financial statements.
- Note II.1 (Accounting principles and methods) outlines the change in accounting method applied for the first time as of October 1st 2002, in accordance with CRC Regulation No. 2000-06 on liabilities.

  As part of our assessment of the accounting principles applied by the company, we have checked the consistency of the accounting treatment resulting from this change in method and its presentation in this document.

With regard to the consolidated financial statements,

- Notes 1 and 3.1 to the financial statements describe the main transactions that took place within the Group during the financial year, namely:
  - the sale by the Center Parcs Continental Europe sub-group of its stakes in companies that owned the freehold (lands and buildings) of seven Center Parcs sites in the Netherlands, Belgium and Germany, and the leasing by the Center Parcs Continental Europe sub-group of the land and property assets sold under this transaction;
  - the full acquisition by Pierre & Vacances of the Center Parcs Continental Europe sub-group through the purchase of the capital stake owned by other shareholders.

As part of our assessment of the accounting principles applied by the Group, we have checked the consistency of the accounting methods applied and the information provided in the notes to the financial statements.

- Note 2.1 outlines the change in accounting method applied by the Group for the first time as of October 1st 2002, in accordance with CRC Regulation No. 2000-06 on liabilities.

  As part of our assessment of the accounting principles applied by the Group, we have checked the consistency of the accounting treatment resulting from this change in method and its presentation in this document.

On the basis of our examinations, we have no comments to make on the sincerity of information related to the accounting and financial position presented in this registration document.

Paris and Neuilly-sur-Seine, February 27th 2004

The Statutory Auditors

A.A.C.E. Ile-de-France
Michel Riguelle

BARBIER FRINAULT & AUTRES
ERNST & YOUNG
Michel Roucart

CROSS-REFERENCE INDEX

PERSONAL NOTES

PERSONAL NOTES

PERSONAL NOTES

The original version of this reference document has been submetted to the Autorité des Marchés Financiers* on February 27 th 2004, incompliance with rule n° 98-01. It may not be used in connection with any financial transaction unless supplemented by prospectus approved by the Autorité des Marchés Financiers.

* (French financial market regulator)

GROUPE PIERRE & VACANCES

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