ANNUAL FINANCIAL REPORT 2007 / 2008

FACING THE FUTURE

GROUPE
PIERRE & VACANCES

GROUPE PIERRE & VACANCES

Annual Financial Report 2007/2008

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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THE PIERRE & VACANCES GROUP

Group Management Report

European leader in local tourism, the Pierre & Vacances Group operates some 47,200 apartments and homes, or 22,200 beds primarily located in France (in mountain, seaside and countryside resorts, cities and the French West Indies), the Netherlands, Germany, Belgium, Italy and Spain. The Pierre & Vacances Group has two complementary businesses, namely the operating and marketing of holidays in residences and villages (82% of 2007/2008 turnover) and property development (18% of 2007/2008 turnover).

GROUP BUSINESSES AND PERFORMANCES IN 2007/2008

MAIN EVENTS

Expanding the tourism offering

CENTER PARCS EUROPE

In December 2007, the Group signed a letter of intent to build the fifth French Center Parcs village in Roybon, Isère. The project includes 1,000 cottages and leisure equipment and is due to open in 2011.

At the Center Parcs in Moselle, an extension project for 450 new cottages and the building of a second activity centre is currently being finalised. This is set to extend capacity at the site to 1,320 cottages.

The Group is in the late stages of negotiations for the creation of a new Sunparks in Germany, with capacity of 500 cottages.

ADAGIO CITY APARTHOTEL

In addition to the 22 residences already operated over the year, expansion is continuing:

- six residences were opened during 2008 increasing the offering by 581 apartments in Montrouge, Annecy, Bordeaux, Basel, Paris Opéra and Strasbourg;
- six more residences are now planned for 2009 with capacity of 873 apartments in Paris La Défense, Toulouse, Brussels, Marseilles, Nantes and Vienna;
- the Group is in the late stages of negotiations for city residence projects in France (Paris, Toulouse, Bordeaux...) and outside France (London, Prague, Barcelona...). Numerous other projects are being studied for Europe.

Disposals

SUNPARKS/KEMPENSE MEREN

On 4 July 2008, the Group finalised the disposal of property assets at the fourth Sunparks village (Kempense Meren) to Foncière des Murs, under the terms specified in the Memorandum of Understanding signed on 25 July 2007, for €41 million euros and a 15-year lease in favour of Sunparks.

EQUIPMENT AT CENTER PARCS MOSELLE

On 29 September 2008, the Pierre & Vacances Group signed the definitive sale off-plan of indoor and outdoor sports and leisure equipment (notably the Aqua centre) at the Center Parcs at Moselle to VMF (property investor already owning three Center Parcs in the Netherlands and Germany) for €103 million. Center Parcs France is to lease the equipment over 12 years in return for an indexed rent calculated on the basis of a rate of 6.65%.

CREATION OF A PROPERTY INVESTMENT FUND (SCPI)

On 7 July, Pierre & Vacances and UFG Rem (property investment fund management company) obtained approval from the financial markets authorities (Autorité des Marchés Financiers visa No. 08-06) for the launch of a property investment fund "SCPI UFG – Pierre et Vacances Conseil Immobilier Moselle". This fund is to acquire a first batch of around 150 cottages off-plan for the future Center Parcs at Moselle from Pierre & Vacances. Units in the property investment fund are to be sold to the public via the UFG and Pierre & Vacances [1] networks.

Reorganisation of the Group

With the aim of unlocking significant synergies between Pierre & Vacances Europe and Center Parcs Europe, the Pierre & Vacances Group has reorganised its tourism businesses in Europe and created one single tourism division headed by Christophe Jeannest who headed Center Parcs Europe over the past four years. Having informed the group of his intentions to focus on new professional projects, Eric Debry, Deputy Chief Executive Officer of Pierre & Vacances, left the Group on 30 September 2008. He has not been replaced and his responsibilities have been assigned to the various members of the Executive Committee.

(1) The risks and terms of this operation are set out in the investor information note stamped by the AMF's visa.

GROUP TURNOVER

Over the full year running from 1 October 2007 to 30 September 2008, Group turnover totalled €1.424,5 billion.

(in millions of euros)	2007/2008	2006/2007	Current structure	Like-for-like(*)
Tourism	**1,168.5**	**1,058.6**	**+10.4%**	**+9.0%**
Pierre & Vacances Europe (1)	540.4	502.1	+7.6%	+7.6%
Center Parcs Europe (2)	628.1	556.5	+12.9%	+10.2%
Property development	**256.0**	**491.7**	**-47.9%**	**-49.6%**
TOTAL FULL-YEAR	**1,424.5**	**1,550.3**	**-8.1%**	**-9.9%**

(*) On a like-for-like basis, 2006/2007 turnover has been adjusted for the consolidation of Sunparks and Les Senioriales as of 1 April 2007.
(1) Pierre & Vacances Europe includes the Pierre & Vacances, Adagio City Aparthotel, Maeva, Résidences MGM and Hôtels Latitudes brands.
(2) Center Parcs Europe includes the Center Parcs and Sunparks brands.

The tourism businesses generated turnover of €1.168,5 million, representing like-for-like growth of 9%:

Pierre & Vacances Europe accounted for €540.4 million of turnover, up 7.6% on a like-for-like basis. Average occupancy rates rose by 1.2% and average letting rates by 3.9%.

Center Parcs Europe generated turnover of €628.1 million, up 10.2% on a like-for-like basis. The occupancy rate was stable despite an increased offering, especially in France. Average letting rates rose by 4.8%.

The decline in **property development** turnover relative to the year-earlier period stemmed from the Group's cautious policy to acquire land and property assets. Stocks are currently being rebuilt thanks to new programmes (Moselle, Avoriaz, Deauville...).

TOURISM BUSINESSES

Key indicators on a like-for-like basis

(in millions of euros)	2007/2008	2006/2007	Change
Like-for-like turnover	**1,168.5**	**1,072.2**	**+9.0%**
o/w accommodation	624.5	573.2	+9.0%
o/w services businesses (1)	544.0	499.0	+9.0%
Net average letting rates (2) in euros	574	550	+4.4%
No. of weeks sold	1,088,519	1,042,643	+4.4%
Occupancy rates	70.6%	70.1%	+0.7%

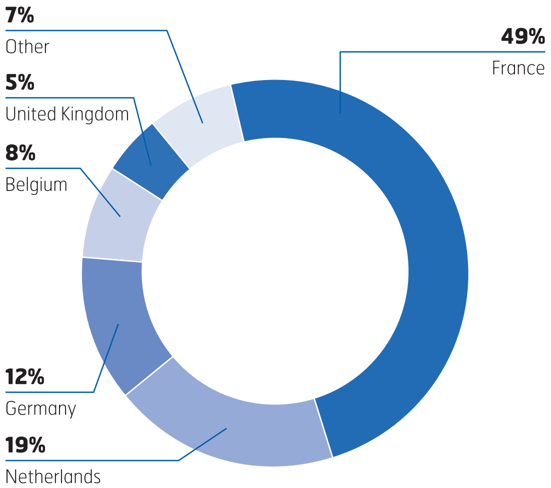
(1) Catering, events, mini-market, shops, marketing...
(2) Average letting rates by week of accommodation net of distribution costs.

Tourism accommodation turnover (€624.5 millions) rose by 9% on the back of:

- a 4.4% increase in average letting rates, stemming from a 3.9% rise in average letting prices in the Pierre & Vacances division driven not only by price effects, but also by beneficial distribution and site mixes. Average letting rates at Center Parcs Europe rose by 4.8%, boosted by price rises in line with inflation and a more beneficial site mix, notably with deliveries of new cottages at Bois Francs and the opening of the Domaine du Lac d'Ailette site;
- growth in the Group's average occupancy rate to 70.6%, resulting from a stable frequency rate at Center Parcs Europe against an increased offering and growth of 1.2% at Pierre & Vacances Europe.

Over 2007/2008, 49% of turnover was derived from French clients (up by almost 14%) and 51% from foreign clients (up almost 8%), stemming mainly from the Netherlands (19%), and Germany, given that the Group has eight Center Parcs in the Netherlands and four in Germany.

Breakdown of Group accommodation turnover by client origin in 2007/2008



Breakdown of tourism residence portfolio on 30 September 2008

BREAKDOWN BY TOURISM RESIDENCE PORTFOLIO BY BRAND

	Pierre & Vacances (1)	Maeva (2)	Résidences MGM	Hôtels Latitudes	Adagio	Citéa (3)	Center Parcs	Sunparks	Total
Apartments/homes	16,368	8,623	888	1,155	2,899	4,346	11,121	1,798	47,198
Beds	86,915	39,678	5,680	2,968	9,653	11,717	55,765	9,822	222,198

(1) 16,578 apartments and 87,965 beds including marketing business.
(2) 14,145 apartments and 67,290 beds including marketing business.
(3) The group owns 50% of Citéa in partnership with Group Lamy, which manages under mandate the entire 2-star category city residences offering.

In all, the Group's tourism residence portfolio fell by 1,076 apartments/homes and 5,325 beds. This decline was primarily due to the withdrawal from four Italian sites (Calarossa, Costa di Simeri, Nuraghe, Punta Asfodeli) and fom a Spanish site, Cap Roig Ampolla.

GEOGRAPHICAL BREAKDOWN OF TOURISM RESIDENCE PORTFOLIO (NUMBER OF APARTMENTS/HOMES)

	Pierre & Vacances Europe	Center Parcs Europe	TOTAL
Mainland France	32,822	2,443	35,265
French West Indies	851	-	851
The Netherlands	-	5,109	5,109
Germany	-	2,243	2,243
Belgium	-	3,124	3,124
Switzerland	77	-	77
Italy	276	-	276
Spain	253	-	253
TOTAL	**34,279**	**12,919**	**47,198**

At end-September 2008, the Pierre & Vacances Group operated 77% of its sites in France, where it offers numerous destinations: Northern Alpes, Pyrenees, French Riviera, Atlantic and Channel coasts, Provence, City and the French West Indies.

In Europe, the Group is also present in the Netherlands (11% of portfolio), Belgium (7%) and Germany (5%) via Center Parcs and Sunparks villages.

OPERATING OF TOURISM RESIDENCE PORTFOLIO ON 30 SEPTEMBER 2007 (NUMBER OF APARTMENTS/HOMES)

	Individual investors	Leases	Mandates	Institutional investors	Leases	Mandates	Group portfolio	TOTAL
Pierre & Vacances Europe	30,687	25,981	4,706	3,418	2,766	652	174	34,279
Center Parcs Europe	1,131	1,131	0	11,726	11,726		62	12,919
TOTAL	**31,818**	**27,112**	**4,706**	**15,144**	**14,492**	**652**	**236**	**47,198**

The tourism portfolio is operated in two ways:

- under lease agreements, whereby the lessee (Pierre & Vacances Group) pledges to pay a rent irrespective of the profits generated by operating the property. As such, the profits generated over and above the rental payment belong to the Group. Renovation work is payable either by the lessor/owner or by Pierre & Vacances;
- under management agreements, whereby the agent (a Pierre & Vacances Group company) acts as a services provider and bills for management and marketing fees. Operating income accrues to the owner (the client). In certain cases, Pierre & Vacances guarantees the owner a minimum income, and surplus profits relative to this minimum amount are shared between the two parties.

At the Group level, 67.4% of the apartments operated were owned by individual investors, 32.1% by institutional investors while the remaining 0.5% were Group-owned at end-September 2008.

At Pierre & Vacances Europe where the majority of the tourism residence portfolio is located in France, 89.5% of the apartments belonged to individual investors, 10% to institutional investors and 0.5% to the Group.

At Center Parcs Europe, 90.8% of the portfolio belonged to institutional investors. Note however, that the 870 cottages at the Center Parcs at Domaine du Lac d'Ailette and the 203 new cottages at the Domaine des Bois Francs delivered in 2007 were sold to individual investors in line with the traditional Pierre & Vacances model.

Pierre & Vacances Europe

2007/08 turnover rose 7.6% relative to 2006/2007 to stand at €540.4 million.

Accommodation turnover rose 6.6% to €328.6 million and was driven by:

- growth of 3.9% in average letting rates, which totalled €563 per week sold. This increase stemmed from the price policy as well as an improvement in the product and distribution mixes (growth in direct sales, especially via Internet);
- a 1.2% increase in the occupancy rate to 65.2% vs. 64.6% in 2006/2007). Occupancy rates by brand were as follows: Pierre & Vacances 64.3% (vs. 63.6%), Adagio 73.1% (vs. 72.9%), Maeva 64.2% (vs. 63.7%), Résidences MGM 78.3% (vs. 75.7%), Latitudes 51.7% (vs. 55.6%).

The year was marked by the 9.4% increase in direct sales (call-centre, Internet websites, on-site sales, seminars and corporate works' councils), which accounted for 74.6% of accommodation turnover in 2007/2008. Sales via indirect channels (tour operators and travel agents) remained fairly stable.

Domestic turnover rose by 6.8% with extremely high growth in direct sales channels of 10.3%, to account for 71% of turnover.

Turnover generated by foreign clients rose by 6.1%, with high growth in Russia and eastern European countries (+27.2%), Spain (+16.7%) and Holland (+10.6%).

By destination, 2007/09 turnover broke down as follows:

Seaside resorts

Turnover at the seaside resorts rose by 1.3% on the back of a 1.5% increase in average letting rates. The year was marked by the Group's withdrawal from three Italian sites, Punta Asfodeli, Costa Di Simeri and Nuraghe and from Cap Roig Ampolla in Spain. Adjusted for this impact, turnover growth totalled 3.6%.

Turnover at the French Mediterranean coast residences rose 5.3% driven by a 3.3% increase in the number of nights sold and a 1.9% rise in average letting rates. Despite poor weather on the Atlantic coast, accommodation turnover in the region rose by 1.4% on the back of a 1.9% price impact.

Growth in the domestic market stood at 4.6%, primarily driven by direct sales channels, particularly Internet and groups.

Mountain resorts

Accommodation turnover in mountain resorts benefited from good snowfall levels in winter 2007/2008 and high growth in foreign clients (+6.8%), rising 7.6% and reflecting a 1.7% increase in the number of weeks sold and 5.8% growth in average letting rates. The majority of this growth stemmed from direct sales, particularly Internet sales. Growth in the domestic market stood at 8.1%.

City residences

Turnover leapt 26.1% thanks to both healthy performances at existing sites (+4.4%) and the extended offering: full-year opening of the Paris Tour Eiffel and Monaco Montecristo sites, opening of the Paris Montrouge and Paris Opéra sites and also the opening of Paris Esplanade de la Défense, Annecy and Basel in the joint venture with Accor.

Average letting rates surged thanks to the rising momentum of the Paris Tour Eiffel site and the opening of Paris Opéra, both of which boast outstanding locations.

French West Indies

Turnover in the French West Indies rose by 1.3% despite a temporary slowdown in business in Martinique at the end of 2007 following hurricane Dean. The majority of growth stemmed from Internet sales.

NUMBER OF APARTMENTS BY DESTINATION

	2007/2008	2006/2007	Change
Seaside	16,993	18,137	-1,144
Mountain	9,190	9,492	-302
City	7,245	6,916	+329
FWI	851	851	0
TOTAL	**34,279**	**35,396**	**-1,117**

ACCOMMODATION TURNOVER BY DESTINATION – LIKE-FOR-LIKE

(in millions of euros)	2007/2008	2006/2007	Change
Seaside	170.6	168.4	+1.3% (*)
Mountain	88.5	82.2	+7.6%
City	57.0	45.2	+26.1%
FWI	12.5	12.4	+1.3%
TOTAL	**328.6**	**308.2**	**+6.6%**

(*) +3.6% barring withdrawals from Italy and Spain.

AVERAGE LETTING RATES FOR ONE WEEK'S RENTAL – LIKE-FOR-LIKE

(euros before VAT)	2007/2008	2006/2007	Change
Seaside	520	512	+1.5%
Mountain	603	570	+5.8%
City	664	601	+10.5%
FWI	537	588	-8.8%
Average	**563**	**542**	**+3.9%**

NUMBER OF WEEKS SOLD AND OCCUPANCY RATES – LIKE-FOR-LIKE

	No. of weeks sold			Occupancy rate		
	2007/2008	2006/2007	Change	2007/2008	2006/2007	Change
Seaside	327,961	328,616	-0.2%	60.9%	60.9%	-0.1%
Mountain	146,689	144,237	+1.7%	72.9%	72.9%	+0.1%
City	85,823	75,151	+14.2%	73.1%	72.9%	+0.2%
FWI	23,320	20,993	+11.1%	63.8%	53.8%	+18.4%
TOTAL	**583,793**	**568,997**	**+2.6%**	**65.2%**	**64.6%**	**+0.8%**

Center Parcs Europe

2007/2008 turnover at Center Parcs Europe (including Sunparks) rose 10.2% on a like-for-like basis to €628.1 million.

Growth of 11.7% in accommodation turnover to €296.0 million stemmed from the excellent performances generated by villages located in France (+52.6%) with the impact of the opening of the Domaine du Lac d'Ailette, as well as robust business in both Belgium (+3.8%) and Germany (+3.3%). Turnover growth at Dutch villages was slightly lower at 0.9%.

For its first year in operation, the new village Domaine du Lac d'Ailette posted outstanding performances with an average occupancy rate of more than 85% and average letting rates of €787.5 per week compared with average letting rates of €711 at the two other parks operated in France in 2006/2007.

The overhaul of the marketing policy at Sunparks, together with the renovation works already carried out in part of the portfolio (De Haan and Oostduinkerke) and the delivery in June 2008 of 62 additional bungalows at De Haan also contributed to robust sales momentum in Belgium.

Growth in accommodation turnover of 11.7% generally broke down as follows:

- growth in the number of nights available of 6.4%, driven primarily by the new village Domaine du Lac d'Ailette;
- a 4.8% increase in average letting rates to €587 euros per week, boosted mainly by marketing successes in France (success of Domaine du Lac d'Ailette positioned as an upscale Center Parcs) and in Belgium with the impacts of renovating the portfolio started by Sunparks in 2007/2008;
- stable occupancy rates, which despite the rise in the offering in 2007/2008, remained at a very high level of 79.7% (including 82% in the Netherlands, 86.4% in France, 80.8% in Germany and 69.9% in Belgium).

In 2007/2008, the share of direct sales (Internet, call centres, seminars, works' committees and on-site sales) rose by 14.8% to account for 87.5% of accommodation turnover compared with 85.1% in 2006/2007 and was driven by the 41% increase in sales made via Internet websites. Internet sales therefore accounted for 45% of accommodation turnover during the year (vs. 36% in 2006/2007).

Growth in turnover concerned clients from France (+37.4%), Belgium (+12.3%) and the Netherlands (+8.1%) with German clients falling by a slight 4.1%.

Turnover from services businesses (catering, sports and leisure, stores, children's clubs etc.) grew by 8.8%, in line with growth in the number of nights sold in the year.

By destination, 2007/2008 accommodation turnover broke down as follows:

The Netherlands

Over the year, accommodation turnover rose by 0.9% to €120.6 million. The weight of Dutch clients increased by 2.8 percentage points over the year to the detriment of clients from Germany given that frequency rates during the year were hampered by extension works at the border village of Heijderbos.

Further moves to optimise the price policy, rounded out by lower distribution costs thanks to growth in Internet sales paved the way for a 1.3% increase in average letting rates (€580 per week). Occupancy rates were stable at 82%.

The 21% increase in Internet sales helped the group increase the weight of direct sales further from 85.3% in 2006/2007 to 86.1% in 2007/2008. The portion of sales made via the Internet now stands at 45%.

France

Accommodation turnover in the French villages climbed 52.6% to €76.7 million in 2007/2008. Excluding business at the Domaine de l'Ailette village, accommodation turnover would have risen 4.3%. The weight of Dutch and Belgian clients increased given their strong presence at the Domaine du Lac d'Ailette.

Business at the French villages benefited from the full-year opening of the Domaine du Lac d'Ailette. The number of available nights therefore rose by 54.8%, although this increased offering did not prevent occupancy rates from remaining at the high level of 86.4%.

The 4.9% rise in average letting rates (€746 per week) stemmed partly from the price positioning for holidays at Domaine du Lac d'Ailette, and partly from price policy and changes in distribution mix for the other two villages, where average letting rates rose by 2.3% in 2007/2008.

The direct distribution rate was stable at 94% with Internet sales up 103%, thereby accounting for 40% of 2007/2008 sales, while seminar sales rose by 40.3%, notably thanks to the quality of infrastructure put in place for business clients at the Domaine du Lac d'Ailette.

Belgium

Accommodation turnover at the Belgian Center Parcs and Sunparks villages rose 3.8%, primarily on the back of growth in Dutch and Belgian clients.

The renovation programme started at the Sunparks De Haan and Oostduinkerke villages together with lower distribution costs prompted a 6% rise in average letting rates over the year, with no negative impact on occupancy rates which rose 3.4% to 69.9%.

The number of nights available fell due to the temporary halt to marketing for certain cottages during the renovation works at the Sunparks villages over the year.

The direct distribution rate totalled 87.4% of accommodation turnover generated in Belgium (vs. 83.3% in 2006/2007), driven particularly by the 37% hike in Internet sales to represent 52% of sales vs. 39% in 2006/2007.

Germany

The 3.3% increase in accommodation turnover in villages located in Germany reflected a 9.6% rise in turnover generated by Dutch clients after the decline seen in the previous year.

Turnover growth was driven by the 1.1% rise in average letting rates (€439 per week) as well as growth in the number of nights available, primarily on the back of an extended offering (temporary closure of cottages in 2006/2007 due to renovation work at the Hochsauerland village).

Occupancy rates remained virtually stable, down 0.8% to 80.8% against a backdrop of increased capacity following the resumed marketing of all accommodation available at the Hochsauerland village during 2007/2008.

Driven by high growth in Internet sales (+44%), the portion of direct sales totalled 79.2% vs. 75.3% in 2006/2007.

NUMBER OF APARTMENTS BY DESTINATION

(in millions of euros)	2007/2008	2006/2007	Change
The Netherlands	5,109	5,121	-12
France	2,443	2,443	0
Belgium	3,124	3,062	+62
Germany	2,243	2,252	-9
TOTAL	**12,919**	**12,878**	**+41**

ACCOMMODATION TURNOVER BY DESTINATION-LIKE-FOR-LIKE

(in millions of euros)	2007/2008	2006/2007	Change
The Netherlands	120.6	119.4	+0.9%
France	76.7	50.3	+52.6%
Belgium	59.6	57.4	+3.8%
Germany	39.1	37.9	+3.3%
TOTAL	**296.0**	**265.0**	**+11.7%**

AVERAGE LETTING RATES (ONE WEEK'S RENTAL) – LIKE-FOR-LIKE

(euros before VAT)	2007/2008	2006/2007	Change
The Netherlands	580	573	+1.3%
France	746	711	+4.9%
Belgium	568	536	+6.0%
Germany	439	434	+1.1%
Average	**587**	**560**	**+4.8%**

NUMBER OF WEEKS SOLD AND OCCUPANCY RATES-LIKE-FOR-LIKE

	No. of weeks sold			Occupancy rates		
	2007/2008	2006/2007	Change	2007/2008	2006/2007	Change
The Netherlands	207,874	208,663	-0.4%	82.0%	82.8%	-1.0%
France	102,836	70,684	+45.5%	86.4%	91.9%	-6.0%
Belgium	104,944	107,195	-2.1%	69.9%	67.6%	+3.4%
Germany	89,071	87,225	+2.1%	80.8%	81.4%	-0.8%
TOTAL	**504,725**	**473,767**	**+6.5%**	**79.7%**	**79.6%**	**+0.1%**

PROPERTY DEVELOPMENT

Property development turnover totalled €256.0 million compared with the record level of €491.7 million posted in 2006/2007 following the delivery of two major programmes in 2007 (Center Parcs Domaine du Lac d'Ailette and Paris Tour Eiffel) which generated almost €123 million in turnover, as well as the group's cautious policy to acquire land and property assets. Stocks are currently being rebuilt thanks to new programmes (Moselle, Avoriaz, Deauville...).

Breakdown of 2007/2008 property development turnover by programme

(in millions of euros)

New Pierre & Vacances	100.8
Center Parcs Moselle	39.7
Port en Bessin 2 Green Beach	9.5
Houlgate	8.6
Coudalère	8.0
Center Parcs Sologne Hauts de Bruyère	6.8
Audierne	6.5
Branville	6.5
Others	15.2

New Les Senioriales	51.3
Saint Gilles	10.7
Saleilles	9.4
Hinx	7.9
Villegly	7.7
Others	15.6

Renovation Pierre & Vacances	82.8
Courchevel Forum	15.0
Les Arcs Hôtel du Golf	8.0
Val d'Isère Aquila	7.4
Calarossa	5.7
Val Thorens Machu Pichu	5.7
Le Pouliguen	5.2
La Grande Motte	4.6
Les Ménuires Aconit	4.3
Cannes Francia	3.6
Paris La Défense	3.5
La Tania	2.9
Méribel Les Crêts	2.5
Other renovations	14.4

Other Pierre & Vacances	21.1

Turnover from new P&V property totalled €100.8 million vs. €177.0 million in 2006/2007. The following programmes contributed to this performance:

- Center Parcs programmes: the new village at Bois des Harcholins (870 cottages) which is due to open in spring 2010 and the extension of the village at Hauts de Bruyère in Sologne (52 homes) which is set to be delivered in December 2008;
- the two main seaside programmes delivered over the year, namely Audierne (72 units) and Coudalère (61 units);
- the seaside programmes due to be delivered next year, including the extension of the Green Beach homes at Port en Bessin (46 homes), Houlgate (126 units) and the extension of the Belle Dune site with beach housing (95 homes);
- Les Senioriales programmes, five of which were delivered over the year (Villeréal, Hinx, Saint Gilles, Villegly) and 11 others, contributed to turnover during the year.

Renovation turnover (including "other" turnover) accounted for 41% of property development turnover during 2007/2008 vs. 59% in 2006/2007.

The main contributions to renovation turnover during the year concerned the Chalets du Forum residence in Courchevel and the Hôtel du Golf in Les Arcs with respectively 55 and 272 units delivered in December 2007.

During the year, other housing sites were acquired from institutional investors with a view to their renovation, namely the Cramphore residence in Pouliguen, Val Thorens Machu and Pichu, the Ingres residence in Cannes Francia, apartments at Cap d'Agde Rochelongue as well as the former Mercure hotel in Paris La Défense.

"Other" turnover totalled €21.1 million over 2007/2008 and was primarily made up of non-group marketing fees and the write back of support funds from property programmes already delivered.

Deliveries

	New (N)/ Renovation (R)	No. of housing units 2007/2008	No. of housing units 2006/2007
Le Crotoy	N	24	
Total Channel		**24**	**162**
Audierne	N	72	
Le Pouliguen	R	60	
Total Atlantic		**132**	**77**
Coudalère	N	61	
La Grande Motte	R	50	
Total Riviera		**111**	**63**
TOTAL SEASIDE		**267**	**302**
Courchevel Forum	R	55	
La Tania	R	71	
Les Arcs Hôtel du Golf	R	272	
Les Ménuires Aconit	R	46	
Val d'Isère Aquila	R	40	
TOTAL MOUNTAIN		**484**	**860**
TOTAL COUNTRYSIDE		**0**	**1,141**
Lille Vauban	R	69	
Paris Montrouge	N	133	
TOTAL CITY		**202**	**428**
Hinx	N	76	
Meursac	N	41	
Saint Gilles	N	85	
Villegly	N	63	
Villeréal	N	53	
TOTAL LES SENIORIALES		**318**	**108**
OVERALL TOTAL		**1,271**	**2,839**

Property reservations including VAT

Group and non-group property development turnover in volume terms (the amount of reservations including VAT signed over the year, net of cancellations during the same period) stood at €308.8 million, representing 1,403 reservations. The reservation contract enables buyers to reserve a property asset currently being built or renovated from a seller in return for payment of a deposit.

	2007/2008	2006/2007
New/Renovations		
Reservations (in millions of euros)	220.6	409.2
No. of apartments	946	1,771
Average price (in euros)	233,192	231,056
Resales		
Reservations (in millions of euros)	53.8	42.6
No. of apartments	312	265
Average price (in euros)	172,436	160,755
Senioriales		
Reservations (in millions of euros)	34.4	22.4
No. of apartments	145	88
Average price (in euros)	237,106	254,545
Total		
RESERVATIONS (IN MILLIONS OF EUROS)	**308.8**	**474.2**
NO. OF APARTMENTS	**1,403**	**2,124**
AVERAGE PRICE (IN EUROS)	**220,086**	**223,258**

Note that the decline in reservation turnover on new programmes and renovations stemmed exclusively from the lower number of available programmes for sale as a result of the Group's cautious programme to acquire land and property assets. Meanwhile, average selling prices remained perfectly stable.

The Group's resale business is a means of operating a market of second home owners for apartments operated by the Pierre & Vacances Group. Owners wishing to sell their property can contact the Group which puts them in contact with potential buyers interested in purchasing a property with a Group lease. This business enables the Group to maintain control of around 85% of its leases and generate commissions of around 5% on the sales prices.

STOCK OF APARTMENTS MARKETED AS OF 30 SEPTEMBER 2008

Programme by destination	New/ Renovation	Delivery date	No. of units	% reserved
Channel				
Belle Dune 2	N	July 2009	95	95%
Branville Colombages tranche 3	N	December 2008	52	100%
Houlgate	N	June 2009	126	99%
Atlantic				
Le Pouliguen	R	July 2008	60	58%
Riviera				
Cannes Francia	R	December 2008	30	90%
Cap d'Agde Rochelongue	R	June 2009	17	12%
Coudalère	N	June 2008	61	100%
La Grande Motte	R	June 2008	50	98%
SEASIDE			**491**	**90%**
Courchevel Forum	R	December 2007	55	98%
La Mongie	R	December 2006	69	99%
Val d'Isère Aquila	R	December 2006 and December 2007	40	100%
Val Thorens Machu	R	December 2008	40	90%
Val Thorens Pichu	R	September 2008	30	90%
MOUNTAIN			**234**	**96%**
Le Rouret Hibiscus	N	June 2009	50	86%
COUNTRYSIDE			**50**	**86%**
Hauts de Bruyère	N	December 2008	52	98%
Moselle	N	December 2009	870	74%
CENTER PARCS			**922**	**76%**
Paris Bastille	R	June 2009	138	22%
Paris La Défense	R	June 2009	86	81%
Paris Montrouge	N	December 2007	133	99%
PARIS			**357**	**65%**
Sainte Anne Rivière à la barque	R	December 2008	132	30%
Sainte Luce Bougainville	R	December 2007	164	76%
Sainte Luce Filao	R	December 2009	172	47%
FRENCH WEST INDIES			**468**	**52%**
Cala Rossa tranche 4	N	February 2008	53	79%
Manilva	N	December 2008 and March 2009	328	34%
ITALY AND SPAIN			**381**	**40%**
TOTAL PIERRE & VACANCES			**2,903**	**70%**

Programme by destination	New/ Renovation	Delivery date	No. of units	% reserved
Meursac	N	November 2007	41	98%
Fargues Saint Hilaire	N	August 2010	61	15%
Salles sur Mer	N	September 2009	41	37%
Hinx	N	July 2008	76	88%
Bergerac	N	June 2009	61	44%
TOTAL ATLANTIC			**280**	**56%**
Saint Pantaléon	N	December 2006	53	98%
Les Mées	N	July 2007	45	98%
Saint Gilles	N	September 2008	85	93%
Grasse	N	September 2009	59	47%
Paradou	N	September 2010	57	12%
Ruoms	N	December 2009	65	42%
Saint Privat les Vieux	N	May 2009	53	68%
Jonquières Saint Vincent	N	June 2010	75	31%
TOTAL SOUTH EAST			**492**	**60%**
Prades	N	June 2007	63	97%
Villeréal	N	December 2007	53	94%
Villegly	N	July 2008	63	90%
Saleilles	N	November 2008	53	100%
Lombez	N	April 2010	53	30%
TOTAL SOUTH WEST			**285**	**83%**
TOTAL SENIORIALES			**1,057**	**65%**
TOTAL GROUP			**3,960**	**69%**

PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Current operating income

Current operating incomeCurrent operating income totalled €103.5 million boosted by excellent results in tourism businesses which offset the lower contribution from property development.

(in millions of euros)	2007/2008	2006/2007 (2)
EBITDA (1)	138.7	129.1
Depreciation, amortisation and provisions net of write-backs	-35.2	-23.3
CURRENT OPERATING INCOME	**103.5**	**105.8**
Operating margin	*7.3%*	*6.8%*

(1) EBITDA = earnings before interest, tax, depreciation and amortisation and net of provision write-backs.
(2) Accounts adjusted for change in method set out in Note 1.13 of the appendix to consolidated accounts "Change in method: costs for design and manufacture of publications means".

TOURISM DIVISION CURRENT OPERATING INCOME

The contribution to current operating income from tourism businesses rose 29% to €76.7 million. Operating margin stood at 6.6% vs. 5.6% in 2006/2007.

	P&V Europe		Center Parcs Europe		Tourism	
(in millions of euros)	2007/2008	2006/2007	2007/2008	2006/2007	2007/2008	2006/2007
Turnover	540.4	502.1	628.1	556.5	1,168.5	1,058.6
Current operating income	15.8	12.6	60.9	46.9	76.7	59.5
Operating margin	**2.9%**	**2.5%**	**9.7%**	**8.4%**	**6.6%**	**5.6%**

Businesses at Pierre & Vacances Europe generated current operating income of €15.8 million compared with €12.6 million in 2006/2007. This 26% increase stemmed primarily from growth in turnover. Note the significant development of activities in cities were profitability levels are better given that the destination is less affected by seasonal factors.

The contribution from Center Parcs Europe to current operating income stood at €60.9 million vs. €46.9 million in 2006/2007. This 30% increase stemmed from turnover growth and the savings generated. Note the excellent results of the first year in operation at the Center Parcs at Domaine du Lac d'Ailette (turnover of €50.9 million and operating income of €3.8 million).

PROPERTY DEVELOPMENT CURRENT OPERATING INCOME

The contribution from property development businesses totalled €26.8 million vs. €46.3 million in the year-earlier period.

	Property development	
(in millions of euros)	2007/2008	2006/2007
Turnover	256.0	491.7
Current operating income	26.8	46.3
Operating margin	**10.5%**	**9.4%**

This decline was due to the fall in turnover prompted by the Group's cautious policy to acquire land and property assets. Note the improvement in margins on these businesses from 9.4% in 2006/2007 to 10.5% in 2007/2008.

Attributable net income

(in millions of euros)	2007/2008	2006/2007 (1)
Turnover	1,424.5	1,550.3
Current operating income	**103.5**	**105.8**
Financial expenses	-10.8	-4.2
Taxes (2)	-29.1	-34.3
Attributable current net income (2)	**63.6**	**67.3**
Other operating income/expense net of tax (3)	9.8	8.2
Attributable net income	**73.4**	**75.5**

(1) Accounts adjusted for change in method set out in Note 1.13 of the appendix to consolidated accounts "Change in method: costs for design and manufacture of publications means".

(2) Attributable current net income corresponds to current operating income, financial items and taxes excluding exceptional items which are reCLASSified under other operating income/expense.

(3) Other operating income/expense net of tax includes factors contributing to earnings which due to their non-recurring nature are not considered to be part of current operating income (tax savings, update of group's tax position, restructuring costs etc.).

Financial expenses totalled €10.8 million vs. €4.2 million in 2006/2007, with the increase stemming primarily from interest charges on the financing of equipment at the Center Parcs du Domaine du Lac d'Ailette, opened in September 2007.

2007/2008 corporate tax (excluding exceptional items) totalled €29.1 million, representing an effective tax rate of 31.4%, lower than the 33.8% seen in 2006/2007.

Attributable current net income stood at €63.6 million compared with €67.3 million in the year-earlier period.

Other operating income/expense net of tax totalled €9.8 million including non-recurring tax savings and the majority of restructuring costs prompted by the reorganisation of the tourism businesses.

After taking into account these factors, attributable net income worked out to €73.4 million.

The weighted average number of shares stood at 8,694,516 in 2007/2008 vs. 8,715,386 in 2006/2007. Attributable net profit per share stood at €8.45 vs. €8.66 in the year-earlier period.

A dividend of €2.7 is to be proposed to the Annual General Meeting, representing a yield of 8% relative to the share price on 2 December 2008 and a total payout of €23.8 million or 37% of current net income.

INVESTMENTS AND FINANCIAL STRUCTURE

Main cash flows

Changes in cash flows during 2007/2008 stemmed mainly from:

- the 3.4% rise in cash flow generated by the Group's businesses (+€4.2 million);
- the financing requirements prompted by the decline in property development business relative to 2006/2007;
- €85.6 million in net investments for renovation of the tourism portfolio and the overhaul of IT systems;
- the disposal of the fourth Sunparks villages (Kempense Meren) to Foncière des Murs for €41 million.

SUMMARY CASH FLOW STATEMENT

(in millions of euros)	2007/2008	2006/2007 (1)
Cash flow	129.5	125.3
Change in working capital requirements	-63.5	130.3
Cash flow from operating activities	**66.0**	**255.6**
Investment spending	-94.9	-319.4
Asset disposals and net Cash Allocated to assets due to be sold off	49.7	123.6
Cash flow from investment activities	**-45.2**	**-195.8**
Capital increase	-	1.3
Acquisitions/dispoal of treasury stock	-4.6	-0.6
Dividends paid (2)	-23.5	-21.9
Change in borrowings	12.3	3.7
Cash flow from financing activitiaes	**-15.8**	**-17.5**
Change in cash and cash equivalents	**5.0**	**42.3**

(1) *Accounts adjusted for change in method set out in Note 1.13 of the appendix to consolidated accounts "Change in method: costs for design and manufacture of publications means".*
(2) *Dividends paid to shareholders of the parent company and minority interests of consolidated companies.*

Cash generated by the Group's tourism and property development businesses totalled €66.0 million in 2007/2008 vs. €255.6 million in 2006/2007.

The €4.2 million increase in cash flow, to stand at €129.5 million in 2007/2008 stemmed primarily from:

- growth in EBITDA of €9.6 million;
- the €11.5 million increase in interest expenses paid, particularly for the sale and lease-back contract at the Center Parcs at Domaine du Lac d'Ailette opened in 2007;
- repayment of €6.3 million in tax receivables primarily for Center Parcs Europe.

The financing needs generated in 2007/2008 by the €63.5 million change in working capital requirements stemmed mainly from:

- €187.4 million in investments or works undertaken during the year for new and renovation programmes underway, including €140 million for Pierre & Vacances and Center Parcs programmes (Center Parcs Moselle – Bois des Harcholins, Cannes Villa Francia, Hôtel Le Pouliguen, La Défense, Port en Bessin – Green Beach, Houlgate, Coudalère, Val Thorens – Machu Pichu...) and €47.4 million for Les Senioriales (Saint Gilles Camargue, Grasse, Carcassonne Villegly, Hinx, Saleilles...);
- €173.2 million in stock reductions due to disposals made during the period including €132.6 million on Pierre & Vacances and Center Parcs programmes (Center Parcs Moselle – Bois des Harcholins, Center Parcs Sologne – Les Hauts de Bruyère, Les Arcs – Hôtel du Golf, Val d'Isère – L'Aquila, Courchevel, Branville, Coudalère, Houlgate, Port en Bessin – Green Beach...) and €40.6 million on Les Senioriales programmes (Hinx, Saint Gilles Camargue, Carcassonne Villegly, Saleilles...);
- lower operating net debt due to the decline in property development turnover;
- the rise in net operating debts due to the marketing of the Center Parcs Moselle – Bois des Harcholins.

Cash flows allocated to investments totalled €45.2 million, and corresponded mainly to:

- Net investments made for operating the tourism businesses of €76.5 million.

  Investments made by Center Parcs Europe (€48.3 million) concerned the following:

- €32.0 million for improving the product mix, with €11.7 million for the Dutch villages, €7.2 million for the Belgian villages, €4.2 million for the German villages, €7.9 million for the French villages and €1 million for other countries,
- €16.3 million for the Belgian Sunparks villages, as part of the overall renovation programme and the extension of the De Haan village, which are mostly set to be financed by the asset owner, Foncière des Murs.

  Investments made by the Pierre & Vacances Europe division totalled €28.2 million and concerned the following:

- 24.7 million for renovation and modernisation works in the portfolio operated, with the following in particular:
  - €6.5 million for the Branville village (construction of an aqua centre, seminar rooms, games rooms, children's clubs, etc.),
  - €1.9 million for the Pont Royal village (construction of seminar rooms),
  - €1.0 million for the Port la Nouvelle village,
- €3.5 million for renewing televisions;

- the € 41 million disposal of property assets at the fourth village (Kempense Meren) as part of the finalisation of the Sunparks acquisition which was subject to administrative authorisations underway at the end of the last financial year. On 30 September 2007, the value of these assets was classified under "Non-current assets and asset groups held for sale";
- investments made by the Group (€9.1 million) for adapting IT systems and in particular the reservation system;
- the €3.7 million acquisition of goodwill for a residence located in Paris, La Défense and now run under the Adagio City Aparthotel brand.

The €12.3 million increase in borrowings on 30 September 2008 (excluding bank overdraft facilities) relative to 30 September 2007 primarily concerned:

- a net increase in property debt due mostly to a bridging loan contracted for the Center Parcs Moselle – Bois des Harcholins project (€30.5 million);
- net annual amortisation (€18.5 million) of the Group's corporate debt contracted for its acquisitions operations.

Change in balance sheet

Given 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 businesses to the balance sheet:

- **The tourism business** is not particularly capital intensive since the Group does not intend to own the villages or residences that it operates. As such, investment spending primarily concerns:

- furniture for apartments sold unfurnished to individual investors,
- infrastructure facilities for the residences,
- leisure facilities for holiday villages (swimming pools, tennis courts, children's clubs, etc.),
- commercial premises (restaurants, bars, conference rooms etc.).

Ownership of these assets is a guarantee of the Group's long-term management of the sites concerned.

Working capital requirements in the tourism business are structurally negative, but vary significantly over the year depending on the season.

- Concerning the group's traditional **property development businesses,** the new property construction activity should be distinguished from property renovation activities:

- **new construction programmes** at Pierre & Vacances generally mobilise little equity and have the following financial characteristics:
  - the capital required to fund each new residence is equivalent to around 10% of the cost price before VAT,
  - bridging loans are set up for each transaction, and maximum use is made of these facilities before the notarised deeds of sale are signed,
  - the relative size of balance-sheet items (accounts receivable, work in progress, deferred income and prepayments) is significant. Sales signed with a notary and not yet recognised in earnings are booked to the balance sheet as deferred income. 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 accrued income and prepaid expense. Turnover and margins on property programmes are booked under the percentage completion method and no longer on delivery of the apartments, the method previously used by the Group under French accounting standards. The percentage of completion is calculated by multiplying the percentage of progress in construction work by the percentage of property sales signed at a notary. In contrast, stocks of completed properties and land are kept low by the Group's marketing method (properties sold off-plan for delivery on completion) as well as its policy to market properties before construction work is started and to not acquire land before final planning permission has been obtained,
- **the property renovation programme** generates a temporary deterioration in working capital requirements. In this business, the Pierre & Vacances Group acquires existing two/three-sun rated residences in prime locations, generally from institutional investors, with the aim of renovating and upgrading them to a three/four sun rating and selling them on to individual investors under its traditional sales formulas. The fact that the group owns the land and property during the residence renovation period increases its property portfolio and hence, temporarily increases working capital requirements until the properties are delivered to individual investors.

The cash flows generated by the Group's business in 2007/2008 helped maintain a solid balance sheet

The net debt-to-equity ratio stood at just 17.5% on 30 September 2008, in line with the year-earlier level.

SIMPLIFIED BALANCE SHEET

(in millions of euros)	30/09/2008	30/09/2007 [1]	Variations
Goodwill	152.1	148.5	3.6
Net fixed assets	573.8	528.9	44.9
INVESTMENTS	**725.9**	**677.4**	**48.5**
Shareholders' equity	470.0	422.2	47.8
Provisions pofor risks and charges	51.0	56.3	-5.3
Net financial debt	82.4	74.4	8.0
Working capital requirements	122.5	124.5	-2.0
RESOURCES	**725.9**	**677.4**	**48.5**

(1) Accounts adjusted for change in method set out in Note 1.13 of the appendix to consolidated accounts "Change in method: costs for design and manufacture of publications means".

The rise in the net value of goodwill stemmed from the purchase of goodwill on a residence located in Paris, la Défense and operated under the Adagio City Aparthotel brand.

The main goodwill items broke down as follows on 30 September 2008:

- Pierre & Vacances Europe: €69.2 million;
- Center Parcs Europe: €63.3 million;
- Les Senioriales: €17.8 million.

The €44.9 million rise in the net book value of fixed assets stemmed primarily from:

- the €76.5 million in net investments made in the tourism business;
- the net investments made in modernising the Group's IT systems for €9.1 million;
- deduction of depreciation, amortisation and provisions for the period of €41.3 million.

Net fixed assets on 30 September 2008 broke down as follows:

- €141.4 million in intangible assets;
- €396.0 million in tangible fixed assets;
- €36.4 million in non-current financial assets.

The contribution from Center Parcs Europe to net intangible fixed assets totalled €96.1 million, including €85.9 million for the Center Parcs brand and €5.5 million for the Sunparks brand. The subdivision's share in the Group's net tangible fixed assets totalled €300.1 million, (including €149.2 million for Domaine du Lac d'Ailette).

Attributable shareholders' equity totalled €470.0 million on 30 September 2008, compared with €422.2 million on 30 September 2007 after taking account of:

- net income over the period of €73.4 million;
- a dividend payout of €23.5 million;
- a net decline in equity before earnings of €2.1 million, due to IFRS accounting of stock options, treasury stock and financial hedging instruments.

In addition, a net €3.2 million expense was incurred for the change in accounting method for advertising spending, which is now booked as each campaign is realised, and was adjusted for in the opening capital.

Provisions for risks and charges totalled €51.0 million on 30 September 2008 vs. €56.3 million on 20 September 2007.

The €5.3 million decline over the year stemmed primarily from:

- net provisions for restructuring and disputes of €7.7 million;
- a €13.5 million write-back of renovation provisions, including €8.3 million for Center Parcs villages which proved to have surplus cash relative to actual operating requirements, following the revised renovation programme.

On 30 September 2008,, provisions for risks and charges broke down as follows:

- provisions for renovation: €24.8 million;
- provisions for pension commitments: €11.6 million;
- provisions for restructuring and various risks: €14.6 million.

Net debt reported by the Group on 30 September 2008 broke down as follows:

(in millions of euros)	30/09/2008	30/09/2007	Change
Gross borrowings	247.0	234.1	12.9
Cash and cash equivalents net of bank overdrafts	-164.6	-159.7	-4.9
Net debt	**82.4**	**74.4**	**8.0**

The increase in gross debt is analysed in the Main Cash Flows segment above.

Net debt reported by the Group on 30 September 2008 (€82.4 million) corresponded mainly to:

- the remaining capital due (€64.8 million) for corporate debt refinanced by the Group on 26 March 2007 and relative to the loans taken out during acquisitions operations. The portfolio of refinancing loans on 30 September 2008 broke down as follows:
  - €50 million for the acquisition of the remaining 50% stake in sub-division Center Parcs Europe,
  - €14.8 million for the acquisition of Gran Dorado, the first 50% stake in Center Parcs Europe and Maeva.

Maturity for the debt is set for 26 March 2012. The provisional amortisation plan for this five-year loan is linear and corresponds to an annual repayment of the principle of €18.5 million;

- financial debt of €117.4 million booked for the sale and lease-back of central facilities at the new Center Parcs village Domaine du Lac d'Ailette;
- the loans contracted by the Group to finance property assets destined to be sold off (€51.3 million, including €39.2 million for the Center Parcs and Pierre & Vacances programmes and €12.1 million for Les Senioriales);
- net of available cash.

INFORMATION ON SOCIAL AND ENVIRONMENTAL ISSUES

In early 2008, the Group bolstered its commitment to sustainable development by launching its Sustainable Actions Plan. The three-year plan includes the Group's commitments and targets for three main areas, namely the fight against climate change, preserving natural resources and bolstering the socially-responsible policy. The Pierre & Vacances Group has therefore restated its aim to make sustainable development a fundamental value in its corporate strategy in order to become a benchmark player in the tourism and property sectors. The Sustainable Actions Plan is set out in the Group's business report.

DEVELOPING A SOCIALLY-RESPONSIBLE POLICY

The Pierre & Vacances Group aims to develop a socially-responsible policy. Diversity, skill development, international openings, social dialogue: the social policy is at the heart of the Group's major challenges and combines expectations and balance. These issues are discussed in the Group business report.

Fresh momentum was provided to human resources in October 2008 with the creation of a single human resources organisation (excluding Center Parcs Europe) which aims to:

- simplify processes;
- modernise tools;
- improve career management;
- modernise communication.

The Group's social review is undertaken for the three divisions Pierre & Vacances Europe, Pierre & Vacances Services (holding company and property) and Center Parcs Europe. The social review as of 31/12/2007 is available on request from the Human Resources division of the Pierre & Vacances Group. The social review as of 3, 1 December 2008 will be available in June 2009.

BREAKDOWN OF STAFF BY COMPANY

	PVMTE / PVMTM(*)	PVPI / PVD / PVCI	PVS	CPE	Sunparks	Les Senioriales	Total
Executives	275	50	149	322	26	27	849
Non-executives	2,950	138	187	5,087	269	50	8,681
TOTAL	**3,225**	**188**	**336**	**5,409**	**295**	**77**	**9,530**

(*) *PMTE: S.A.S. Pierre & Vacances Maeva Tourisme Exploitation; PVMTM: SAS Pierre et Vacances Maeva Tourisme Management; PVPI Pierre & Vacances Promotion Immobilière; PVD: Pierre & Vacances Développement; PVCI: Pierre & Vacances Conseil Immobilier; PVS: Pierre & Vacances Services; CPE: Center Parcs Europe.*

AN AMBITIOUS ENVIRONMENTAL POLICY

The Pierre & Vacances Group has made strong commitments to integrate sustainable construction practices in its property development programmes. These commitments concern energy performance as well as the choice of building materials, water management, the "green building site" policy and the protection of nature. The Group is aiming to reduce the environmental impact of its sites and also to promote sustainable lifestyles. Its businesses address a wide public and in particular, families. For the next three years, the Group has therefore pledged to bolster its actions to make families more aware of environmental protection and sustainable development in a fun and convivial manner. These issues are discussed in more detail in the Group business report.

RISK MANAGEMENT

MARKET RISKS

The market risks (liquidity risk, interest rate risk and exchange rate risk) are described in Note 23 of the notes to the consolidated financial statements.

The activities of the Pierre & Vacances Group (tourism and property development) depend generally on the economy which, during a downturn, may have an impact on the Group's results.

In the recent context of the financial crisis and despite the resulting uncertainty over economic prospects, it seems that the economic model adopted by the Pierre & Vacances Group and the nature of its products provide a means of resistance to the anticipated economic fallout beyond the independence of tourism and property development market cycles on which the two main activities of the Group are based:

- the tourism business has its own unique competitive advantages: firstly, it is based on a concept of short-distance tourism aimed at a European clientele which reduces the expenses and unknown quantities inherent in transport energy costs, secondly, the diversity of its products, broken down into six main brands and divided between prime destinations in seaside, moutain, urban and country locations in the form of villages, holiday apartments and hotels, meets a wide range of requirements of different generations and socio-professional categories;
- as far as property development is concerned, the measures put in place and described below limit the sensitivity of property development products to variations in the property development market. The marketing of apartments managed by the Pierre & Vacances Group ensures guaranteed profitability and tax benefits to investors and constitutes a reassuring alternative to investment in conventional security or property portfolios.

SPECIFIC RISKS RELATING TO THE GROUP'S TOURISM AND PROPERTY DEVELOPMENT ACTIVITIES

Risks relating to the seasonality of the business

TOURISM

The Pierre & Vacances Group tourism business, which traditionally operated in France only and in residences mainly by the sea and in the mountains, used to have a marked seasonal character, although this seasonality is diminishing with the development of products open all year round, such as Center Parcs.

PIERRE & VACANCES EUROPE

The French Tourism business is based on two seasons, a winter season (November to April) and a summer season (May to October) resulting in a structural deficit for the first two quarters of the year. Turnover achieved by this division (residences, villages and hotels operated under the Pierre & Vacances, Maeva, Résidences MGM and Hôtels Latitudes brands) during the first half of 2007/2008 (which corresponds mainly to the mountain resorts) accounted for only 41% of annual turnover, whereas the fixed operating expenses (including rents) are spread evenly over the whole year.

The following strategic initiatives, put in place within Pierre & Vacances Europe, should help to reduce the seasonality of this division's business:

- the strengthening of sales abroad, both in European markets bordering France and in territories further towards Eastern Europe, thanks to a five-language web portal, the dedicated resources to run these sites, the strengthening of the sales offices abroad and the deployment of the sunshade trademark;
- promoting drives to increase sales of stays outside the school holidays, such as incentives to increase occupancy rates at the beginning and end of the season through a range of offers of short stays for individuals and business seminars;
- developing distribution methods, with the help of those in the ACCOR Group, a joint shareholder of the subsidiary ADAGIO, in the segment of urban residences which has high occupancy rates (>70%), with two additional target client groups, long-stay business and short-stay tourism.

Furthermore, the Group maintains prices suited to the different periods with significant differences between high and low season.

CENTER PARCS EUROPE

The Center Parcs and Sunparks village business is less seasonal. Each village has undercover facilities, so that all the parks can remain open throughout the year. By appropriate management of pricing and targeted promotional campaigns, all the villages register low swings in occupancy rates throughout the year, so Center Parcs Europe can balance its turnover better between the first (45%) and second (55%) halves of 2007/2008.

All this is helping to reduce tourism turnover sensitivity to seasonal changes. Overall the split of turnover between the first half and the second half of 2007/2008 is 43% and 57% respectively.

PROPERTY DEVELOPMENT

The Group books turnover and margins according to the work completion method, a method that consists in defining the percentage completion as the percentage completion of the works multiplied by the percentage of sales signed with the notary.

Nevertheless, a degree of seasonality remains:

- the first quarter (1 October-31 December) benefits both from the signings achieved before 31 December for tax reasons and strong growth in the rate of work completion for the delivery of the mountain programmes (mid-December);
- the second quarter (1 January-31 March) usually shows the lowest level of business for the year;
- the third quarter (1 April-30 June) benefits from a strong growth in the rate of completion of work for delivery of the seaside and country programmes (mid-June);
- the fourth quarter (1 July-30 September) is a period of major signings before the year-end.

QUARTERLY WEIGHTINGS IN PIERRE & VACANCES PROPERTY DEVELOPMENT TURNOVER:

Year	1st quarter	2nd quarter	3rd quarter	4th quarter
2005/2006	33.2%	13.8%	23.4%	29.6%
2006/2007	57.3%	13.0%	10.6%	19.1%
2007/2008	29.7%	14.5%	18.5%	37.3%

Risk relating to interest rate fluctuations in the property development business

The activity of the property development division can be sensitive to interest rate variations. In addition to a significant increase in real interest rates, the group's property sales could be affected by competition from interest-bearing products of the life insurance type.

To reduce its sensitivity to the cyclical nature of the property market, the group has put in place several measures based mainly on:

- using diversified sales formulas (commercial furnished property leasing (LMP), non-commercial furnished property leasing (LMNP) and rural renewal zone (ZRR)) which help to optimise the profit earned by the buyers of residences;
- increasing the diversification of its investors, both in geographical terms (English, Irish and Spanish) and in terms of investment profile with marketing in partnership with the UFG Group of some of the Cottages in the future Center Parcs in Moselle to a property investment company (SCPI);
- reducing marketing costs by increasing direct sales and developing the Internet;
- a more flexible cost structure by making use of outside companies for construction and architects' plans, and tightening cost control on the property developments (extending the scope of purchasing to the property business in order to obtain economies of scale).

Stock risk

Stock risk is linked to the group's ability to build residences on the land bought, and then market them and sell the buildings quickly. The stocks of properties are detailed in Note 13 of the notes to the consolidated financial statements.

The Pierre & Vacances Group carries out its project development projects according to strict prudential rules. For any land purchased, final and unappealable administrative authorisations are obtained so that the only fees incurred are those to obtain planning permission.

As a result, the real estate policy, the marketing method (selling off-plan) and the requirements of pre-selling (at least 50%) that the group imposes on itself before starting construction ensures that the land and the completed properties are in stock for a short time.

The same thinking applies to sales of existing property renovated by the Pierre & Vacances Group where the stock risk is mitigated by the effective use of the property, generating rental income even when there is no resale.

At 30 September 2008, only 63 completed apartments have not had their sales finalised.

The table of "Main stocks being marketed at 30 September 2008" that appears in the business report gives the percentage sold. The properties are on average almost 69% sold.

Credit risk

Because of the multiplicity and diversity of its customers, both in its tourism and property development businesses, the group does not consider itself exposed to a concentration of customer payment risk, even though of course the disposal of property stock and the level of tourism business can be directly affected by the behaviour of its customers which in turn depends on the environment they find themselves in.

Because of the Group's marketing rules concerning the sale of apartments and houses built by the Property Development Division (selling off-plan), the property development business incurs no counterparty risk with its customers because, if payment is not received, sales are cancelled at the reservation stage before any transfer of ownership.

In the tourism business, risk of non-payment by customers is low because most of the accommodation turnover is achieved by direct sales (81% for 2007/2008) a marketing method in which payment for the service is made in advance of consumption.

In relation to indirect sales, to reduce the risk that default by a debtor or an unfavourable event in a given country could affect the group's collection of its customer receivables, the Group policy is to:

- maintain a diversified portfolio of tour operators and travel agencies;
- work only with the market's major players;
- use contracts set up by the Legal Department assisted by its advisors and check the solvency of the counterparties.

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 relating to rental commitments

The Pierre & Vacances Group strategy is not to commit its own equity to ownership of the bricks and mortar of the holiday apartments, villages and parcs that it operates, so it sells these assets to individual or institutional investors. The sales are accompanied by lease-back agreements signed between the new owners and the Pierre & Vacances Group tourism operating companies usually for between 9 and 15 years. The value of the rent payable by the group over the remainder of the lease is shown in the off-balance sheet commitments (see Note 36 – Off-balance sheet commitments-in the notes to the consolidated financial statements).

Income generated by using the leased apartments and houses for tourism purposes offsets these rents payable to the owners which constitute, with personnel expenses, the main source of fixed expenses associated with the tourism activity. Given the potential impact of an economic recession on the volume of tourism turnover, there may be a risk that the level of rental commitments added to the other fixed expenses will prevent, in certain periods, a positive operating income being achieved. This risk, looking at the group's historical data within the framework of its tourism activities, has never materialised and, while it is now greater, it seems that the economic model adopted by the Pierre & Vacances Group and the nature of its products provide a means of resistance which will continue to provide structurally sufficient volumes of turnover to cover the rental commitments taken on by the Group and, more generally, the fixed and variable expenses associated with the tourism activity.

Rents for the Pierre & Vacances Europe brands are indexed to the French construction cost index (ICC). During 2007/2008, the increase in indexed rents was on average around 5.6%. Over the long term, the construction cost index moves very close to the consumer prices index (see table below).

	Consumer prices index	Construction cost index
1970 => 1983	+9.3% per year	+9.8% per year
1980 => 1992	+5.7% per year	+4.9% per year
1990 => 1998	+1.9% per year	+1.5% per year
1998 => 2008	+1.6% per year	+4.3% per year

Source: INSEE.

From 1998 to 2008, there has been a faster change in the ICC (+4.3% per year on average) than in the consumer prices index (+1.6%).

In this context, the group has, for several years now, been developing alternative forms of indexation on new rental agreements, such as using the rental reference index (IRL). This new index, calculated quarterly by the INSEE, reflects the weighted change in consumer prices (60% weighting), cost of housing maintenance and improvements paid for by lessors (20%) and construction cost (20%). Furthermore, the group plans an annual indexation of not more than 3% in new contracts.

Furthermore, during the renegotiation of the leases when they are renewed, the ICC indexation is maintained but limited to a maximum of 2 to 3%.

Center Parcs Europe's rents are indexed to the consumer prices index of the host country (excluding France), and the most significant leases increase by a minimum of 1.75% per year and a maximum of 3.75% per year. In France, the cottages sold to private buyers (Domaine du Lac d'Ailette village, Bois Francs extensions, Bois des Harcholins in Moselle) are indexed either on the construction cost index or on the rental reference index. For Sunparks, the rents are indexed on the health index published in the Belgian publication Le Moniteur.

LEGAL RISKS

The Group's legal department is a centralised function that checks the way the Group's legal and particularly contractual commitments are formed and monitors the disputes of all the operating subsidiaries, except for Center Parcs Europe which has its own legal department in Rotterdam. A link has been set up between the two Legal Departments to coordinate risk management and insurance coverage.

General risks

PROPERTY DEVELOPMENT

Risk relating to failure to obtain local government permits

Because of the strict prudential rules described in the business report's "property development" section, exposure to real estate risk is low. In particular, the legal risk associated with failure to obtain local government permits for new programmes is virtually non-existent because the Pierre & Vacances Group only engages in property deals if the local government permits have been obtained. With respect to refurbishment programmes, the Pierre & Vacances Group obtains existing operations already up and running, and these generate revenue to offset the cost of financing the acquisition. Nevertheless, the time taken to obtain these permits may slow completion and increase the costs of certain property development programmes.

Risk relating to construction defects

The construction-sale companies that develop property projects take out all the insurance to cover the construction risk (promoter public liability, civil engineering where appropriate, construction damage) and/or require their subcontractors working on the programmes to take out such policies. The excesses or exclusions of the cover are normal for the industry.

Risk relating to ownership of property assets

The Group's policy is not to start work until a very significant proportion of the properties has been presold so that, when the programme is delivered and begins operating, the group no longer has full ownership of significant volumes of any property asset.

The legal risk relating to the ownership of managed property does not therefore apply to the group as such but applies to the co-owner individuals or legal entities in the context of co-ownership management, conditional upon the terms of the leases agreed with the group, and these agreements may stipulate for example that certain types of co-ownership expenses are picked up by the Pierre & Vacances Group.

TOURISM OPERATION AND MANAGEMENT

Risks relating to tourism operation

The Pierre & Vacances Group's policy is to comply strictly with all regulations applicable to its business of selling holidays and leisure activities, notably those relating to:

- consumer protection (ensuring that the general conditions of sale in the brochures comply with applicable laws and the recommendations of the "Commission des Clauses Abusives" (France's fair trading watchdog));
- the prohibition of misleading advertising, which requires that the descriptions of the holiday packages sold are truthful;
- the rules protecting the rights of persons who own image rights or other intellectual property rights on works (brochures, websites);

- the safety rules applicable to residences and facilities available to customers (swimming pools, slides, etc.);
- the rules relating to specifically regulated activities or activities for which access is conditional on specific conditions of capability or guarantees (co-ownership syndicate activity for the subsidiaries Sogire and SGRT, travel agency activity by the Pierre & Vacances Maeva Distribution subsidiary, etc.).

The Pierre & Vacances Group has given itself the resources to comply with all these requirements so it does not run any significant legal risks with respect to the companies concerned and against which it is not covered by appropriate insurance policies or safety procedures.

The risks associated with tourism operation therefore relate mainly to the Pierre & Vacances Group's public liability, damage (personal injury, material and immaterial damage), and business interruption with respect to which a policy of prevention and cover through appropriate insurance policies is followed.

Labour risks

Finally, the Pierre & Vacances Group-because of its service business-uses many workers both at head office and in its secondary establishments or at its tourist sites. The Human Resource Departments (for the Group including the holding, property development and tourism France division and for Center Parcs Europe) work very carefully, under the direction of a member of the Executive Committee, to comply with the applicable legal requirements both from the individual and collective point of view. The number of industrial relations disputes is extremely low (see particular disputes below).

Risks relating to damage to the brand image

These risks may be considered significant particularly in the tourism field. Specifically, in addition to the direct damage, an event may prejudice the Pierre & Vacances Group's image and can negatively impact its results.

That is why the Pierre & Vacances Group has set up a special organisation to deal with any situation likely to endanger its personnel, its customers, its interests and/or its reputation.

This special crisis management organisation consists of a specially dedicated, multi-disciplinary team headed by the Safety Department.

Industrial and environmental risks

The Pierre & Vacances Group's activities carry no significant industrial and environmental risks, even though they are likely to be influenced by climatic and environmental conditions affecting the property sites. In the tourism business, the great variety of operating sites by the sea, in the mountains, in town centres and in the country reduces these risks.

For the property development business, the completion times and/or costs of construction works may be affected by climatic and geological conditions. The Pierre & Vacances Group prevents these risks as much as possible using preliminary ground surveys before the building land is bought and passes on to third parties its commitments relating to the possible legitimate causes of work being suspended.

The Group tries to reduce the environmental impact of its activities through many initiatives and actions deployed in its various divisions. Examples of these actions are given in the Group's business report 2007/2008, in the "sustainable development" section.

Description of existing disputes

As at 30 September 2008, and for the last twelve months, no governmental, legal or arbitration procedure of a significant character, either individually or overall, has impinged upon the financial situation or profitability of the Group.

Each dispute is monitored and analysed by the Group's legal department which, occasionally with the help of outside experts, assesses the potential cost on a case-by-case basis. A provision for the estimated cost of the risk is booked in the financial statements of the various entities involved.

Total provisions for disputes at 30 September 2008 is detailed in Note 20 – Provisions for contingencies and charges, in the notes to the consolidated financial statements.

PROPERTY DEVELOPMENT

The overall risk to the Pierre & Vacances Group is not significant.

- on behalf of the various wholly owned subsidiary companies, the Group handles a few disputes relating to builders' liability. Claims have been made against the insurance policies taken out by the programme companies;
- the Group also handles a few disputes relating to property sales (alleged non-compliance with plans or commercial documents). Such disputes are rare and the Pierre & Vacances Group has a policy of favouring an amicable solution to this type of affair whenever possible.

OPERATION AND MANAGEMENT OF TOURISM ACTIVITIES

- Customer disputes: Out of almost a million weeks sold per year, the group on average deals with less than ten legal disputes before the courts ("Tribunal d'Instance" or "Tribunal de Grande Instance" depending on the scale of the dispute). The other customer disputes are usually settled amicably.
- Disputes with tourism industry professionals: the Pierre & Vacances Group is in the process of recovering money from tourism professionals, usually small ones, which have cash flow difficulties.
- Disputes with service providers: the group uses a number of service providers to supply particular services (catering, group leadership, maintenance, information technology, etc.), so some of them may default and/or cause their payment to be disputed.
- Regulated activities: as a property manager, the group may be involved either as a plaintiff or defendant, in property management disputes in which the property manager may-in some cases-be considered liable. The corporate liability insurance of the syndicated companies of the Pierre & Vacances Group is always brought into these disputes and the insurer is involved.

LABOUR DISPUTES

The group is not currently involved in any significant collective labour dispute. The group is involved in 52 individual cases that have been brought before industrial tribunals.

To the company's knowledge, there are no exceptional facts or disputes that are likely to have, or have had in the recent past, a significant impact on the business, the income, the financial situation or the assets of the Pierre & Vacances Group.

Risk insurance and cover

The policy on insurance is monitored at Group level, including for Center Parcs Europe, by Risk Management that is attached to the Group's Deputy Chief Executive Officer in charge of the General Secretariat.

The overall budget for this insurance stood at €7 million for the year 2007/2008; it remains on a par in terms of premium volumes and coverage levels, with the previous year.

Most of this budget goes on all risks insurance covering operation of the tourist sites against damage and business interruption for all brands.

The Pierre & Vacances Group has mainly public liability, property damage and business interruption coverage with a contractual compensation limit of €83 million per claim (of which €60 million in property and €23 million for business interruption) for the Pierre & Vacances Tourisme France division, and €150 million per claim for the Center Parcs division.

Furthermore, a second excess line, to cover the Center Parcs Domaine du Lac de l'Ailette village, has been taken out to take the contractual claim limit to €250 million per claim, corresponding to the valuation of the Maximum Possible claim for this new site.

The level of cover set for business interruption reflects the time required for total reconstruction of a major resort.

Property insurance covers the maximum realistic claim possible on sites with the highest concentration of value.

No significant risks relating to the Group's routine activities are not covered by an insurance policy. Only the risks relating to extraordinary events (natural disaster, war, etc.) are the subject of certain exclusions of cover, exclusions that are normal because of this type of risk.

Terrorism insurance taken out on seven of the largest Center Parcs Europe villages, has been carried over and extended for 2007/2008. The number of Center Parcs villages covered against acts of terrorism is therefore 14 (out of a total of 21 villages) if the three French parcs covered via the GAREAT (French national coverage arrangement for acts of terrorism) are included, and the four Sunparks villages in Belgium that also have terrorism insurance.

The Group's insurance broker has been Cabinet AON since 30 June 2008, following a call for tenders for the provision of services and advice associated with insurance brokerage operations.

The AXA Group is still the lead insurer of the pool of insurers consisting only of leading insurance companies, guaranteeing cover for these risks.

The Group has no "captive" insurance or reinsurance company now, studies carried out so far into the chances of creating this type of structure resulting in the deferral of this move until market conditions are suitable.

Major contracts

During the last three financial years up to the date of this reference document, the group has not concluded any major contracts, other than those agreed in the normal course of business, that confer a major obligation or commitment on the whole group.

The off-balance sheet commitments are given in Note 36 of the notes to the consolidated financial statements.

Risk of departure of key personnel

The risk that key personnel might leave is a risk faced by any enterprise, because the departure of managers or employees on which essential functions of the enterpris, e depend or who have strategic and operational skills of entire business sectors can have a negative impact on results.

As is more fully explained in the "Chairman's report on the organisation of the Board and the internal control procedures", the conduct and management of the Pierre & Vacances Group is organised around various decision-making bodies. The collegial character of these bodies, the frequency of their meetings and the high level of authority delegated to them make it possible to ensure that, with the intervention of the internal control departments, the Pierre & Vacances Group is run and managed in a way that maintains the founding and prudential principles already in force, despite the temporary or permanent unavailability of members of the Executive Committee.

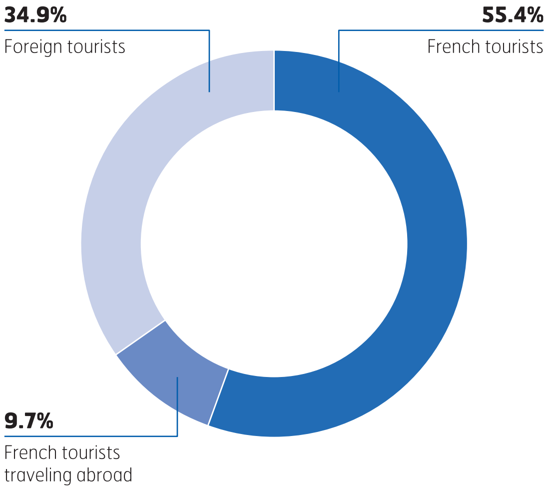
RECENT EVENTS AND FUTURE PROSPECTS

THE MARKET

Backdrop and trends

Despite disadvantageous weather conditions during the summer season, tourism turnover increased in France in 2007 primarily on the back of city tourism and moves to make accommodation more upscale. Foreign clients in France accounted for 87% of arrivals and 83% of night stays from neighbouring European countries (UK, Germany, Belgium and Luxemburg represented 46% of international clients alone). The winter season benefited from excellent snowfall and enjoyed a rise in French client frequency rates.

Tourism spending in France



Holidaymaker demands have changed according to the following factors:

- demographic factors in Europe (rise in number of elderly people, extension of "youth" segment);
- macroeconomic factors (rocketing fuel costs, lower purchasing power, globalisation of tourism, rising momentum of Internet etc.);
- environmental factors (natural disasters, collective awareness of environmental values).

These changes have generated increased demand for local tourism and short stays as well as for holiday sites and accommodation types enabling holidaymakers to enjoy full freedom for all generations.

Development of Internet

Internet continued to grow as both an information and reservation media platform in the tourism field. In 2007, Internet sales continued to increase, with growth of 24% in 2006/2007 and 18% in 2007/2008. In 2008, Internet sales accounted for 23% of total sales in the tourism sector in Europe. This growth is likely to continue in 2009 at an estimated level of 15%.

Accommodation capacity in France on 1 January 2008

	Beds (in thousands)	%
Tourist hotels	1,229.1	6.7
Tourist residences	559.8	3.0
Camp sites	2,767.1	15.0
Holiday villages	245.2	1.3
Tourism furnished apartments	752.2	4.1
Bed and breakfast	76.0	0.4
Youth hostels	13.4	0.1
Total commercial accommodation	**5,642.8**	**30.6**
Second homes	12,815.0	69.4
TOTAL	**18,457.8**	**100.0%**

Source: INSEE, tourism department of French Ministry of Transport and Equipment, professional bodies.

Commercial accommodation rose by just 0.8% in 2007/2008 in terms of additional beds, although the number of beds in tourism residences increased. This segment represents 10% of total commercial accommodation.

Competition

With 283 sites, 47,200 apartments and 222,200 beds operated in Europe, the Pierre & Vacances Group is the European leader in local tourism.

In France, the Pierre & Vacances Group occupies a leading position in the market. Its main rivals are Lagrange (48,000 beds), Odalys (40,000 beds), Belambra VVF (33,000 beds), Eurogroup (15,000 beds) and France Location (15,000 beds).

In France, there are around 387 hotel residences in towns and cities, or around 29,000 apartments. The main operators are Citadines (33 establishments, 3,500 apartments), Adagio (18 residences, 2,600 apartments) and Citéa (51 residences, 4,300 apartments).

In Northern Europe, the main rivals to Center Parcs are Landal Greenparks (60 villages, or 10,000 cottages in the Netherlands, Belgium, Germany, the Czech Repubic, Austria and Switzerland) and Roompot (31 villages, or 2,300 cottages in the Netherlands).

TARGETS FOR 2008/2009 AND OUTLOOK

In the current backdrop, the Pierre & Vacances Group boasts specific assets:

- its position as the European leader in local tourism, which has proved to resist well during earlier difficult economic periods;
- its eight brands, which are present in all market segments;
- tourism residences, which are the holiday formula most well suited to periods of lower consumer spending.

In addition, the Group is unlocking significant synergies between Pierre & Vacances Europe and Center Parcs Europe in order to reduce its costs and increase its revenues. In 2008/2009, the programme is set to generate savings of €10 million.

Successfully delivering this target, which is underpinned by the creation of a single tourism division for the Group, is mainly based on:

- further expansion in the tourism offering, with more than 10,000 additional apartments/cottages over the next five years;
- bolstering Internet sales with a five-year target for Internet sales to account for 40% of total sales;
- international expansion and conquering new markets;
- respecting ambitious targets in terms of sustainable development.

Synergies are also set to be unlocked in the property businesses with the creation as of 2008/2009 of a construction division and an innovation division common to both Center Parcs Europe and Pierre & Vacances Europe. The construction division is set to manage project optimisation, negotiate work markets and monitor works, thereby guaranteeing better cost control.

As of 2008/2009, the first synergies should materialise in **the tourism businesses** in particular with:

- the pooling since October 2008, of the sales forces of Pierre & Vacances Europe and Center Parcs Europe specialised in corporate work's councils and seminars;
- bolstering international expansion of the group's clients thanks to the creation as of October 2008 of a single team for Pierre & Vacances Europe and Center Parcs Europe responsible for developing new markets (eastern Europe mostly). For the winter season, clients from eastern European countries already account for more than 6% of foreign client reservations.

The first cost synergies are set to represent €10 million in 2008/2009.

Growth in Internet sales is set to continue and the end-2009 target is for Internet sales to account for aim 24% of Pierre & Vacances Europe sales and 50% of Center Parcs Europe sales.

Regarding **the property businesses**:

- deliveries in 2008/2009 are set to total some 1,130 apartments and homes (vs. 1,271 in 2007/2008), including 930 for new programmes (Houlgate, Belle Dune, Le Rouret, four Les Senioriales residences...) and 200 renovations (Cannes Francia, Paris La Défense, Val Thorens...);
- 2008/2009 should see a significant contribution from the Center Parcs de Moselle: the Group has already finalised the sale as of 30 September 2008 of 516 cottages and the works ought to be completed in early 2010;
- the volume of reservation business in 2007/2008 of €308.8 million including VAT (compared with €474.2 million in 2006/2007) guarantees the level of business in coming years.

Thereafter, performances in the tourism and property development businesses are set to be bolstered by numerous **development projects:**

- concerning Center Parcs Europe, the extension of the Moselle village (450 additional cottages) and a new village project in Isère, France (1,000 cottages) and two villages in Germany;
- numerous projects for Pierre & Vacances, Maeva, Residences MGM and Hôtels Latitudes, particularly in Avoriaz (extension of two districts in the station with the creation of 550 apartments), Deauville (presqu'île de la Touques, 120 apartments), in Alsace (Eco-Village of 500 homes), Branville, Chamonix etc.;
- further expansion at Adagio with seven openings planned in 2009 and 2010 and a target of 50 for 2012, after the six openings in 2007/2008 which brought the number of residences to a total of 22;
- new Les Senioriales residences.

The Pierre & Vacances Group boasts a solid balance sheet and is set to grasp fresh acquisitions opportunities in its core business in Europe. Moreover, operations to take over tourism operators under management mandates are currently being considered in Spain and Morocco.

Q1 2008/2009 FINANCIAL INFORMATION

Q1 2008/2009 turnover

Q1 2008/2009 turnover (from 1 October to 31 December 2008) rose 6.4% to €297.4 million.

(millions of euros)	2008/2009	2007/2008	Current structure	Like-for-like turnover (*)
Tourism	**217.7**	**203.4**	**+7.0%**	**+4.5%**
- Pierre & Vacances Europe	71.7	65.2	+9.9%	+3.5%
- Center Parcs Europe	146.0	138.2	+5.7%	+5.0%
Property development	**79.7**	**76.0**	**+4.8%**	**+4.8%**
TOTAL Q1	**297.4**	**279.4**	**+6.4%**	**+4.6%**

(*) On a like-for-like basis, 2007/2008 turnover has been adjusted for the shift in the school holidays by 2 days between end-December and early-January.

TOURISM TURNOVER

Tourism turnover totalled €217.7 million, representing like-for-like growth of 4.5% relative to Q1 2007/2008:

Like-for-like turnover at Pierre & Vacances Europe rose 3.5%, including 3.8% growth in accommodation turnover. Growth was driven by city residences (+11.9%) and the French West Indies (+11.4%), while mountain and seaside resorts turnover remained stable. Turnover generated with foreign clients continued to rise sharply.

Like-for-like turnover at Center Parcs Europe rose 5.0%, including 7.5% growth in accommodation turnover. This increase stemmed from all client origins: French (+16%), Belgian (+8.7%), German (+7.7%) and Dutch (+1.6%).

PROPERTY DEVELOPMENT TURNOVER

Property development turnover totalled €79.7 million, compared with €76.0 million in the year-earlier period.

Turnover in the quarter stemmed for 76% from new programmes and 24% from renovations and was primarily generated by the Center Parcs Moselle, Houlgate, Center Parcs Hauts de Bruyère, Branville, Belle Dune...

Outlook

In view of the tourism turnover posted in Q1 2008/2009 and the level of turnover booked for Q2, we are currently expecting stable like-for-like accommodation turnover in H1 2008/2009.

Annual consolidated financial statements

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of euros)	Note	2007/2008	2006/2007 (*)	2005/2006 (*)
Turnover	3/4	1,424,451	1,550,268	1,414,356
Purchases and external services	27	-916,919	-1,046,382	-946,930
Personnel expenses	28	-345,809	-329,802	-305,269
Amortisation and provisions	29	-46,426	-40,222	-42,354
Current items	30	-11,808	-28,112	-22,996
CURRENT OPERATING INCOME	**3**	**103,489**	**105,750**	**96,807**
Other operating expenses and earnings	3/31	-5,358	-2,576	11,208
OPERATING INCOME	**3**	**98,131**	**103,174**	**108,015**
Financial earnings	32	5,005	3,895	4,331
Financial expenses	32	-15,812	-8,080	-9,957
FINANCIAL INCOME		**-10,807**	**-4,185**	**-5,626**
Corporate income tax	33	-13,890	-23,501	-29,246
Share of income of companies accounted for by the equity method	9	-	-	106
NET INCOME		**73,434**	**75,488**	**73,249**
Including:				
- Attributable		73,434	75,455	73,068
- Minority interests	19	-	33	181
Net attributable earnings per share (in euros)	34	8.45	8.66	8.37
Diluted attributable earnings per share (in euros)	34	8.39	8.56	8.33

(*) *Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".*

CONSOLIDATED BALANCE SHEET

ASSETS

(in thousands of euros)	Note	30/09/2008	30/09/2007 (*)	30/09/2006 (*)
Goodwill	5	152,133	148,453	130,260
Intangible fixed assets	6	141,411	136,344	125,934
Tangible fixed assets	8	395,980	355,761	203,289
Investments in companies accounted for by the equity method	9	-	-	1,417
Non-current financial assets	10	36,370	36,812	27,537
Deferred tax assets	33	49,214	36,230	49,652
NON-CURRENT ASSETS	**3**	**775,108**	**713,600**	**538,089**
Inventories and work in progress	12/13	121,915	112,191	190,532
Trade receivables and related accounts	14	389,328	241,300	242,701
Other current assets	15/23	237,784	218,680	191,602
Cash and cash equivalents	16/24	167,295	162,164	118,292
Non-current assets and asset groups held for sale	2	-	42,986	-
CURRENT ASSETS	**3**	**916,322**	**777,321**	**743,127**
TOTAL ASSETS	**3**	**1,691,430**	**1,490,921**	**1,281,216**

LIABILITIES

(in thousands of euros)	Note	30/09/2008	30/09/2007 (*)	30/09/2006 (*)
Share capital		88,109	88,109	87,818
Additional paid-in capital		8,651	8,651	7,671
Treasury stock		-10,487	-5,932	-5,286
Items reported directly in shareholders' equity		339	575	274
Reserves		309,981	255,341	201,882
Consolidated income		73,434	75,455	73,068
ATTRIBUTABLE SHAREHOLDERS' EQUITY	**18**	**470,027**	**422,199**	**365,427**
Minority interests	19	3	-33	2
SHAREHOLDERS' EQUITY		**470,030**	**422,166**	**365,429**
Long-term borrowings	21/24	204,002	203,189	113,715
Provisions non-current	20	28,283	42,299	35,278
Deferred tax liabilities	33	23,098	-	-
NON-CURRENT LIABILITIES	**3**	**255,383**	**245,488**	**148,993**
Short-term borrowings	21/24	46,128	34,102	64,026
Provisions current	20	22,706	13,992	18,298
Trade payables and related accounts	25	272,674	334,202	270,299
Other current liabilities	23/26	624,509	440,971	414,171
CURRENT LIABILITIES	**3**	**966,017**	**823,267**	**766,794**
TOTAL LIABILITIES		**1,691,430**	**1,490,921**	**1,281,216**

(*) *Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".*

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)	Note	2007/2008	2006/2007 (*)	2005/2006 (*)
Operations				
Net consolidated income		**73,434**	**75,488**	**73,249**
Depreciation, amortisation and provisions (not related to current assets)		36,158	30,538	26,249
Expenses related to share subscription and purchase option plans		2,803	2,122	1,142
Capital gains and losses on disposals		-981	-2,801	-22,714
Share in income of companies accounted for by the equity method	9	-	-	-106
Cost of net long-term debt	32	11,174	4,648	5,867
Taxation (including deferred taxes)	33	13,890	23,501	29,246
Cash flow generated by operations		**136,478**	**133,496**	**112,933**
Net cost of long-term debt: net interest paid		-11,482	-4,298	-4,475
Taxes paid		4,527	-3,924	-4,803
Cash flow after debt interest and taxes		**129,523**	**125,274**	**103,655**
Change in working capital requirement from operations (including debt relating to staff benefits)		-63,546	130,323	64,653
NET CASH FLOW FROM OPERATING ACTIVITIES (I)		**65,977**	**255,597**	**168,308**
Investments				
Acquisitions of tangible and intangible fixed assets	6/8	-89,883	-207,201	-81,506
Acquisitions of long-term investments		-1,307	-10,008	-3,173
Acquisitions of subsidiaries (net of cash acquired)	17	-3,680	-102,144	-19,855
Subtotal of disbursements		-94,870	-319,353	-104,534
Disposals of tangible and intangible assets		6,216	36,249	23,661
Disposals of long-term investments		1,469	1,071	10,443
Disposals of subsidiaries (net of cash paid)	17	0	86,227	415
Subtotal of receipts		7,685	123,547	34,519
Net cash flow assigned to assets held for sale		41,936		
NET CASH FLOW FROM INVESTMENT ACTIVITIES (II)		**-45,249**	**-195,806**	**-70,015**
Financing				
Capital increases in cash by the parent company	18	-	1,271	580
Acquisitions and disposals of treasury stock	18	-4,555	-646	-3,201
Dividends paid to parent company shareholders		-23,525	-21,765	-13,085
Dividends paid to minority shareholders in subsidiaries	19	-	-68	-461
Receipts from new bank loans		43,304	198,097	49,881
Repayment of bank loans		-31,029	-193,319	-99,830
Other flows from financing operations		28	-1,060	-141
NET CASH FLOW FROM FINANCING ACTIVITIES (III)		**-15,777**	**-17,490**	**-66,257**
CHANGE IN NET CASH FLOW (IV = I + II + III)		**4,951**	**42,301**	**32,036**
Cash and cash equivalents at beginning of year (V)	17	159,694	117,393	85,357
Cash and cash equivalents at end of year (VI = IV + V)	17	164,645	159,694	117,393

(*) Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".

STATEMENT OF CHANGES IN ATTRIBUTABLE CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Number of shares	Share capital	Additional paid-in capital	Treasury stock	Changes reported directly in shareholders' equity	Reserves	Consolidated income	Attributable shareholders' equity	Minority interests	Total shareholders' equity
BALANCE AT 30 SEPTEMBER 2005 (*)	**8,769,098**	**87,691**	**7,218**	**-2,085**	**-428**	**174,421**	**39,357**	**306,174**	**282**	**306,456**
Hedging instruments	-	-	-	-	1,003	-	-	1,003	-	1,003
Deferred taxes on these items	-	-	-	-	-301	-	-	-301	-	-301
Changes in value recognised directly in shareholders' equity	**-**	**-**	**-**	**-**	**702**	**-**	**-**	**702**	**-**	**702**
Net income	-	-	-	-	-	-	73,068	73,068	181	73,249
Total expenses and earnings booked	**-**	**-**	**-**	**-**	**702**	**-**	**73,068**	**73,792**	**181**	**73,951**
Capital increase	12,738	127	453	-	-	-	-	580	-	580
Dividends	-	-	-	-	-	-13,085	-	-13,085	-461	-13,546
Change in treasury stock	-	-	-	-3,201	-	47	-	-3,154	-	-3,154
Expenses on option plans	-	-	-	-	-	1,142	-	1,142	-	1,142
Other movements	-	-	-	-	-	39,357	-39,357	0	-	0
BALANCE AT 30 SEPTEMBER 2006 (*)	**8,781,836**	**87,818**	**7,671**	**-5,286**	**274**	**201,882**	**73,068**	**365,427**	**2**	**365,429**
Hedging instruments	-	-	-	-	388	-	-	388	-	388
Deferred taxes on these items	-	-	-	-	-87	-	-	-87	-	-87
Changes in value recognised directly in shareholders' equity	**-**	**-**	**-**	**-**	**301**	**-**	**-**	**301**	**-**	**301**
Net income	-	-	-	-	-	-	75,455	75,455	33	75,488
Total expenses and earnings booked	**-**	**-**	**-**	**-**	**301**	**-**	**75,455**	**75,756**	**33**	**75,789**
Capital increase	29,075	291	980	-	-	-	-	1,271	-	1,271
Dividends	-	-	-	-	-	-21,765	-	-21,765	-68	-21,833
Change in treasury stock	-	-	-	-646	-	34	-	-612		-612
Expenses on option plans	-	-	-	-	-	2,122	-	2,122	-	2,122
Other movements	-	-	-	-	-	73,068	-73,068	0	-	0
BALANCE AT 30 SEPTEMBER 2007 (*)	**8,810,911**	**88,109**	**8,651**	**-5,932**	**575**	**255,341**	**75,455**	**422,199**	**-33**	**422,166**

(in thousands of euros)	Number of shares	Share capital	Additional paid-in capital	Treasury stock	Changes reported directly in shareholders' equity	Reserves	Consolidated income	Attributable shareholders' equity	Minority interests	Total shareholders' equity
Hedging instruments	-	-	-	-	-317	-	-	-317	-	-317
Deferred taxes on these items	-	-	-	-	81	-	-	81	-	81
Changes in value recognised directly in shareholders' equity	**-**	**-**	**-**	**-**	**-236**	**-**	**-**	**-236**	**-**	**-236**
Net income	-	-	-	-	-	-	73,434	73,434	-	73,434
Total expenses and earnings booked	**-**	**-**	**-**	**-**	**-236**	**-**	**73,434**	**73,198**	**-**	**73,198**
Capital increase	-	-		-	-	-	-	0	-	0
Dividends	-	-	-	-	-	-23,525	-	-23,525	-	-23,525
Change in treasury stock	-	-	-	-4,555	-	-97	-	-4,652	-	-4,652
Expenses on option plans	-	-	-	-	-	2,803	-	2,803	-	2,803
Translation differences	-	-	-	-	-	4	-	4	-	4
Other movements	-	-	-	-	-	75,455	-75,455	0	36	36
BALANCE AT 30 SEPTEMBER 2008	**8,810,911**	**88,109**	**8,651**	**-10,487**	**339**	**309,981**	**73,434**	**470,027**	**3**	**470,030**

(*) Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PREAMBLE

Pierre & Vacances is a French "société anonyme" with a Board of Directors, listed on Euronext Paris.

The consolidated financial statements reflect the financial reporting situation of Pierre & Vacances and its subsidiaries (hereinafter called "the group") and the interests in associate companies and joint venture companies. They are given in euros rounded to the nearest thousand.

The Board approved the consolidated financial statements to 2 December 2008 on 30 September 2008.

Note 1 - ACCOUNTING PRINCIPLES

1.1 – General context

In application of European regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements for 2007/2008 have been drawn up in accordance with the IFRS (International Financial Reporting Standards) as adopted by the European Union as at 30 September 2008.

The IFRS reference documentation includes the IFRS standards, the IAS (International Accounting Standards) and the interpretations of the IFRIC (International Financial Reporting Interpretations Committee) and SIC (Standing Interpretations Committee).

The standards and interpretations applied by the group for 2007/2008 are the same as those adopted for the financial statements for 2006/2007 except for:

- those adopted by the European Union which have to be applied for the year beginning 1 October 2007 and which the group had not chosen to apply in advance (see Section 1.2 – Changes in the accounting reference documents);
- the change of accounting method relating to advertising and promotion costs (see Paragraph 1.3 – Change of method: costs of design and manufacture of advertising means).

1.2 – Changes in the accounting reference documents

The new standards and interpretations that have been adopted for drawing up the financial statements and whose application is made mandatory for the year beginning 1 October 2007 have not affected the group's consolidated financial statements for 2007/2008.

Note that for 2005/2006, the group had decided to apply IFRIC 4 in advance on the conditions for determining whether an agreement contains a lease (applicable to years beginning on or after 1 January 2006).

The new standards, interpretations and amendments applied to 2007/2008 and not anticipated in the financial statements for 2006/2007 are:

- the new IFRS 7 standard "Financial instruments: disclosures" (applicable for the years beginning on or after 1 January 2007);
- the amendments to standard 1 "Presentation of financial statements" relating to disclosures concerning capital (applicable to years beginning on or after 1 January 2007);
- IFRIC 10 on interim financial reporting and impairment (applicable to years beginning on or after 1 November 2006);
- IFRIC 11 relating to options granted within a group and treasury shares bought as coverage for option plans (applicable to years beginning on or after 1 March 2007).

The standards, interpretations and amendments to existing standards that are not applied in advance in the financial statements for the year 2007/2008 are:

- amendments to IAS standard 23 "borrowing costs" (applicable to years beginning on or after 1 January 2009);
- the new IFRS 8 standard "Operating segments" (applicable to years beginning on or after 1 January 2009);
- the revision to IAS standard 1 "Presentation of financial statements" (applicable to years beginning on or after 1 January 2009);
- IFRIC 12 relating to Service concession agreements (applicable to years beginning on or after 1 January 2008);
- IFRIC 13 relating to customer loyalty programmes (applicable to years beginning on or after 1 January 2008);
- IFRIC 14 concerning the assets of defined-benefit schemes and minimum funding (applicable to years beginning on or after 1 January 2008);
- IFRIC 15 on property building contracts (applicable to years beginning on or after 1 January 2009);
- amendments to IFRS standard 2 "payment on the basis of shares" (applicable to years beginning on or after 1 January 2009);
- the amendments to IFRS standard 3 "business combination" and IAS standard 27 "consolidated and individual financial statements" (applicable to years beginning on or after 1 January 2009).

The group is reviewing all these standards and interpretations in order to measure their potential impact on the results, the financial position and the consolidated cash flows and to assess the impact on the disclosures to be made. At this stage of the analysis, the group does not anticipate any significant impact.

1.3 – Change of method: costs of design and manufacture of advertising means

In its review of standard "IAS 38 – Intangible fixed assets" published in May 2008, the IASB considers that these expenses must be included in the costs for the year as soon as the service has been provided. Under this approach, advertising costs, in particular catalogues, must be included in the costs as soon as the service has been provided by the supplier (as soon as the catalogue has been printed).

Before, the cost of catalogues was included in part in the accounts in prepayments and part in income proportional to the distribution of the brochures.

The group decided to adopt, from 1 October 2007, the approach used by the IASB.

According to the provisions of IAS 8, this change of method has been applied retrospectively and opening shareholders' equity on 1 October 2006 and comparative data presented have been restated.

The change in shareholders' equity published in the 2005/2006 and 2006/2007 financial statements is as follows:

(in thousands of euros)	30/09/2007	30/09/2006	30/09/2005
Shareholders' equity published on 30 September 2007	**425,321**	**368,840**	**309,259**
Advertising costs	-4,416	-4,976	-4,164
Deferred taxes on advertising costs	1,261	1,565	1,361
Shareholders' equity published on 30 September 2008	**422,166**	**365,429**	**306,456**

The profit and loss account items affected by this change of method are "Purchases and external services" and "Corporate income tax". As far as the balance sheet is concerned, the items affected are "Other current assets", "Trade payables and related accounts" and "Deferred tax assets".

1.4 – Principle of preparing and presenting the financial statements

The consolidated companies' financial statements, drawn up according to the accounting rules in force in their respective countries, are restated so as to comply with the group's accounting principles.

All fully or proportionally consolidated companies are consolidated recurrently on the basis of annual financial statements or situations closed on the year-end date of the consolidating company, namely 30 September.

The group's consolidated financial statements have been drawn up according to the principle of historical cost, except for the following assets and liabilities which, when they are present on the year-end date, are recognised at their fair value: derivatives, investments held for negotiating purposes and financial assets held for sale. The book value of the assets and liabilities that are the subject of fair value hedging is adjusted to take account of the fair value changes attributable to the risks covered.

The profit and loss account is presented by type. Within operating income, the item "Other operating expenses and earnings" identifies elements of a specific type in order to determine the level of "current operating income".

The balance sheet items are presented according to the current and non-current assets, current and non-current liabilities classification.

Assets intended for sale or consumed during the group's normal operating cycle and cash and cash equivalents form the group's current assets. The other assets are non-current. Borrowings that fall due during the group's normal operating cycle or within the twelve months following the year-end are current borrowings. The other borrowings are non-current.

The method of presenting the cash flow table is the indirect method.

1.5 – Use of estimates

Drawing up consolidated financial statements according to international accounting principles requires group management to use a number of estimates and assumptions that have an effect on the assets and liabilities and on the expenses and earnings of the profit and loss account and on any assets and liabilities mentioned in the notes. In particular this involves determining the recoverable amount of intangible assets with an indeterminate life and assumptions on the recoverability of the tax losses. These estimates are made assuming business continuity and are drafted according to the information available when they were made. It is possible that the actual amounts are subsequently found to be different from the estimates and assumptions made in preparing the financial statements presented.

1.6 – Scope and methods of consolidation

The following consolidation methods have been used:

- full consolidation, all the companies over which the group exerts exclusive control directly or indirectly in law or in fact;
- proportional integration, companies operated jointly in a joint venture situation;

- equity method, shares of companies over which the group directly or indirectly exerts notable influence without however having control. This influence is presumed when the group holds more than 20% of the voting rights.

The results of companies bought during the period are consolidated from the date on which control (exclusive or joint) or notable influence begins. The results of the companies sold during the year are consolidated up to the date on which control or notable influence ceases.

1.7 – Internal transactions between consolidated companies

Intra-group transactions and balances are eliminated both in the balance sheet and the profit and loss account. Eliminations are made up to the limit of the holding share reflected in the consolidated financial statements. Losses made between consolidated companies that are indicative of impairment are not eliminated.

1.8 – Translation methods

TRANSLATION OF TRANSACTIONS DENOMINATED IN CURRENCY

A company's operating currency is the currency of the main economic environment in which the company operates. Transactions made in a currency other than the operating currency are translated at the exchange rate in force at the time of the transaction. At the close, the corresponding receivables and payables are converted into the operating currency at the exchange rate in force at the year-end. The exchange rate differences that result are recognised in income.

TRANSLATION OF FINANCIAL STATEMENTS DRAWN UP IN FOREIGN CURRENCIES

The balance sheets of companies whose operating currency is not the euro are converted into euros at the year-end exchange rate and their profit and loss accounts at the average exchange rate for the year.

The resulting translation differences are shown in the shareholders' equity and will be recognised in the profit and loss of the year during which the activities are sold.

1.9 – Business combinations

Business combinations prior to 1 October 2004 have not been restated retrospectively as required by the IFRS standards.

COST OF BUYING SHARES

The cost of buying shares equals the fair value of the assets handed over and the liabilities incurred and the equity instruments issued by the buyer on the date of purchase, plus the value of all the other costs directly chargeable to the purchase. When the purchase agreement specifies a purchase price adjustment dependent on future events, this adjustment is included in the valuation of the business combination on the date of purchase if the adjustment is probable and can be measured reliably.

IDENTIFIABLE ASSETS AND LIABILITIES AND GOODWILL

When they join the group, the assets and liabilities that can be valued separately are entered in the consolidated balance sheet at their fair value. Assets intended for resale are valued at their market value net of the cost of sale. Goods intended for use in operation are valued at their fair value. The share of assets and liabilities from minority interests is also recognised at its fair value.

The fair value of identifiable intangible components of the assets represented by brands is determined using a multi-criteria approach generally used for the purpose (royalties method, excess cash-flows method and cost approach).

Monies resulting from the valuation of identifiable assets form their new gross value. This serves as a basis for subsequent calculations of gains or losses in the event of sale, and for depreciation and provisions for impairment.

After they have been assigned, all valuation differences follow the accounting rules specific to their nature.

The difference between equity purchase cost and the percentage holding of the buying company in the valuation at their fair value of the assets and liabilities identified on the date of acquisition forms the goodwill. If the difference is positive, it is recorded under "goodwill" for companies consolidated by the full or proportional consolidation method and in "shares accounted for by the equity method" for the companies in which the group exercises notable influence. If the difference is negative, it is posted directly to income.

If, in the twelve months following the date of purchase, new information leads to a new assessment of the fair values of the assets and liabilities when they were included in the consolidated balance sheet, they are modified. A change in the gross value of the goodwill automatically results from this.

When a company is purchased in stages, each significant transaction is treated separately to determine the fair value of the identifiable assets and liabilities purchased and the resulting goodwill.

When an additional purchase results in gaining control of a company, the percentage holding previously held by the group is revalued on the basis of the fair values of the identifiable assets and liabilities determined at the time of this additional purchase. The corresponding amount of the revaluation is recognised in shareholders' equity.

Additional purchases occurring after control has been taken no longer give rise to a revaluation of the identifiable assets and liabilities. The positive or negative goodwill generated between the purchase cost and the additional holding bought in the net assets of the company is reported as goodwill.

MINORITY INTERESTS BUY-BACK COMMITMENT

When the group has granted purchase options on their investments to shareholders of its fully consolidated subsidiaries, it anticipates this additional purchase of shares. These commitments are booked as debt at the current value of the buy-back price with the minority interests as an offsetting amount and the goodwill for the balance.

1.10 – Assets and liabilities being sold

Assets and liabilities that it has been decided to sell during the period are presented on a separate line of the balance sheet ("Non-current assets and asset groups held for sale"), as soon as they are available for immediate sale and the sale is highly probable. When several assets are intended to be sold in a single transaction, the asset group is valued overall as are the liabilities that are attached to it at the lowest of the net book value and the fair value net of the selling costs. Non-current assets classified as held for sale are no longer depreciated.

1.11 – Goodwill valuation tests

According to standard IFRS 3 "Business combinations", goodwill is not amortised. It is the subject of an impairment test as soon as indications of losses in value appear and at least once a year at the end of the reporting period, namely on 30 September. This test is carried out in order to take account of any changes that may have reduced the profitability and value of these assets. Such events or circumstances include significant unfavourable changes of a sustainable nature, affecting the economic environment or the assumptions and objectives adopted on the date of acquisition.

The assets are combined into cash generating units (CGUs). CGUs are the smallest asset group generating cash flows largely independent of other asset groups. The CGU groups adopted by Pierre & Vacances for assessing the recoverable value of goodwill are the group's business combinations used to analyse its results in its internal reporting.

Through these valuation tests, the group ensures that the recoverable value of goodwill is not less than the net book value. The recoverable value is the market value or the value in use, whichever is the higher. If an asset is to be sold, the recoverable value is determined with reference to the market value.

The market value is the selling price that could be obtained in a transaction carried out in normal market conditions between informed and consenting parties, less the cost of sale and the costs of withdrawing from the business. The asset's selling price is determined with reference to similar recent transactions or valuations made by independent experts when a sale is in the offing.

Value in use is the net discounted cash flow that would be generated by the CGU or group of CGUs. Cash flow projections come from the business plans developed internally over an explicit period of four years. Beyond that, they are estimated by applying a perpetual growth rate. The assumptions used for changes in turnover and terminal values are reasonable and in line with the market data available. The discount rate used is based on the average cost of capital reflecting current market assessments of the time value of the money and the risks specific to the asset tested. These discount rates are after-tax rates applied to after-tax cash flows. They are used to determine recoverable values that are identical to those obtained using pre-tax rates applied to non-fiscalised cash flows.

A loss of value is recognised in profit and loss if the book value of a goodwill item is greater than its recoverable value. The impairment charge is then recorded in "other operating expenses and earnings". Any impairments assigned to a goodwill item are irreversible.

1.12 – Intangible fixed assets

Intangible fixed assets acquired separately appear on the balance sheet at their purchase cost less total amortisation and any impairment. Intangible fixed assets acquired as part of a business combination are reported, at their fair value on the date of acquisition, separately from the goodwill if they satisfy one of the following two conditions:

- they are identifiable, that is they result from legal or contractual rights;
- they can be separated from the entity acquired.

In essence they are the brands.

Intangible fixed assets include:

- brands that the group has qualified as intangible fixed assets with an indefinite life. They are recorded on the balance sheet on the basis of a valuation made on the date of acquisition by independent experts using a multi-criteria approach, which takes into account brand awareness and expected future contribution to earnings. They account for most of the net book value of intangible fixed assets recorded on the group's consolidated balance sheet. So brands are not amortised but their value is subject to a test as soon as indications of impairment appear and at least once a year at the end of the accounting period, namely on 30 September. A provision for impairment is reported if applying the valuation methods leads to a valuation lower than their net book value. On the basis of business plans produced internally, the group determines the value in use of each of its brands by updating their valuation using the initially defined multi-criteria approach. The projections are over a four-year period. Beyond this period, cash flows are extrapolated using a perpetual growth rate equal to general price inflation expectations. The discount rate used for these valuations is the estimated cost of capital for the brand in question. The parameters used are consistent with those used to value goodwill. In the event of impairment, this is recorded under "Other operating expenses and earnings" in the profit and loss account. This provision may be written back subsequently if the value in use returns to a level higher than the net book value;
- the other intangible fixed assets that the group has qualified as fixed assets with a definite life. Essentially, these are concessions and patents that mainly include software licences and expenditure on computer programs. These assets are amortised using the straight-line method over periods reflecting their useful lives, usually between three and eight years. If there is an indication of impairment, a valuation test is automatically carried out.

1.13 – Investment subsidies

Investment subsidies are shown on the balance sheet as a reduction in the value of the asset for which they were received.

1.14 – Tangible fixed assets

Tangible fixed assets are booked on the balance sheet at their historic acquisition cost or at their purchase cost or else, for assets owned by entities consolidated for the first time, at their fair value on the date the group acquired them less the accumulated amortisation and reported impairments. Interest on capital borrowed to finance the production of fixed assets during the period prior to their being put to use are considered to be an integral part of the purchase cost of the assets.

Lease agreements are qualified as lease financing and are restated in the consolidated financial statements when they have the effect of substantively transferring to the group virtually all the risks and benefits inherent in ownership of these goods. The level of risk transferred is assessed by analysing the contract terms.

Tangible fixed assets acquired through lease financing agreements are shown in assets on the balance sheet at the lower of the asset's market value and the discounted value of future lease payments. Amortisation is applied over the period of use of the good, the corresponding debt being entered under liabilities with the related interest, and rent is cancelled in the profit and loss account.

Unlike lease finance agreements, simple operating leases are reported in the profit and loss account as lease payments under "Purchases and external services". Lease commitments, relating to the total future instalments over the residual period of the lease, are indicated in Note 36 "Off-balance sheet commitments".

From the date on which the good is put to use, tangible fixed assets are amortised using the straight-line method according to a component-based approach over their period of use:

Buildings	20-54 years
General fixtures and fittings	5-16 years
Mobilier	8-12 years
Furniture	3-4 years

Tangible fixed assets are depreciated when their economic value appears lower than their net book value as a result of events or circumstances occurring during the financial year.

Thus, at each year-end, the group assesses whether there is any indication of impairment relating to identifiable asset groups whose continuous use generates cash flows that are largely independent of those generated by other assets or asset groups. Consequently, the group analyses, for example, the change in turnover or in operating income generated by these cash-generating units. In the case of a significant unfavourable change, the group then determines the recoverable value of all the assets in question. It reflects the higher of the market value or the value in use. The value in use is determined on the basis of the discounted future cash flow estimated using the same methodology as described for goodwill.

This analysis is carried out for all accommodation units and, if appropriate, for each accommodation unit (village, residence or hotel). The sets of accommodation units are combined under the brand to which they belong (Center Parcs Europe, Sunparks, Pierre & Vacances, Maeva, Résidences MGM, Hôtels Latitudes), their category and their geographic proximity.

If there is impairment, it is recorded under "Other operating expenses and earnings" in the profit and loss account and this provision may be written back subsequently if the economic value returns to a level higher than the net book value.

1.15 – *Non-current financial assets*

This category mainly includes unconsolidated marketable securities, receivables associated with short-term investments, loans and guarantees that mature in more than 12 months.

Unconsolidated investments are treated as shares held for sale and therefore appear on the balance sheet at their fair value. Positive and negative changes in value are recorded directly in shareholders' equity. For shares listed on the stock market and for unlisted shares, fair value is an estimate of their realisation value. If the fair value cannot be determined reliably, the shares are entered at their cost. If there is an objective indication of depreciation of these shares (a significant or prolonged fall), a provision for irreversible depreciation is reported in income.

Other financial assets are booked at cost amortised at the effective interest rate. If there is an objective indication of impairment, a provision for depreciation corresponding to the difference between the net book value and the recoverable value is reported in income. This provision is reversible if the recoverable value changes for the better in the future.

1.16 – *Inventories and work in progress*

Inventories mainly include the inventories and work in progress of the property development business, assets held for sale and stocks of merchandise intended for resale as part of the group's tourism business.

Inventories and work in progress are valued at the lower of cost of purchase or of production and their probable net realisable value. If the realisable value of the stock (price net of selling expenses) is less than the stock's net book value, a provision for depreciation is recorded accordingly.

The group applies the "percentage progress" method to report the turnover and margins of its property development business. Except for the marketing costs that are reported as prepayments, all direct costs for ongoing property development programmes are inventoried, including the financial expenses (net of financial earnings as appropriate) that can be assigned to the operations. When the work is completed, committed expenditure that is not yet invoiced is provisioned and included in inventories.

1.17 – *Trade receivables*

Because of the group's businesses, trade receivables are short term, so they are booked at their nominal value.

A provision for risk of non-recovery of receivables is reported when a debtor shows a risk of insolvency or, where necessary, when recovery of the receivable is contested or is the subject of abnormal payment delays. The provisions are based on an individual or statistical assessment of this risk of non-recovery.

Under the "Ownership & Holidays" sales scheme offered to investors in properties developed and marketed by the group, the buyers do not have to pay out the full purchase costs of the assets. Receivables linked to prepaid rent commitments receive interest. Repayments are made each year using the rent payments from the tourism 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 and prepayments" before being securitised where applicable.

1.18 – Prepayments

Prepayments are the expenses paid during one financial year that relate to subsequent years.

For assets marketed off-plan, the first half of the marketing fees is invoiced when the customer makes the reservation and the second half when the deed of sale is signed in the notary's office. "Prepayments" includes in particular the share of the marketing fees invoiced by the subsidiary Pierre & Vacances Conseil Immobilier relating to property development plans for which the degree of progress has not been recorded at the year-end. This share is determined for each property development programme according to the progress of the work and sales (signings of notarised deeds) relative to the total marketing fees budget for the programme.

1.19 – Cash and cash equivalents

The gross cash balance, as presented under assets on the balance sheet, includes cash and cash equivalents, sight deposits and short-term investments (Unit Trusts and Mutual Funds) with a maturity of less than three months which are classified as short-term investments. These investments are liquid and are not subject to significant risks of change in value.

Cash in the cash flow statement is gross cash less overdrafts.

Accrued interest on items included in net cash is booked under net cash.

1.20 – Pierre & Vacances treasury stock

Shares in Pierre & Vacances held by the parent company and/or by group companies, irrespective of the purpose of the holding, are recorded at their acquisition cost as a reduction to consolidated shareholders' equity. The result of any sale of treasury stock is charged directly to consolidated reserves at their value net of tax and does not contribute to income for the year.

1.21 – Share-based payment

Options to subscribe for and purchase shares allocated by the group to its employees and managers are reported as a personnel expense representing the expectation of gain for the beneficiaries of these plans. So the reported expense reflects the fair value of the options granted calculated on the date of grant by the Board of Directors according to the "Black & Scholes" method. This expense is spread over the vesting period with a countervailing increase in reserves.

According to the transitional terms of IFRS 2, only plans granted after 7 November 2002 in which rights have not been acquired on 1 January 2005 are valued and booked at their fair value on the date of acquisition and amortised over the rights acquisition period.

The allocation of benefits to personnel through a group savings plan also falls under the scope of IFRS 2 to the extent that a discount is given when the employee buys the shares. So when the subscription price granted to employees includes a discount from the fair value of the share on the date of allocation, an expense is booked immediately or over the rights acquisition period unless acquisition is immediate.

1.22 – Provisions

A provision is reported when, at the year-end, the group has an obligation to a third party that results from a past generating fact the measure of which can be estimated reliably and which will probably or certainly cause an outflow of resources to the benefit of the third party with no at least equivalent consideration expected from that party. This obligation may be legal, regulatory, contractual or implicit. Provisions are reported at the value that represents the best estimate of the amount to be paid to settle the obligation. If the amount or the maturity cannot be estimated sufficiently reliably, it is a possible liability and is covered in the notes.

So, to take account both of its contractual commitments and its policy of maintaining the whole property stock under lease, the group reports provisions for refurbishment expenses in its financial statements. The reporting of these provisions is intended to take account, as the assets are used, of the refurbishment costs that the group still has to pay. They are calculated on the basis of projected cost for the refurbishment work.

Furthermore, in the case of restructuring, an obligation is constituted as soon as the restructuring has been announced or included in a written, detailed plan, before the year-end.

1.23 – Pension commitments and related benefits

POST-EMPLOYMENT 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. As such, they carry no actuarial liability for these pension plans. For these defined-contribution plans, 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 their own pension scheme for their 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 defined benefit plans, costs are estimated using a retrospective method based on end-of-service salaries. Under this method, the cost of commitments is booked directly 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 includes the present value of estimated future payments taking into account length of service, life expectancy, staff turnover rates and valuation and discounting assumptions. For defined-benefit schemes partially or wholly financed by contributions paid into a separate fund or an insurance company, the assets of these entities are valued at their fair value. The liability is then recorded on the balance sheet minus the value of the scheme assets that cover this obligation.

The actuarial differences result from the change in actuarial assumptions used for valuations from one year to the next, and any variance noted in the obligation or the value of the funds relative to the actuarial assumptions made at the beginning of the year. These actuarial differences are amortised for each plan according to the "corridor" method (differences exceeding 10% of the market value of the fund or of the discounted value of the obligation), over the average number of years' service remaining for the personnel benefiting from the scheme.

OTHER LONG-TERM BENEFITS

When signing corporate agreements, the group also grants its personnel other long-term benefits during employment such as bonuses and free holidays in the properties managed by the group; they are given to employees according to their years of service. These benefits are also the subject of provisions that are determined by using an actuarial calculation comparable to that used for pension provisions. Where necessary, the actuarial differences that are revealed in the year are amortised immediately in the year in which they are reported.

COST OF PAST SERVICES

The modification or introduction of a new benefits scheme after employment has ceased, or other long-term benefits may increase the present value of the obligation reflecting the benefits defined for services rendered during previous years and called "cost of past services". This cost of past services is booked in expenses, using the straight-line method over the average period still to run until the corresponding rights are acquired by the personnel. The rights acquired when the scheme is adopted or modified are booked immediately in expenses for the year.

The expense representing the change in net commitments for pensions and other benefits after employment has ended is booked in current operating income or in other financial expenses and earnings according to the underlying nature. Specifically, the incidence of de-actualisation of pension commitments, net of expected returns on the covering assets, is reported in "Other financial earnings and expenses".

The proportion at more than one year of the provisions for pension commitments and other related benefits is classified as non-current provisions and the proportion at less than one year as current provisions. This current proportion reflects the payments that the group estimates it will have to make in the twelve months following the year-end.

1.24 – Loans and bank borrowings

All loans are initially recorded at cost which reflects the fair value of the amount received net of the costs for setting up the loan. Thereafter, the loans are booked at the amortised cost using the effective interest rate method, the difference between the cost and the repayment value being booked in the profit and loss account over the term of the loans.

The effective interest rate is the rate used to obtain the book value of a loan at the outset by discounting the future cash payments and receipts over the life of the loan. The book value of the loan at the outset includes the transaction costs and any additional paid-in capital.

If the future interest expense is hedged, the bank borrowings whose cash flows are hedged are still booked at the amortised cost, the change in value of the effective proportion of the hedging instrument being recorded in shareholders' equity.

In the absence of any hedging relationship, or for the ineffective portion of the hedging instrument, the changes in value of the derivatives are recorded in financial income.

1.25 – Derivatives

For borrowings and payables with lending establishments offering variable interest rates, the Pierre & Vacances Group hedges its future interest expense by using derivatives such as interest rate swaps and cap and floor contracts. The group's policy is to reduce its exposure to interest rate fluctuations.

These risks are managed centrally which means that we can define the main hedging guidelines. The positions are traded over the counter with first rank banking counterparties.

Hedging reporting is applicable if:

- the hedging relationship is clearly documented on the date it is put in place, and
- the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively at each period end.

Derivatives are reported on the balance sheet at their fair value. The market value is established on the basis of market data and is confirmed by finance house quotations.

The changes in fair value of the derivatives contracted in this way to cover certain payables are booked directly in shareholders' equity for the effective portion of the coverage and, in the absence of a coverage relationship, or for the ineffective portion of the coverage, the changes in value of the derivatives are reported as financial income.

1.26 – Deferred taxes

All temporary differences existing at the close of each financial year between the book values and the asset and liability items and the values given to those same items for determining taxable income are booked as deferred taxes calculated according to the liability method. Temporary differences and losses carried forward are calculated at approved rates and will apply on the probable date of reversal of the differences concerned, if these are fixed, or, failing this, at tax rates approved on the date the accounts are closed. The effects of tax rate changes are recorded in income for the year during which the rate change is made.

Income from deferred taxes arising from tax losses that can be carried forward and amortisations considered deferred are not reported unless there is a high likelihood that they will be used in a medium term.

The tax charge is booked in income except for tax relating to items recognised in shareholders' equity that is booked directly in shareholders' equity.

Deferred tax assets and liabilities, irrespective of their due date, are not discounted and are offset when they relate to a single tax entity.

1.27 – Deferred income

Deferred income is income that is received or booked before the services and supplies justifying it have been performed or supplied.

This item mainly includes:

- sales signed in the presence of a notary for property not yet delivered, for the proportion exceeding the turnover calculated by the percentage progress method;
- support funds. Specifically, the "Financial ownership" and "Ownership & Holidays" sales schemes involve the sale of property to owners, accompanied by group undertaking to pay an annual

rent proportional to the sale price of the property. When the rent commitments are greater than the market rates at the time of the sale, the excess rent, called "support funds", is booked as a reduction to the selling price of the property. In this way, the excess portion of the asset margin is booked in deferred income and, when the property is delivered, is written back according to a straight-line method over the duration of the lease.

1.28 – Turnover

Consolidated turnover comprises:

- **for the tourism business:** the pre-tax value of holidays and related income generated for holidays taken during the year and sales of holidays and fees made as part of its marketing activity by the French travel agency subsidiary (Pierre & Vacances Maeva Distribution). For residences run under management agreements, only management fees invoiced to the customer are included in turnover;
- **for the property development business:**
- property sales generated by the property development business booked according to the percentage progress method (see Note 1.29 "Method for the recognition of earnings from the property development business") minus, on the date the apartments are delivered, the "support funds" (see Note 1.27 "Deferred income") that is booked in deferred income to be written back to turnover over the duration of the lease using a straight-line method,
- project management fees billed as the work progresses to property development programmes based in non-group entities,
- marketing fees billed to non-group companies.

All turnover is valued at the fair value of the consideration received or to be received, net of deductions, discounts and rebates, VAT and other taxes. Services are booked when the service is rendered.

1.29 – Method for the recognition of earnings from the property development business

Turnover and margins from the property development business are reported in the profit and loss account according to the percentage progress method. Since there are no specific standards on the subject, the group has defined percentage progress as the percentage progress of the work multiplied by the percent of turnover from sales signed in the presence of a notary.

For ongoing programmes that are not yet delivered, when the situation on completion is a loss, a provision for losses on completion, taking account of the most likely assumptions, is immediately reported as a provision for inventory depreciation.

1.30 – Personnel expenses

Personnel expenses include all the monies paid or provisioned by the group, including employee profit-sharing and the expenses associated with share-based payments.

1.31 – Other operating expenses and earnings

Other operating expenses and earnings include items of income which, because of their special nature, are not considered part of the business and the group's current operating income. This includes gains or losses on the sale of non-current assets, depreciation of non-current tangible and intangible assets, restructuring expenses and costs of lawsuits of significant substance to the group, that affect the comparability of current operating income from one period to another.

1.32 – Corporate income tax

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

1.33 – Earnings per share

Earnings per share are calculated by dividing net attributable income by the weighted average number of shares in circulation during the financial year, minus the Pierre & Vacances treasury stock recorded as a deduction to shareholders' equity. The average number of shares in circulation during the year is the number of ordinary shares in circulation at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year.

To calculate net diluted earnings per share, net attributable income for the 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.

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.

For the years shown, the existing dilutive instruments include options to subscribe for or buy shares and allocations of free shares. The dilutive effects of options to subscribe for or buy shares are calculated according to the "share buy-back" method by which the funds that will be collected when the option is exercised or purchased are considered to be assigned primarily to buying back Pierre & Vacances shares at the market price.

Note 2 - SCOPE OF CONSOLIDATION

2.1 – Main changes in the scope of consolidation

Main changes in the scope of consolidation that have occurred in 2007/2008

As part of its plan to develop the Adagio brand, the Pierre & Vacances Group acquired, through its Adagio joint venture, the buildings and the business of a residence at La Défense for a total of €10,538 thousand, €3,680 thousand for the business and €6,858 thousand for the buildings.

The creating, in the property development business, of 10 companies which have been consolidated following the launch of new programmes to build or refurbish residences: Paris Bastille, Avoriaz MGM, Avoriaz Pierre & Vacances, Avoriaz Maeva, the Arles extensions, Branville, Le Rouret, Bois des Harcholins, Belle Dune.

Furthermore, the group continued its policy of rationalising and simplifying operating and legal organisations by creating new companies or making internal changes of scope (mergers and dissolving of companies by asset mergers).

MAIN CHANGES IN THE SCOPE OF CONSOLIDATION IN 2006/2007

The significant changes in scope for 2006/2007 were:

- the acquisition of the Belgian Sunparks group by the company Center Parcs Europe NV on 19 April 2007. This acquisition included the operation and property assets of four villages in the Center Parcs 3/4-star category; its offer consisted of a total of 1,683 cottages and 50 hotel rooms and many indoor leisure facilities (aquatic centre, restaurant, supermarket, creche, etc.) and open-air sports complexes.

  The cash price for the shares was €80,038 thousand and the first consolidation goodwill generated at the time of the acquisition has been reported in net acquired assets.

  This subgroup has been consolidated since 1 April 2007 in the activity of the Center Parcs division and all of the companies contained therein are fully owned;
- on 15 May 2007, the Pierre & Vacances Group took over the Les Senioriales group by buying 95.03% of the capital from its founders, André and Paul Ramos. This group specialises in building residences for a clientele of active seniors. This innovative concept of non-medical specialist residences is a complementary and profitable line of development for Pierre & Vacances.

  The cost of acquisition of the shares was €24,844 thousand. It included €1,100 thousand in anticipation of the option to buy 4.97% of the capital held by the Pierre & Vacances Group from the new Chief Executive Officer of this subgroup. Goodwill of €17,828 thousand was generated.

  The Les Senioriales subgroup is fully consolidated from 1 April 2007. It is incorporated into the property development business sector.

DISPOSAL MADE IN 2006/2007

The sale, on 3 October 2006, of the shares in Domaine Skiable de Valmorel, which operates the ski lifts of this resort, for €2,773 thousand. This disposal generated, in the group's consolidated income, a pre-taxgain of €1,356 thousand. This item was taken out of the scope of consolidation from 1 October 2006. The company was consolidated by the equity method.

2.2 – List of the main consolidated entities

FRENCH COMPANIES

Legal form	Companies	Consolidation method [1]	% stake at 30/09/2008	% stake at 30/09/2007
HOLDING COMPANIES				
SA	Pierre & Vacances	Parent company	100.00%	100.00%
SNC	Pierre & Vacances FI	Full	100.00%	100.00%
GIE	Pierre & Vacances Services	Full	100.00%	100.00%
French Tourism				
SA	Pierre & Vacances Tourisme Europe	Full	100.00%	100.00%
Center Parcs				
SNC	Center Parcs Holding Belgique	Full	100.00%	100.00%
SNC	Center Parcs Holding France	Full	100.00%	100.00%
SNC	Center Parcs Holding Franco-Belge	Full	100.00%	100.00%
Property development				
SAS	CP Prog Holding	Full	100.00%	100.00%
SAS	Pierre & Vacances Holding	Full	-	100.00%
SAS	Pierre & Vacances Immobilier Holding	Full	100.00%	100.00%
SARL	Pierre & Vacances Transactions	Full	100.00%	100.00%
SAS	PV Prog Holding	Full	100.00%	100.00%
TOURISM				
French Tourism Division				
SCI	Auberge de Planchamp	Full	100.00%	100.00%
SEP	Avoriaz La Falaise	Proportional	28.50%	28.50%
SA	Citéa	Proportional	50.00%	50.00%
SARL	Clubhotel	Full	100.00%	100.00%
SA	Clubhotel Multivacances	Full	100.00%	100.00%
SARL	Club Univers de France	Full	99.00%	99.00%
SNC	Commerce Patrimoine Cap Esterel	Full	100.00%	100.00%
SA	Compagnie Hôtelière Pierre & Vacances	Full	100.00%	100.00%
SEP	Hyères La Pinède	Full	-	47.50%
SNC	Latitudes Toulouse	Full	100.00%	100.00%
SNC	Locarev Maeva Résidences	Full	100.00%	100.00%
SNC	Neuilly La Défense	Proportional	50.00%	-
SCI	Orion Antibes 2	Full	-	100.00%
SCI	Orion Deauville	Full	-	100.00%
SAS	Parking de Val d'Isère La Daille	Full	100.00%	100.00%
SAS	Pierre & Vacances Esterel Développement	Full	100.00%	100.00%
SA	Pierre & Vacances Maeva Distribution	Full	100.00%	100.00%
SAS	Pierre & Vacances Maeva Tourisme Exploitation	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Legal form	Companies	Consolidation method [1]	% stake at 30/09/2008	% stake at 30/09/2007
SAS	Pierre & Vacances Maeva Tourisme Management	Full	100.00%	100.00%
SAS	Pierre & Vacances Rénovation Tourisme	Full	100.00%	100.00%
SAS	SET Pierre & Vacances Guadeloupe	Full	100.00%	100.00%
SAS	SET Pierre & Vacances Martinique	Full	100.00%	100.00%
SARL	SGRT	Full	100.00%	100.00%
SNC	SICE	Full	100.00%	100.00%
SARL	Société de Gestion des Mandats	Full	100.00%	100.00%
SA	Société Financière des Arcs	Full	100.00%	100.00%
SNC	Société Hotelière de l'Anse à la Barque Tourisme	Full	100.00%	100.00%
SA	Sogire	Full	100.00%	100.00%
Adagio Division				
SAS	Adagio Exploitation 1	Full	100.00%	100.00%
SAS	Adagio Holding	Proportional	50.00%	-
SNC	La Défense 10	Proportional	50.00%	-
SAS	New City Apart Hôtel	Proportional	50.00%	50.00%
SARL	New City Suisse	Proportional	50.00%	-
Center Parcs Division				
SCS	Center Parcs France	Full	100.00%	100.00%
SNC	Domaine du Lac de l'Ailette	Full	100.00%	100.00%
PROPERTY DEVELOPMENT				
French Property Development Division				
SNC	Alpe Huez Soleil	Full	100.00%	100.00%
SNC	Arles Saladelles Loisirs	Full	100.00%	100.00%
SNC	Audierne Loisirs	Full	100.00%	100.00%
SNC	Avoriaz Loisirs	Full	-	100.00%
SNC	Avoriaz Maeva Loisirs	Full	100.00%	-
SNC	Avoriaz Pierre & Vacances Loisirs	Full	100.00%	-
SNC	Avoriaz Résidences MGM Loisirs	Full	100.00%	-
SNC	Avoriaz Tourisme Développement	Full	100.00%	100.00%
SNC	Belle Dune Loisirs	Full	100.00%	100.00%
SNC	Belle Plagne Soleil	Full	100.00%	100.00%
SNC	Bénodet Tourisme Développement	Full	100.00%	100.00%
SNC	Biscarrosse Loisirs	Full	-	100.00%
SNC	Branville Tourisme Développement	Full	100.00%	100.00%
SNC	Britania Loisirs	Full	100.00%	100.00%
SNC	Camargue Loisirs	Full	100.00%	-
SNC	Cap Océan	Full	100.00%	100.00%
SNC	Charmettoger Développement	Full	100.00%	100.00%
SNC	Chamonix Loisirs	Full	100.00%	100.00%

(1) *Full: Fully consolidated* *Proportional: Proportionally consolidated*

Legal form	Companies	Consolidation method (1)	% stake at 30/09/2008	% stake at 30/09/2007
SNC	Château d'Olonne Loisirs	Full	-	100.00%
SARL	Cobim	Full	100.00%	100.00%
SNC	Coches Boulier Développement	Full	100.00%	100.00%
SNC	Coches Tourisme Développement	Full	-	100.00%
SNC	Coudalère Loisirs	Full	100.00%	100.00%
SNC	Courchevel 1650 Loisirs	Full	100.00%	100.00%
SNC	Courchevel Forum Loisirs	Full	100.00%	100.00%
SNC	Danestal Tourisme Développement	Full	100.00%	-
SNC	Dhuizon Loisirs	Full	100.00%	100.00%
SNC	Eguisheim Loisirs	Full	100.00%	100.00%
SNC	Flaine Loisirs	Full	-	100.00%
SNC	Font Romeu Loisirs	Full	100.00%	100.00%
SNC	Francia La Villa	Full	100.00%	100.00%
SNC	Grimaud Les Restanques	Full	100.00%	100.00%
SNC	Grimaud Tourisme Développement	Full	-	100.00%
SNC	Haussmann Développement	Full	-	100.00%
SNC	Hôtel du Pouliguen	Full	100.00%	100.00%
SNC	Houlgate Loisirs	Full	100.00%	100.00%
SNC	Lacanau Tourisme Développement	Full	100.00%	100.00%
SNC	La Daille Soleil	Full	100.00%	100.00%
SNC	La Grande Motte Loisirs	Full	100.00%	100.00%
SNC	La Mongie Loisirs	Full	100.00%	100.00%
SNC	Le Crotoy Loisirs	Full	100.00%	100.00%
SNC	Le Rouret Loisirs	Full	100.00%	100.00%
SNC	Le Rouret Tourisme Développement	Full	100.00%	-
SNC	Les Maisons du Green Beach Loisirs	Full	100.00%	100.00%
SAS	Les Senioriales	Full	-	100.00%
SCI	Les Senioriales Biscarosse	Full	100.00%	100.00%
SCI	Les Senioriales du Bergerac	Full	100.00%	100.00%
SCI	Les Senioriales de Camargue-St Gilles	Full	100.00%	100.00%
SCI	Les Senioriales de Carcassonne-Villegly	Full	100.00%	100.00%
SCI	Les Senioriales de Casteljaloux	Full	100.00%	100.00%
SCI	Les Senioriales de Cevennes-St Privat des Vieux	Full	100.00%	100.00%
SCI	Les Senioriales de Fargues Saint Hilaire	Full	100.00%	-
SCI	Les Senioriales de Jonquières	Full	100.00%	-
SCI	Les Senioriales de la Côte d'Azur-Grasse	Full	100.00%	100.00%
SCI	Les Senioriales de la Méditerranée	Full	100.00%	100.00%
SCI	Les Senioriales de l'Atlantique-Meursac	Full	100.00%	100.00%
SCI	Les Senioriales de Provence-les Mées	Full	100.00%	100.00%
SCI	Les Senioriales de Ruoms	Full	100.00%	-

(1) Full: Fully consolidated   Proportional: Proportionally consolidated

Legal form	Companies	Consolidation method [1]	% stake at 30/09/2008	% stake at 30/09/2007
SCI	Les Senioriales de Saleilles	Full	100.00%	100.00%
SCI	Les Senioriales de Salies du Salat	Full	100.00%	100.00%
SCI	Les Senioriales de Salles sur Mer	Full	100.00%	-
SCI	Les Senioriales de Sierentz	Full	-	100.00%
SCI	Les Senioriales de St Jean-Granville	Full	-	100.00%
SCI	Les Senioriales de St Omer	Full	100.00%	100.00%
SCI	Les Senioriales de St Pantaléon	Full	100.00%	100.00%
SCI	Les Senioriales de Thonon	Full	100.00%	-
SCI	Les Senioriales de Villereal	Full	100.00%	100.00%
SCI	Les Senioriales des Landes-Hinx	Full	100.00%	100.00%
SCI	Les Senioriales du Bassin d'Arcachon	Full	100.00%	100.00%
SCI	Les Senioriales du Lombez	Full	100.00%	100.00%
SCI	Les Senioriales du Vendin	Full	-	100.00%
SCI	Les Senioriales Rochefort du Gard	Full	100.00%	100.00%
SARL	Les Villages Nature de Val d'Europe	Proportional	50.00%	50.00%
SNC	Lille Vauban Développement	Full	100.00%	100.00%
SNC	Lot 175 les Hauts Forts	Full	100.00%	100.00%
SNC	Mandelieu Maure Vieille Loisirs	Full	-	100.00%
SNC	Ménuires Aconit Développement	Full	100.00%	100.00%
SNC	Ménuires Bruyères Développement	Full	-	100.00%
SNC	Mer Montagne Développement	Full	-	100.00%
SNC	Méribel Soleil	Full	100.00%	100.00%
SNC	Moliets Tourisme Développement	Full	-	100.00%
SNC	Monflanquin Loisirs	Full	-	100.00%
SCI	Montrouge Développement	Proportional	50.00%	50.00%
SAS	Paris Tour Eiffel Développement	Full	100.00%	100.00%
SARL	Peterhof II	Full	100.00%	100.00%
SA	Pierre & Vacances Conseil Immobilier	Full	100.00%	100.00%
SARL	Pierre & Vacances Courtage	Full	100.00%	100.00%
SA	Pierre & Vacances Développement	Full	100.00%	100.00%
SA	Pierre & Vacances Promotion Immobilière	Full	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Promotion et commercialisation	Full	100.00%	100.00%
SNC	Plagne Lauze Loisirs	Full	-	100.00%
SNC	Plagne Quartz Développement	Full	-	100.00%
SNC	Plagne Thémis Néréides Développement	Full	100.00%	100.00%
SNC	Pont Royal II	Full	100.00%	100.00%
SNC	Port-en-Bessin Loisirs	Full	-	100.00%
SNC	PV Prog 21	Full	100.00%	-
SNC	Quend Loisirs	Full	100.00%	-

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Legal form	Companies	Consolidation method (1)	% stake at 30/09/2008	% stake at 30/09/2007
SNC	Saint-Quay Portrieux Loisirs	Full	-	100.00%
SA	Société de Développement de Bourgenay	Full	100.00%	100.00%
SNC	Soulac Loisirs	Full	-	100.00%
SNC	Tourisme Montagne Développement	Full	100.00%	100.00%
SAS	Tourisme et Rénovation	Full	100.00%	100.00%
SNC	Tréboul Tourisme Développement	Full	100.00%	100.00%
SNC	Val d'Isère la Daille B Loisirs	Full	100.00%	100.00%
SNC	Val d'Isère Loisirs	Full	100.00%	100.00%
SNC	Valmeinier Loisirs	Full	-	100.00%
SNC	Vars Loisirs	Full	-	100.00%
Center Parcs Division				
SNC	Ailette Cottages	Full	-	100.00%
SNC	Ailette Équipement	Full	100.00%	100.00%
SNC	Bois des Harcholins Cottages	Full	100.00%	100.00%
SNC	Bois des Harcholins Équipement	Full	100.00%	100.00%
SNC	Bois des Harcholins Foncière	Full	100.00%	100.00%
SNC	Bois des Harcholins Village	Full	100.00%	-
SNC	Bois Francs Loisirs	Full	100.00%	100.00%
SNC	Les Hauts de Bruyères Loisirs	Full	100.00%	100.00%
OTHER				
SNC	Financière Pierre & Vacances I	Full	100.00%	100.00%
SNC	Financière Pierre & Vacances II	Full	100.00%	100.00%
SNC	La Financière Pierre & Vacances & Cie	Full	100.00%	100.00%
SAS	Pierre & Vacances Investissement 24	Full	100.00%	100.00%
SAS	Pierre & Vacances Investissement 28	Full	100.00%	100.00%
SAS	Orion	Full	100.00%	100.00%
SAS	Pierre & Vacances Investissement 30	Full	100.00%	100.00%
SAS	Pierre & Vacances Investissement 31	Full	100.00%	100.00%
SAS	Pierre & Vacances Investissement 38	Full	100.00%	100.00%
SAS	Pierre & Vacances Marques	Full	100.00%	100.00%

(1) Full: Fully consolidated *Proportional: Proportionally consolidated*

FOREIGN COMPANIES

Legal form	Companies	Country	Consolidation method (1)	% stake at 30/09/2008	% stake at 30/09/2007
HOLDING COMPANIES					
Center Parcs					
NV	Center Parcs Europe	Netherlands	Full	100.00%	100.00%
BV	Center Parcs BF Holding	Netherlands	Full	100.00%	100.00%
GmbH	Center Parcs Deutschland Kunden-Center	Germany	Full	100.00%	100.00%
GmbH	Center Parcs Germany	Germany	Full	100.00%	100.00%
BV	Center Parcs Germany Holding	Netherlands	Full	100.00%	100.00%
BV	Center Parcs Holding Belgium	Netherlands	Full	100.00%	-
GmbH	Center Parcs Medebach Beteiligungs	Germany	Full	100.00%	100.00%
BV	Center Parcs NL Holding	Netherlands	Full	100.00%	100.00%
BV	Center Parcs Participations	Netherlands	Full	100.00%	-
NV	Center Parcs Real Estate Development	Netherlands	Full	100.00%	100.00%
GmbH & Co. KG	Center Parcs Service	Germany	Full	100.00%	100.00%
BV	Center Parcs Sunparks	Netherlands	Full	100.00%	100.00%
Property development					
SE	Tourism Real Estate Property Holding	Europe	Full	100.00%	100.00%
SE	Tourism Real Estate Services Holding	Europe	Full	100.00%	100.00%
TOURISM					
Center Parcs Division					
NV	Center Parcs België	Belgium	Full	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Bispingen	Germany	Full	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Heilbachsee	Germany	Full	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Hochsauerland	Germany	Full	100.00%	100.00%
GmbH	Center Parcs Leisure Deutschland	Germany	Full	100.00%	100.00%
NV	Center Parcs Netherlands	Netherlands	Full	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Butjadinger Küste	Germany	Full	100.00%	100.00%
NV	Sunparks Groep	Belgium	Full	100.00%	100.00%
NV	Sunparks Vielsalm	Belgium	Full	100.00%	100.00%
NV	Sunparks Kempense Meren	Belgium	Full	100.00%	100.00%
NV	Sunparks Leisure	Belgium	Full	100.00%	100.00%
Other Tourism Divisions					
Srl	Part House	Italy	Proportional	55.00%	55.00%
SPRL	Pierre & Vacances Belux	Belgium	Full	100.00%	-
Srl	Pierre & Vacances Italia	Italy	Full	100.00%	100.00%
GmbH	Pierre & Vacances Tourisme	Germany	Full	100.00%	100.00%
Ltd	Pierre & Vacances UK	United Kingdom	Full	100.00%	-
SL	Pierre & Vacances Maeva Distribution ESPANA	Spain	Full	100.00%	-
SL	SET Pierre & Vacances España	Spain	Full	100.00%	100.00%

(1) Full: Fully consolidated   Proportional: Proportionally consolidated

Legal form	Companies	Country	Consolidation method (1)	% stake at 30/09/2008	% stake at 30/09/2007
PROPERTY DEVELOPMENT					
SL	Bonavista de Bonmont	Spain	Full	100.00%	100.00%
Srl	Cala Rossa Immobiliare	Italy	Full	100.00%	100.00%
SL	Nuit & Jour Projections	Spain	Proportional	50.00%	50.00%
SL	Pierre & Vacances Développement España	Spain	Full	100.00%	100.00%
SL	Pierre & Vacances Inversion Inmobiliaria	Spain	Full	100.00%	100.00%
Srl	Résidence City	Italy	Full	100.00%	100.00%
OTHER					
BV	Center Parcs Netherlands 2	Netherlands	Full	100.00%	100.00%
BV	Holding Green	Netherlands	Full	100.00%	100.00%
BV	Multi Resorts Holding	Netherlands	Full	100.00%	100.00%
BV	Pierre & Vacances Group Trademarks	Netherlands	Full	100.00%	100.00%
BV	Pierre & Vacances Group Trademarks Management	Netherlands	Full	100.00%	100.00%
BV	Pierre & Vacances South Europe Holding	Netherlands	Full	100.00%	100.00%
SAS	Pierre & Vacances Maroc	Morocco	Full	100.00%	-
Ltd	Orion Asia Holding Co.	China	Full	100.00%	-

(1) Full: Fully consolidated Proportional: Proportionally consolidated

SECTOR INFORMATION

Based on the group's internal organisation, the sector information is given by business division (primary information) and by geographic region (secondary information). This breakdown reflects the operating organisation of the group's businesses in terms of management, operational control and financial reporting. The group develops its activities through two dovetailed lines of business:

- the property development division which aims to increase the holiday destinations available and adapt the stock of existing residences, villages and hotels to suit changes in customer requirements. It includes the building and marketing to individual investors of hotel rooms, apartments and new or refurbished houses. The property development programmes currently developed are in France, Italy and Spain. It also includes the development of the Les Senioriales division, specialising in building and marketing residences in France and aimed at a customer base of active seniors. The full ownership of the houses is sold without any operating commitment on the part of the group;
- the tourism business organised partly around the Pierre & Vacances Europe division and partly around the Center Parcs Europe division:
  - the Pierre & Vacances Europe division, within the same operating department, includes the operation of the residences, villages and hotels marketed under the Pierre & Vacances, Maeva, Adagio, Résidences MGM and Hôtels Latitudes brands and located in France, Italy and Spain,
  - the Center Parcs Europe division, within the same operating department, includes the operation of all the villages in the Netherlands, Germany, Belgium and France which are marketed under the Center Parcs Europe and Sunparks brands.

Within each business and within each division, there is a country-based organisation that runs the businesses from day to day.

Inter-divisional turnover is generated on normal market terms.

The unassigned assets include shares accounted for by the equity method, long-term investments, other assets of a financial nature, current and deferred tax receivables and non-current assets and asset groups held for sale.

The unassigned liabilities include bank borrowings and current and deferred tax payables.

The information by geographic region is shown for each geographic region in which the subsidiaries are located.

Note 3 - INFORMATION BY BUSINESS DIVISION

2007/2008

(in thousands of euros)	Tourism		Property Development	Unassigned	Total
	Pierre & Vacances Europe	Center Parcs Europe			
Business turnover	558,423	628,631	257,195	-	1,444,249
Turnover between business groups	-17,992	-530	-1,276	-	-19,798
External turnover	**540,431**	**628,101**	**255,919**	**-**	**1,424,451**
Current operating income	**15,832**	**60,897**	**26,760**	**-**	**103,489**
Other operating expenses and earnings	-2,561	-1,930	-867	-	-5,358
Operating income	**13,271**	**58,967**	**25,893**	**-**	**98,131**
Amortisation expenses	**15,724**	**25,204**	**343**	**-**	**41,271**
Depreciation expenses	**-**	**-**	**-**	**-**	**0**
Tangible and intangible investments	**33,958**	**52,993**	**336**	**2,596**	**89,883**
Non-current assets	202,500	459,516	23,020	90,072	775,108
Current assets	159,894	62,170	508,780	185,478	916,322
TOTAL ASSETS	**362,394**	**521,686**	**531,800**	**275,550**	**1,691,430**
Non-current liabilities	9,140	17,274	508	228,461	255,383
Current liabilities	297,907	185,943	411,949	70,218	966,017
TOTAL LIABILITIES EXCLUDING SHAREHOLDERS' EQUITY	**307,047**	**203,217**	**412,457**	**298,679**	**1,221,400**

2006/2007

(in thousands of euros)	Tourism (*)		Property Development	Unassigned	Total
	Pierre & Vacances Europe	Center Parcs Europe			
Business turnover	522,597	557,145	495,858	-	1,575,600
Turnover between business groups	-20,555	-592	-4,185	-	-25,332
External turnover	**502,042**	**556,553**	**491,673**	**-**	**1,550,268**
Current operating income	**12,550**	**46,881**	**46,319**	**-**	**105,750**
Other operating expenses and earnings	-1,686	-2,282	36	1,356	-2,576
Operating income	**10,864**	**44,599**	**46,355**	**1,356**	**103,174**
Amortisation expenses	**14,127**	**14,626**	**300**	**-**	**29,053**
Depreciation expenses	**980**	**-**	**-**	**-**	**980**
Tangible and intangible investments	**22,659**	**183,391**	**216**	**935**	**207,201**
Non-current assets	183,335	430,829	23,106	76,330	713,600
Current assets	147,665	62,107	333,515	234,034	777,321
TOTAL ASSETS	**331,000**	**492,936**	**356,621**	**310,364**	**1,490,921**
Non-current liabilities	10,635	30,177	307	204,369	245,488
Current liabilities	276,570	189,342	288,389	68,966	823,267
TOTAL LIABILITIES EXCLUDING SHAREHOLDERS' EQUITY	**287,205**	**219,519**	**288,696**	**273,335**	**1,068,755**

(*) *Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".*

	2005/2006				
	Tourism (*)		Property Development	Unassigned	Total
(in thousands of euros)	Pierre & Vacances Europe	Center Parcs Europe			
Business turnover	503,440	516,680	422,578	-	1,442,698
Turnover between business groups	-22,953	-856	-4,533	-	-28,342
External turnover	**480,487**	**515,824**	**418,045**	**-**	**1,414,356**
Current operating income	**15,579**	**38,356**	**42,872**	**-**	**96,807**
Other operating expenses and earnings	-6,273	20,119	-2,638	-	11,208
Operating income	**9,306**	**58,475**	**40,234**	**-**	**108,015**
Amortisation expenses	**13,508**	**12,609**	**635**		**26,752**
Depreciation expenses	**112**	**-**	**-**	**-**	**112**
Tangible and intangible investments	**26,245**	**25,131**	**28,671**	**1,459**	**81,506**
Non-current assets	178,013	245,952	31,574	82,550	538,089
Current assets	127,688	48,245	420,001	147,193	743,127
TOTAL ASSETS	**305,701**	**294,197**	**451,575**	**229,743**	**1,281,216**
Non-current liabilities	11,666	22,660	217	114,450	148,993
Current liabilities	234,631	130,876	313,846	87,441	766,794
TOTAL LIABILITIES EXCLUDING SHAREHOLDERS' EQUITY	**246,297**	**153,536**	**314,063**	**201,891**	**915,787**

(*) *Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".*

Note 4 - INFORMATION BY GEOGRAPHIC REGION

	2007/2008		
(in thousands of euros)	Turnover	Intangible and tangible investments	Total assets
France	686,897	42,113	567,181
Netherlands	284,125	16,412	174,658
Germany	75,688	4,670	24,787
Belgium	111,489	23,474	47,705
Italy	7,122	246	3,817
Spain	3,211	36	2,589
Unassigned (*)	-	-	63,343
TOURISM	**1,168,532**	**86,951**	**884,080**
France	249,740	332	493,671
Italy	5,941	-	4,172
Spain	238	4	33,957
PROPERTY DEVELOPMENT	**255,919**	**336**	**531,800**
UNASSIGNED	**-**	**2,596**	**275,550**
TOTAL	**1,424,451**	**89,883**	**1,691,430**

(*) *Goodwill and the Center Parcs brand that cannot be valued separately by country.*

(in thousands of euros)	2006/2007 Turnover	Intangible and tangible investments	Total assets
France	591,930	178,806	536,667
Netherlands	259,832	16,029	81,667
Germany	86,802	2,760	23,755
Belgium	104,726	7,701	26,069
Italy	12,069	747	5,673
Spain	3,236	7	2,153
Unassigned (*)	-	-	149,213
TOURISM (**)	**1,058,595**	**206,050**	**825,197**
France	470,660	209	312,903
Italy	19,455	-	7,173
Spain	1,558	7	36,545
PROPERTY DEVELOPMENT	**491,673**	**216**	**356,621**
UNASSIGNED	**-**	**935**	**309,103**
TOTAL	**1,550,268**	**207,201**	**1,490,921**

(*) Goodwill and the Center Parcs brand that cannot be valued separately by country.
(**) Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".

(in thousands of euros)	2005/2006 Turnover	Intangible and tangible investments	Total assets
France	558,643	34,571	335,263
Netherlands	255,470	11,417	72,829
Germany	85,877	2,179	21,146
Belgium	79,539	1,639	8,205
Italy	15,081	573	13,569
Spain	1,701	997	1,238
Unassigned (*)	-	-	149,213
TOURISM (**)	**996,311**	**51,376**	**601,463**
France	392,040	28,610	416,283
Italy	7,562	61	16,506
Spain	18,443	-	18,786
PROPERTY DEVELOPMENT	**418,045**	**28,671**	**451,575**
UNASSIGNED	**-**	**1,459**	**228,178**
TOTAL	**1,414,356**	**81,506**	**1,281,216**

(*) Goodwill and the Center Parcs brand that cannot be valued separately by country.
(**) Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".

ANALYSIS OF MAIN BALANCE SHEET ITEMS

Note 5 - GOODWILL

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Gross values	174,822	171,142	151,969
Accumulated amortisation and impairments	-22,689	-22,689	-21,709
NET VALUES	**152,133**	**148,453**	**130,260**

Other goodwill was automatically value-tested on 30 September 2008 according to the procedures described in Notes 1.11 and 7. The tests carried out did not reveal the need to report an impairment by income for 2007/2008. The same applied on 30 September 2007 and 2006.

The changes in the net balance of goodwill for 2007/2008 are analysed as follows:

(in thousands of euros)	
Net values on 1 October 2006	**130,260**
Increase in gross value and impact of additions to the scope	19,173
Disposals	-
Impairments	-980
Reclassification and other changes	-
Net values on 30 September 2007	**148,453**
Increase in gross value and impact of additions to the scope	3,680
Disposals	-
Impairments	-
Reclassification and other changes	-
NET VALUES ON 30 SEPTEMBER 2008	**152,133**

The change in the gross value of goodwill in 2007/2008 is linked to the acquisition on 31 July 2008 of the business of a residence at La Défense for €3,680 thousand. The business concern is operated under the Adagio brand (see Note 2: scope of consolidation).

NET VALUES AT THE YEAR-ENDW

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Center Parcs Europe	63,344	63,344	63,344
Pierre & Vacances Europe	69,162	65,482	65,117
Pierre & Vacances Promotion Immobilière	1,463	1,463	1,463
Pierre & Vacances Développement España	336	336	336
Les Senioriales	17,828	17,828	-
TOTAL NET VALUE	**152,133**	**148,453**	**130,260**

Note 6 - INTANGIBLE FIXED ASSETS

(in thousands of euros)	Brands	Other intangible fixed assets	Total intangible fixed assets
On 1 October 2006			
Gross values	98,200	44,806	143,006
Accumulated amortisation and depreciation	-1,508	-15,564	-17,072
NET VALUES	**96,692**	**29,242**	**125,934**
Changes			
Acquisitions	-	7,555	7,555
Disposals and write-offs	-	-926	-926
Business combinations	7,545	156	7,701
Amortisation	-	-3,915	-3,915
Impairment	-	-	0
Writebacks of amortisation and impairment	-	73	73
Reclassifications	-	-78	-78
TOTAL CHANGES FOR THE YEAR	**7,545**	**2,865**	**10,410**
At 30 September 2007			
Gross values	105,745	51,548	157,293
Accumulated amortisation and depreciation	-1,508	-19,441	-20,949
NET VALUES	**104,237**	**32,107**	**136,344**
Changes			
Acquisitions	79	9,272	9,351
Disposals and write-offs	-	-565	-565
Business combinations	-	-	0
Amortisation	-	-3,371	-3,371
Impairment	-	-	0
Writebacks of amortisation and impairment	-	172	172
Reclassifications	-	-520	-520
TOTAL CHANGES FOR THE YEAR	**79**	**4,988**	**5,067**
At 30 September 2008			
Gross values	105,824	59,735	165,559
Accumulated amortisation and depreciation	-1,508	-22,640	-24,148
NET VALUES	**104,316**	**37,095**	**141,411**

Intangible fixed assets at 30 September 2008 are:

- **the "brands" item** including €85,870 thousand for the Center Parcs brand, €7,472 thousand for the Pierre & Vacances brand, €5,505 thousand for the Sunparks brand, €3,236 thousand for the Maeva brand, €2,040 thousand for the Les Senioriales brand, €114 thousand for the Multivacances brand and €79 thousand for the Adagio brand. According to the method described in the reporting principles for intangible fixed assets (Note 1.12), an impairment test was carried out on 30 September 2008 for each of the brands on the balance sheet according to the procedures described in Note 7. This impairment test did not lead to the recording of depreciation;
- **the "other intangible fixed assets" item,** which includes €27,126 thousand for the investments in the Pierre & Vacances Europe division and €4,729 thousand for the investments in the Center Parcs Europe division. These fixed assets relate mainly to investments arising from the overhaul of their information systems. Over the financial year, the investments made by the group as part of upgrading the information systems come to €9,135 thousand).

Note 7 - VALUATION TESTS OF GOODWILL AND INTANGIBLE ASSETS WITH AN INDEFINITE LIFE

Intangible fixed assets with an indefinite life consist mainly of brands and goodwill. They are not amortised and are subjected to an impairment test as soon as indications of impairment appear and at least once a year at the year-end, namely on 30 September of each year.

As indicated in Note 1.11 and in the absence of a market value available at the year-end, the recoverable value of the cash generating units (CGUs) is determined on the basis of their value in use.

The recoverable value of each group of assets tested was therefore compared with its value in use defined as being equal to the sum of the net discounted cash flows.

Cash flows were based on four-year business plans produced by the operating and finance managers of a CGU or CGU group whose main assumptions (average net selling prices, occupancy rates, inflation, etc.) were reviewed by the group's Finance Department, according to the division's past performance and outside macro-economic information in Europe. Note that the business plans are produced on a like-for-like basis, that is without increased capacity, even though the projects are already identified. Beyond this explicit projection period, cash flows are extrapolated by applying a perpetual growth rate which, to be on the safe side, was assumed to be slightly lower than the long-term growth rate of the countries in which the businesses operate. The discount rate used is the average weighted cost of capital, that is the weighted average rate of shareholders' equity and borrowings.

Within each business sector, the CGU group used to assess the recoverable value of the assets reflects the group's activities in terms of financial reporting. So the main Pierre & Vacances Group CGUs to which virtually all the goodwill and brands on the balance sheet relate are:

- for tourism:
- the Pierre & Vacances Europe CGU group which contains within the same operating department the operation of the residences and villages in France, Italy and Spain, arising both from the group's internal property development and external acquisitions (mainly those of Orion in March 1999, Maeva in September 2001 and Résidences MGM in February 2003),
- the Center Parcs Europe CGU which contains the business of Center Parcs Europe Continentale and Gran Dorado, companies that were bought by the group in successive stages in 2000, 2001 and 2003. All the activity of the companies has been merged and is today marketed under the single Center Parcs brand in the Netherlands, Germany, Belgium and France,
- the Sunparks CGU which includes the activities of the four new Belgian villages bought on 19 April 2007;
- for property development:
- the les Senioriales CGU which relates to the property development and marketing business in France for the residences targeted at active seniors.

The assignment of goodwill and brands to the various CGUs thus identified appears as follows on 30 September 2008, 2007 and 2006.

(in thousands of euros)	30/09/2008 Goodwill	30/09/2008 Brand	30/09/2008 Total	30/09/2007 Goodwill	30/09/2007 Brand	30/09/2007 Total	30/09/2006 Goodwill	30/09/2006 Brand	30/09/2006 Total
Pierre & Vacances Europe	69,162	10,901	80,063	65,482	10,822	76,304	65,117	10,822	75,939
Center Parcs Europe	63,344	85,870	149,214	63,344	85,870	149,214	63,344	85,870	149,214
Sunparks	-	5,505	5,505	-	5,505	5,505	-	-	0
Les Senioriales	17,828	2,040	19,868	17,828	2,040	19,868	-	-	0
Other CGU groups	1,799	-	1,799	1,799	-	1,799	1,799	-	1,799
TOTAL NET VALUES	**152,133**	**104,316**	**256,449**	**148,453**	**104,237**	**252,690**	**130,260**	**96,692**	**226,952**

The table below summarises the main assumptions used to estimate the value in use and the sensitivity of that recoverable value to changes in perpetual growth rate and discount rate of the main CGUs and CGU groups that represent the majority of the goodwill and intangible assets with an indefinite lifetime:

	Pierre & Vacances Europe	Center Parcs Europe
Perpetual growth rate	**1.5%**	**1.5%**
Discount rate used	**9.4%** (versus 8.3% on 30 September 2007)	**9.4%** (versus 8.3% on 30 September 2007)
Sensitivity of the recoverable value to the perpetual growth rate	A half-point increase and decrease in the perpetual growth rate has an impact of +6% and -5% respectively on the recoverable value	A half-point increase and decrease in the perpetual growth rate has an impact of +5% and -5% respectively on the recoverable value
Sensitivity of the recoverable value to the discount rate	A one-point increase and decrease in the discount rate has an impact of -12% and +16% on the recoverable value respectively	A one-point increase and decrease in the discount rate has an impact of -12% and +15% on the recoverable value respectively

Assumptions made when estimating value in use are based on predicted operating cash flows mainly associated with the change in turnover which, for its part, varies with supply, occupancy rates and average sale prices.

The same assumptions have been used for Les Senioriales. Differences in sensitivity are very close to those obtained in relation to Pierre & Vacances Europe and Center Parcs Europe.

The discount rate used in determining values in use justifying the value of the assets is based on the average cost of the group's capital, on its marginal cost of borrowing and on interest rates resulting from the market and adjusted to the characteristics of the group's assets. The increase in the discount rate used is mainly down to the increase in the market risk premium.

Note 8 - TANGIBLE FIXED ASSETS

(in thousands of euros)	Land	Buildings	Fixtures and fittings	Other tangible fixed assets and fixed assets in progress	Total tangible fixed assets
On 1 October 2006					
Gross values	15,012	74,302	112,923	155,729	357,966
Accumulated amortisation and depreciation	-1,222	-26,074	-52,514	-74,867	-154,677
NET VALUES	**13,790**	**48,228**	**60,409**	**80,862**	**203,289**
Changes					
Acquisitions	823	92,191	67,655	38,977	199,646
Disposals and write-offs	-127	-965	-399	-26,305	-27,796
Business combinations	-	-72	3,581	192	3,701
Amortisation	-	-3,798	-10,365	-10,975	-25,138
Impairment	-	-	-	-	0
Writebacks of amortisation and impairment	66	426	255	2,762	3,509
Reclassifications	-427	27,373	199	-28,595	-1,450
TOTAL CHANGES FOR THE YEAR	**335**	**115,155**	**60,926**	**-23,944**	**152,472**
At 30 September 2007					
Gross values	15,328	192,495	213,341	140,178	561,342
Accumulated amortisation and depreciation	-1,203	-29,112	-92,006	-83,260	-205,581
NET VALUES	**14,125**	**163,383**	**121,335**	**56,918**	**355,761**
Changes					
Acquisitions	1,553	10,101	36,734	32,144	80,532
Disposals and write-offs	-359	-409	-25,241	-14,443	-40,452
Business combinations	-	-	-	-	0
Amortisation	-	-6,245	-18,553	-13,092	-37,890
Impairment	-	-	-	-	0
Writebacks of amortisation and impairment	243	311	25,122	9,949	35,625
Reclassifications	-269	-835	1,248	2,260	2,404
TOTAL CHANGES FOR THE YEAR	**1,168**	**2,923**	**19,310**	**16,818**	**40,219**
At 30 September 2008					
Gross values	16,253	200,624	222,459	163,419	602,755
Accumulated amortisation and depreciation	-960	-34,318	-81,814	-89,683	-206,775
NET VALUES	**15,293**	**166,306**	**140,645**	**73,736**	**395,980**

The tangible fixed assets, with a net book value of €395,980 thousand at 30 September 2008, essentially include the assets:

- **of the Center Parcs Europe tourism division** with a net value of €300,074 thousand mainly consisting of furniture and general fittings needed for operating villages.

  The main changes for the year arise from:

- investments of €52,002 thousand including in particular:
  - €25,150 thousand for improving the product mix of all the Center Parcs villages, including €8,077 thousand for the Netherlands villages, €7,894 thousand for the French villages, €7,178 thousand for the Belgian villages and €2,000 thousand for the Belgian villages,
  - €8,928 thousand for work financed by the property owners including €3,928 thousand associated with work on the village of Port Zélande, €2,848 thousand associated with work on the village of Zandvoort and €2,152 thousand associated with work on the village of Hochsauerland,
  - €16,268 thousand at Sunparks, including €11,477 thousand for the extension work on the village of De Haan and the refurbishment of other sites. This sum is to be financed by the property owner, Foncière des Murs, in 2008/2009;
- the previously agreed sale of the above works carried out in the Zandvoort and Port Zélande villages to the property owners for a total of €3,548 thousand;

- **of the Pierre & Vacances Europe division** for a net amount of €92,250 thousand. It mainly comprises general services, fittings and equipment needed for operating the sites.

  During the year, the operating companies purchased general services and furniture for €8,210 thousand and carried out refurbishment work on the operated sites for €20,196 thousand, in particular at the sites of Branville, Pont Royal, Port La Nouvelle, Les Arcs, Menton, Chamonix, Le Touquet and Les Sables d'Olonne.

Lease financing contracts

At 30 September 2008, the net value of tangible fixed assets includes a total of €154,688 thousand for the restatement of the fixed assets held under lease financing contracts, compared with €158,351 thousand at 30 September 2007. The corresponding residual long-term debt stood at €123,405 thousand at 30 September 2008 compared with €122,568 thousand at 30 September 2007 (see Note 21 "Bank borrowings").

At 30 September 2008, the item "Lease financing contracts" includes:

- the central facilities of the Domaine Center Parcs du Lac d'Ailette village for €149,224 thousand; the corresponding long-term debt is €117,404 thousand;
- the overhaul of the stock of televisions in the residences operated by Pierre & Vacances Europe for €4,776 thousand.

Note 9 - COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Domaine Skiable de Valmorel	-	-	1,417
TOTAL	**0**	**0**	**1,417**

The 25% of the company Domaine Skiable de Valmorel that the group owned was sold on 3 October 2006 for €2,773 thousand. This sale generated a gross gain of €1,356 thousand.

Note 10 - NON-CURRENT FINANCIAL ASSETS

(in thousands of euros)	Non-consolidated short-term investments (*)	Related receivables	Loans and other financial assets	Total financial assets
On 1 October 2006				
Gross values	1,911	131	25,684	27,726
Accumulated depreciation	-	-	-189	-189
NET VALUES	**1,911**	**131**	**25,495**	**27,537**
Changes				
Changes in scope	-	163	85	248
Acquisitions	7,655	180	2,227	10,062
Disposals	-2	-311	-722	-1,035
Impairment	-	-	-	0
Impairment writebacks	-	-	-	0
TOTAL CHANGES FOR THE YEAR	**7,653**	**32**	**1,590**	**9,275**
At 30 September 2007				
Gross values	9,564	163	27,274	37,001
Accumulated depreciation	-	-	-189	-189
NET VALUES	**9,564**	**163**	**27,085**	**36,812**
Changes				
Changes in scope	-	-	-	0
Acquisitions	-	31	1,354	1,385
Disposals	-282	-	-1,277	-1,559
Impairment	-	-	-88	-88
Impairment writebacks	-	-	-	0
Reclassifications	-	-180	-	-180
TOTAL CHANGES FOR THE YEAR	**-282**	**-149**	**-11**	**-442**
At 30 September 2008				
Gross values	9,282	14	27,351	36,647
Accumulated depreciation	-	-	-277	-277
NET VALUES	**9,282**	**14**	**27,074**	**36,370**

(*) *Non-consolidated short-term investments are booked at fair value and shown in Note 11.*

"Loans and other long-term investments", representing a net book value of €27,074 thousand at 30 September 2008, mainly consist of:

- guarantee deposits in the amount of €22,880 thousand paid to property owners/lessors and suppliers. These deposits mainly concern the Pierre & Vacances Europe division (€6,292 thousand) and the Center Parcs Europe division (€16,144 thousand). The latter sum relates to deposits of three months' rent paid to the owners, including €9,750 thousand relating to the seven villages sold in 2002/2003 and €6,357 thousand relating to the villages of Hauts de Bruyères, Bois Francs and Domaine du Lac d'Ailette;
- loans of €2,703 thousand granted to joint venture groups in connection with the securitisation of receivables arising from sales made under the "Ownership & Holidays" scheme. These are fixed-rate loans (with rates from 5.12% to 6.40% depending on the loan) and will be repaid between November 2009 and September 2013. The repayment of these loans by the joint venture groups is subordinate to the full payment of all of their creditors.

Note 11 - NON-CONSOLIDATED SHORT-TERM INVESTMENTS

At 30 September 2008, the net book value of shares in non-consolidated companies breaks down as follows:

Company	% holding	Book value of shares held (in thousands of euros)	Financial information on the companies (in thousands of euros) Shareholders' equity	Net income
Sunparks De Haan NV	10.00%	3,338	33,383	449
Sunpa rks Oostduinkerke NV	10.00%	2,553	25,531	1,011
Sunparks Projects NV	10.00%	1,260	12,601	191
Sunaquapark Oostduinkerke	10.00%	445	4,447	25
Gran Dorado Zandvoort BV	10.00%	827	9,617	805
Gran Dorado Port Zélande BV	10.00%	661	7,683	756
Medebach Park BV	10.00%	64	10,667	675
Other shares	-	134	-	-
TOTAL		**9,282**	**-**	**-**

"Non-consolidated short-term investments" are mainly:

- 10% of the capital held by Sunparks Groep NV to the value of €7,596 thousand in Sunparks De Haan NV, Sunparks Oostduinkerke NV, Sunparks Projects NV and Sunaquapark Oostduinkerke NV. These are companies carrying the sold buildings of two villages, Oostduinkerke and de Haan, as part of the Sunparks transaction. It should be noted that there is a protocol for an option to buy these shares that can be exercised in two years for which the impact of the discount has been valued in financial instruments, liabilities, at €709 thousand gross;
- 10% of the capital held by Multi Resorts Holding BV to the value of €1,552 thousand in Gran Dorado Zandvoort BV, Gran Dorado Port Zélande BV and Medebach Park BV. The group was required to buy these shares when renegotiating the leases with the new owner of the land and buildings of these three Center Parcs villages. The contracts include refurbishment work that the owner agreed to finance and the work took a long time.

The other "non-consolidated short-term investments" are shares in a range of companies in which the percentage holding (less than 20%) is insufficient to be consolidated in the Pierre & Vacances Group.

Note 12 - INVENTORIES AND WORK IN PROGRESS

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Work in progress	76,614	45,022	39,178
Finished products	36,067	53,499	144,998
GROSS PROPERTY DEVELOPMENT PROGRAMMES	**112,681**	**98,521**	**184,176**
Provisions	-2,330	-4,406	-8,138
NET PROPERTY DEVELOPMENT PROGRAMMES	**110,351**	**94,115**	**176,038**
Other inventories	11,564	18,076	14,494
TOTAL	**121,915**	**112,191**	**190,532**

The increase reported during the year in the net balance of inventories and work in progress (+€9,724 thousand) mainly reflects the change in the contribution of the property development programmes (+€16,236 thousand). The breakdown of the contribution of each of the property development programmes to the gross value of the inventories is shown in Note 13.

Note 13 - CONTRIBUTION OF PROPERTY DEVELOPMENT PROGRAMMES TO THE GROSS VALUE OF INVENTORIES

(in thousands of euros)	30/09/2007	Increases	Reductions	30/09/2008
Manilva	**16,322**	9,892	-	26,214
Bois des Harcholins Cottages	**5,542**	31,527	-28,116	8,953
Adagio La Défense	**-**	10,257	-1,836	8,421
Bois des Harcholins Equipement	**-**	6,953	-	6,953
Cala Rossa	**5,686**	557	-1,267	4,976
Le Pouliguen	**4,189**	4,879	-3,281	5,787
Les Senioriales-Côte d'Azur	**2,872**	5,216	-3,481	4,607
Port Aventura	**3,674**	-	-130	3,544
Bois des Harcholins Foncière	**-**	3,268	-63	3,205
Danestal (Extension Branville)	**-**	2,809	-	2,809
Cap d'Agde Rochelongue	**-**	2,579	-	2,579
Val Thorens Machu	**-**	4,032	-1,609	2,423
Les Senioriales-Ruoms	**-**	3,023	-779	2,244
Les Senioriales-Salles sur Mer	**-**	2,287	-137	2,150
Les Senioriales-Bergerac	**175**	3,379	-1,426	2,128
Cannes Villa Francia-Ingres	**-**	4,887	-3,165	1,722
Les Senioriales-Landes	**1,571**	6,103	-6,109	1,565
Houlgate	**2,214**	5,417	-6,118	1,513
Courchevel	**9,470**	3,313	-11,290	1,493
Les Senioriales-Cévennes	**186**	2,592	-1,636	1,142

(in thousands of euros)	30/09/2007	Increases	Reductions	30/09/2008
Les Senioriales-Camargue	**1,764**	7,802	-8,430	1,136
Les Senioriales-Carcassone	**1,099**	6,012	-6,151	960
Belle Dune	**957**	3,293	-3,293	957
Val Thorens Pichu	**-**	2,702	-1,764	938
Le Rouret Tourisme Développement	**-**	1,311	-430	881
Val d'Isère (l'Aquila)	**5,947**	86	-5,466	567
Les Senioriales-Méditerranée	**1,021**	62	-613	470
Les Senioriales-Villereal	**233**	1,800	-1,594	439
Les Senioriales-Atlantique	**419**	1,921	-1,961	379
Le Rouret	**9**	439	-116	332
Branville	**6,181**	1,862	-7,716	327
Les Senioriales-Jonquières	**-**	257	-	257
La Grande Motte	**3,478**	-	-3,223	255
Les Senioriales-Fargues Saint Hilaire	**-**	174	-	174
Hauts de Bruyères Loisirs	**1,243**	4,430	-5,542	131
Les Senioriales-Saleilles	**1,660**	5,103	-6,642	121
La Mongie	**945**	-	-836	109
Coudalère	**622**	6,056	-6,579	99
Les Senioriales-Provence	**196**	103	-227	72
Montrouge	**332**	2,592	-2,884	40
Bénodet	**692**	-	-665	27
Hôtel du Golf aux Arcs	**5,162**	1,303	-6,465	0
Méribel Soleil	**1,639**	72	-1,711	0
Britania	**1,351**	841	-2,192	0
Haussmann	**1,040**	1,021	-2,061	0
Lille Vauban	**987**	13	-1,000	0
Bois Francs	**943**	330	-1,273	0
Plagne (le Themis & les Néréides)	**847**	-	-847	0
Paris Tour Eiffel	**694**	519	-1,213	0
Les maisons du Green Beach Loisirs	**656**	6,171	-6,827	0
Les Arcs Belmont	**444**	140	-584	0
La Daille Soleil A	**412**	-	-412	0
Eguisheim	**319**	43	-362	0
Arles	**301**	-	-301	0
Other property development programmes	**5,027**	17,989	-13,434	9,582
PROPERTY DEVELOPMENT SUB-TOTAL	**98,521**	**187,417**	**-173,257**	**112,681**

The gross change in work in progress and finished products of the property development programmes comprises:

- increases for the year arising essentially from:
  - acquisitions of the land and buildings of residences during the year for the refurbishment of the common areas and the accommodation units for subsequent resale to individual investors using the Pierre & Vacances sales scheme with attached lease. These purchases represent €20,221 thousand and mainly include:
    - a residence at La Défense, for €6,859 thousand, which will allow 99 units to be built,
    - the Machu and Pichu residences at Val Thorens, comprising 40 and 30 apartments respectively, for €5,095 thousand,
    - the Ingres residence within the Cannes Francia residence, comprising 30 apartments, for €3,600 thousand,
    - 17 apartments within the Rochelongue residence at Cap d'Agde, for €2,500 thousand,
    - 11 additional units within the Hôtel du domaine de Cramphore at Pouliguen for €2,167 thousand;
  - acquisitions of land for new construction programmes totalling €14,221 thousand, mainly those of the Domaine Center Parcs du Bois des Harcholins in Moselle (€3,209 thousand), and the Branville extension (€2,802 thousand). This sum includes the land acquired as part of the Les Senioriales programmes (€5,409 thousand),
  - work done during the year on the new build or refurbishment programmes thus creating an increase in gross inventory of €152,975 thousand.

The main programmes concerned are the cottages at Domaine Center Parcs du Bois des Harcholins, and the central facilities (€37,442 thousand), Manilva (€9,892 thousand), Les Senioriales-Camargue (€7,745 thousand), Les Senioriales-Landes (€6,103 thousand), Coudalère (€6,056 thousand), Les Senioriales-Carcassonne (€6,012 thousand) and Maisons du Green Beach (€5,820 thousand);

- reductions relating to reporting on the percentage completion method of income from new build or refurbishment programmes (€173,257 thousand).

Note 14 – TRADE RECEIVABLES AND RELATED ACCOUNTS

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Property development	315,987	170,090	179,514
Tourism	79,552	77,504	73,809
Services	859	675	692
GROSS TRADE RECEIVABLES	**396,398**	**248,269**	**254,015**
Property development	-610	-381	-393
Tourism	-6,425	-6,588	-10,921
Services	-35	-	-
PROVISIONS	**-7,070**	**-6,969**	**-11,314**
TOTAL	**389,328**	**241,300**	**242,701**

On 30 September 2008, net trade receivables were up €148,028 thousand, compared with the previous year. This change is mainly down to the property development business, the net balance trade receivables for which is up €145,668 thousand.

This change is the result:

- of the €314,075 thousand increase in receivables arising from capital fund campaigns to be carried out on sales signed in the presence of a notary during 2006/2007 and relating to programmes not yet delivered (essentially the cottages and facilities of Center Parcs du Bois des Harcholins, Houlgate, Belle Dune and Hauts de Bruyères);
- partially offset by money received as work has progressed: €168,407 thousand. This mainly concerns the following programmes: Val d'Isère, Manilva, Domaine du Lac d'Ailette, Les Ménuires Aconit and the extension of the Audierne village.

Note 15 - OTHER CURRENT ASSETS

(in thousands of euros)	30/09/2008	30/09/2007 (*)	30/09/2006 (*)
Advances and downpayments	7,303	8,389	5,807
Current accounts	10,758	9,152	3,289
Governments-taxes	93,947	104,583	82,344
"Ownership & Holidays" loans	13,361	7,167	8,865
Other receivables	45,586	32,339	26,503
Hedging instruments	423	740	352
GROSS VALUES	**171,378**	**162,369**	**127,160**
Provisions	-991	-1,285	-1,048
OTHER NET DEBTORS	**170,387**	**161,084**	**126,112**
Marketing fees and publicity – Tourism	318	260	-
Marketing fees and publicity – Property Development	31,007	23,119	32,168
Rents	25,149	23,605	24,200
Sundry prepayments	10,923	10,612	9,122
PREPAYMENTS	**67,397**	**57,596**	**65,490**
TOTAL	**237,784**	**218,680**	**191,602**

(*) Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".

The €19,104 thousand increase in "Other current assets" is mainly down to the launch of the Center Parcs du Bois des Harcholins programme.

Note 16 - CASH AND CASH EQUIVALENTS

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Cash	84,168	44,398	46,100
Cash equivalents	83,127	117,766	72,192
TOTAL	**167,295**	**162,164**	**118,292**

The details of cash equivalents by type are analysed as follows:

	30/09/2008	30/09/2007	30/09/2006
(in thousands of euros)	Fair value	Fair value	Fair value
Money market funds	83,114	117,748	72,174
Deposits	13	18	18
TOTAL	**83,127**	**117,766**	**72,192**

Note 17 - NOTES ON THE CASH FLOW STATEMENT

17.1 – Net cash flow assigned to the acquisition and disposal of subsidiaries

The net amount of cash assigned to the acquisition and disposal of subsidiaries (the amount of investments or net disposals of available cash in the subsidiary on the date of the transactions) during the last three years, as shown on the consolidated cash flow statement, is analysed as follows:

(in thousands of euros)	2007/2008	2005/2006	2005/2006
Acquisitions			
Goodwill of Adagio La Défense	-3,680	-	-
Sunparks	-	-79,309	-
Les Senioriales	-	-21,609	-
Goodwill of Hotel du Golf de Courchevel 1650	-	-734	-
Goodwill of La Grande Motte	-	-611	-
Anse à la Barque	-	119	-
SNC Méribel Soleil	-	-	-8,780
SNC La Daille Soleil	-	-	-5,226
SNC Alpe d'Huez Soleil	-	-	-2,625
SNC Belle Plagne Soleil	-	-	-2,381
Holding Green BV	-	-	-843
Other	-	-	-
SUBTOTAL OF SUBSIDIARY ACQUISITIONS	**-3,680**	**-102,144**	**-19,855**
Disposals			
Sunparks De Haan NV	-	35,095	-
Sunparks Oostduinkerke NV	-	30,355	-
Sunparks Projects NV	-	13,209	-
Sunaquapark Oostduinkerke	-	4,795	-
Domaine Skiable de Valmorel	-	2,773	-
Center Parcs Holding Deutschland GmbH	-	-	-
Marazul del Sur SA	-	-	415
SUBTOTAL OF SUBSIDIARY DISPOSALS	**0**	**86,227**	**415**
TOTAL	**-3,680**	**-15,917**	**-19,440**

Net cash assigned to the acquisition and disposal of subsidiaries generates a cash requirement of €3,680 thousand for 2007/2008. It corresponds to the payment relating to the acquisition of the goodwill of a residence at La Défense.

Net cash assigned to the acquisition and disposal of subsidiaries generated a cash requirement of €15,917 thousand for 2006/2007. It included:

- the payment made for buying the "Sunparks" shares for €80,038 thousand, minus the positive cash flow of €729 thousand;
- the payment made for the "Les Senioriales" shares for €24,844 thousand, minus the positive cash flow of €3,235 thousand;
- the positive cash flow from the SNC Anse à la Barque for €119 thousand, bought during the year;

- the payment made for the goodwill of La Grande Motte and the Hôtel du Golf de Courchevel 1650 respectively for €611 thousand and €734 thousand;
- the money received for the sale, as part of the Sunparks transaction, of the companies holding the sold buildings of two villages, Oostduinkerke and De Haan. This sale generated total cash of €83,454 thousand;
- the money received for the sale of Domaine Skiable de Valmorel, the company operating the ski lifts of that resort. This sale generated €2,773 thousand in cash.

Net cash assigned to the acquisition and disposal of subsidiaries generated a cash surplus of €19,440 thousand for 2006/2005. It included:

- the payment made for the shares in the legal structures owning the business, land and buildings of four mountain resort residences broken down as follows:
  - acquisition of the shares and business of SNC Méribel Soleil for €8,496 thousand and €838 thousand respectively, less the positive cash flow of €554 thousand,
  - acquisition of the shares and business of the SNC La Daille Soleil for €5,026 thousand and €505 thousand respectively, less the positive cash flow of €305 thousand,
  - acquisition of the shares and business of the SNC Alpe d'Huez Soleil for €2,397 thousand and €502 thousand respectively, less the positive cash flow of €274 thousand,
  - acquisition of the shares and business of the SNC Belle Plagne Soleil for €2,191 thousand and €387 thousand respectively, less the net positive cash flow of €197 thousand;
- the payment made for shares in Holding Green BV for €1,080 thousand, less the positive cash flow of €237 thousand;
- the receipt for the sale of Marazul del Sur SA, a company owing shops on a Maeva site. This sale generated €415 thousand in cash.

17.2 – Net cash flow

The cash flow showing in the cash flow table is broken down as follows:

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Cash and cash equivalents	167,295	162,164	118,292
Credit bank balances	-2,650	-2,470	-899
NET CASH FLOW	**164,645**	**159,694**	**117,393**

Note 18 – GROUP SHAREHOLDERS' EQUITY

Capital and additional paid-in capital

During 2007/2008, Pierre & Vacances SA did not increase its capital by issuing new shares.

The share capital on 30 September 2008 stood at €88,109,110 and is divided into 8,810,911 fully paid-up ordinary shares with a par value of €10 each. During the year ending 30 September 2008, the weighted average number of ordinary shares in circulation was 8,694,516.

Potential capital: options to subscribe for shares

The analysis of the potential capital and its movements during 2007/2008 are detailed in the table below:

		30/09/2007		Movements for the year: Options allocated		Movements for the year: Options exercised		Movements for the year: Options cancelled		30/09/2008	
Options to subscribe for shares allocated by the Board of Directors of:	Strike price (in euros)	Number (*)	Impact on shareholders' equity (in thousands of euros)	Number	Impact on shareholders' equity (in thousands of euros)	Number	Impact on shareholders' equity (in thousands of euros)	Number	Impact on shareholders' equity (in thousands of euros)	Number (*)	Impact on shareholders' equity (in thousands of euros)
20/03/00	47.00	2,317	108					-	-	2,317	108
11/04/03	44.00	5,000	220	-	-	-	-	-	-	5,000	220
03/11/03	63.83	7,150	456	-	-	-	-	-	-	7,150	456
07/09/04	66.09	136,938	9,050	-	-	-	-	-4,350	-287	132,588	8,763
26/09/05	59.89	1,000	60	-	-	-	-	-	-	1,000	60
09/01/07	0.00	11,035	-	-	-	-	-	-	-	11,035	0
08/01/08	0.00	-	-	13,010	-	-	-	-	-	13,010	0
TOTAL		**163,440**	**9,894**	**13,010**	**0**	**0**	**0**	**-4,350**	**-287**	**172,100**	**9,607**
including number of exercisable options		*7,317*								*147,055*	

(*) Valid on the date indicated.

During the period ending 30 September 2008, the weighted average number of ordinary shares and dilutive shares stood at 8,755,951.

Acquisitions of own shares

During 2007/2008, the Pierre & Vacances Group bought 68,740 of its own shares for a total of €4,555 thousand recorded as a debit to the treasury stock reserve. These shares are allocated to cover stock option plans allocated by the group's management and to liquidity agreements. At 30 September 2008, the group held 151,884 of its own shares for a total value of €10,487 thousand.

Distribution of dividends

DIVIDENDS PAID

The Combined General Meeting , of 14 February 2008 distributed a dividend of €2.70 per share, that is a total of €23,525 thousand.

PROPOSED DISTRIBUTION OF DIVIDENDS

At the Combined General Meeting of 12 February 2009, a dividend of €2.70 per share will be proposed, that is a total of €23,813 thousand representing 37% of current net income (current operating income + corporate income tax on current operating income + financial income + corporate income tax on financial income + share in income of companies accounted for by the equity method – share of minority interests).

Note 19 - MINORITY INTERESTS

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Minority interests at 1 October	**-33**	**2**	**282**
Change in scope	36	-	-
Dividends paid/Appropriation of income	-	-68	-461
Income for the year	-	33	181
MINORITY INTERESTS AT 30 SEPTEMBER	**3**	**-33**	**2**

Note 20 - PROVISIONS

(in thousands of euros)	30/09/2007	Charges	Writebacks used	Writebacks not used	Reclassifications	30/09/2008
Refurbishment	38,282	1,298	-6,519	-8,293	37	24,805
Pension commitments	11,729	1,619	-1,750	-	-	11,598
Provisions for disputes	1,686	2,124	-740	-570	71	2,571
Other provisions	4,594	8,812	-998	-285	-108	12,015
TOTAL	**56,291**	**13,853**	**-10,007**	**-9,148**	**0**	**50,989**
Non-current portion	*42,299*					*28,283*
Current portion	*13,992*					*22,706*

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Refurbishment	17,263	32,395	26,446
Pension commitments	10,244	9,522	8,832
Other provisions	776	382	-
NON-CURRENT PROVISIONS	**28,283**	**42,299**	**35,278**
Refurbishment	7,542	5,887	9,323
Pension commitments	1,354	2,207	2,067
Provisions for disputes	2,571	1,686	2,741
Other provisions	11,239	4,212	4,167
CURRENT PROVISIONS	**22,706**	**13,992**	**18,298**
TOTAL	**50,989**	**56,291**	**53,576**

The net €5,302 thousand reduction in provisions is mainly down to a writeback of provisions for refurbishment at the Center Parcs Europe division following a rationalisation of refurbishment programmes.

Provision for disputes

Outstanding disputes at 30 September 2008 for which the group will probably or certainly have to pay out to a third party without at least equivalent compensation amounted to€2,571 thousand. 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 outside specialists where necessary. A provision for the estimated cost of the risk is booked in the financial statements of the various entities involved.

The breakdown of provisions for disputes and their changes during the year is as follows:

(in thousands of euros)	Disputes in the tourism business	Disputes in the property development business	Individual employee disputes	Total disputes
Balance of provisions on 1 October 2006	**1,443**	**631**	**667**	**2,741**
New disputes	197	4	651	852
Writebacks for expenditure for the period	-407	-30	-442	-879
Writebacks not used	-807	-	-72	-879
Reclassifications	-173	-	24	-149
Balance of provisions on 30 September 2007	**253**	**605**	**828**	**1,686**
New disputes	1,527	250	347	2,124
Writebacks for expenditure for the period	-254	-4	-482	-740
Writebacks not used	-	-530	-40	-570
Reclassifications	51	-	20	71
BALANCE OF PROVISIONS ON 30 SEPTEMBER 2008	**1,577**	**321**	**673**	**2,571**

Provisions for restructuring

Provisions for restructuring are included in the item "Other provisions" and are broken down as follows:

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Balance of provisions on 1 October	**1,845**	**3,091**	**2,622**
New restructuring operations	2,477	684	3,071
Writebacks for expenditure for the period	-331	-1,376	-1,719
Writebacks not used	-285	-554	-883
Reclassifications	-71	-	-
BALANCE OF PROVISIONS AT 30 SEPTEMBER	**3,635**	**1,845**	**3,091**

Changes in restructuring provisions are linked to the introduction of the plan to provide greater synergy between the Pierre & Vacances Europe and Center Parcs Europe divisions.

Provision for pension commitments

Provisions for pension commitments, which are assessed by independent actuaries, are determined according to the group's reporting principles (see Note 1.23 "Pension commitments and related benefits"). The commitments reported relate mainly to France and the Netherlands. The main actuarial assumptions used for each country for the assessment are as follows:

	30/09/2008		30/09/2007		30/09/2006	
	France	Netherlands	France	Netherlands	France	Netherlands
Discount rate	6.50%	6.50%	5.25%	5.25%	4.85%	4.85%
Expected rate of return on assets	NA	5.25%	NA	5.10%	NA	4.50%
Rate of salary increase	2.00%	3.50%	2.00%	3.00%	2.00%	3.00%
Inflation rate	2.00%	2.50%	2.00%	2.00%	2.00%	2.00%

The amounts reported on the balance sheet at 30 September are broken down as follows:

	30/09/2008			30/09/2007			30/09/2006		
(in thousands of euros)	Pension schemes	Other benefits	Total	Pension schemes	Other benefits	Total	Pension schemes	Other benefits	Total
Discounted value of the financed obligation	42,848	3,085	45,933	47,099	3,114	50,213	44,849	2,811	47,660
Fair value of the scheme assets	42,409	-	42,409	44,466	-	44,466	42,436	-	42,436
Net value of the obligation	**439**	**3,085**	**3,524**	**2,633**	**3,114**	**5,747**	**2,413**	**2,811**	**5,224**
Actuarial profits (losses) not reported	8,074	-	8,074	5,982	-	5,982	5,675	-	5,675
NET BALANCE SHEET LIABILITY	**8,513**	**3,085**	**11,598**	**8,615**	**3,114**	**11,729**	**8,088**	**2,811**	**10,899**

The change in pension commitments is as follows:

	2007/2008			2006/2007			2005/2006		
(in thousands of euros)	Pension schemes	Other benefits	Total	Pension schemes	Other benefits	Total	Pension schemes	Other benefits	Total
Actuarial debt at 1 October	**8,615**	**3,114**	**11,729**	**8,088**	**2,811**	**10,899**	**6,775**	**2,701**	**9,476**
Cost of services rendered	1,306	395	1,701	1,455	302	1,757	1,875	315	2,190
Net interest charges	2,403	145	2,548	2,082	133	2,215	1,785	107	1,892
Return on scheme assets	-2,250	-	-2,250	-1,940	-	-1,940	-1,599	-	-1,599
Contributions and benefits paid	-1,362	-277	-1,639	-1,062	-256	-1,318	-1,997	-210	-2,207
Actuarial differences reported	-170	-272	-442	-20	63	43	42	-38	4
Cost of past services	-	-	0	-	-	0	1,207	-64	1,143
Change in scope	-29	-20	-49	12	61	73	-	-	0
ACTUARIAL DEBT AT 30 SEPTEMBER	**8,513**	**3,085**	**11,598**	**8,615**	**3,114**	**11,729**	**8,088**	**2,811**	**10,899**

The change in fair value of the assets held to cover the commitments is broken down as follows:

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Fair value of investments at 1 October	**44,466**	**42,436**	**38,259**
Expected return on scheme assets	2,250	1,940	1,599
Employer contributions received	1,062	815	1,594
Contributions received from scheme members	803	785	706
Benefits paid and expenses for the period	-1,425	-1,176	-954
Estimated value of investments at 30 September	**47,156**	**44,800**	**41,204**
Fair value of investments at 30 September	**42,409**	**44,466**	**42,436**
Actuarial difference	-4,747	-334	1,232
EFFECTIVE RETURN ON SCHEME ASSETS DURING THE PERIOD	**-2,497**	**1,606**	**2,831**

The breakdown of the fair value of assets held to cover the commitments by asset category is analysed as follows:

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Cash	23	-109	12
Shares	6,985	8,535	7,838
Fixed rate investments	36,279	36,040	35,486
Debts	-878	-	-900
FAIR VALUE	**42,409**	**44,466**	**42,436**

For the year ending 30 September 2007, provisions had changed as in the table below:

(in thousands of euros)	30/09/2006	Change in scope	Charges	Writebacks used	Writebacks not used	Reclas-sifications	30/09/2007
Refurbishment	35,769	-	5,822	-2,303	-1,006	-	38,282
Pension commitments	10,899	72	2,071	-1,313	-	-	11,729
Provisions for disputes	2,741	35	817	-879	-879	-149	1,686
Other provisions	4,167	1,109	1,344	-1,621	-554	149	4,594
TOTAL	**53,576**	**1,216**	**10,054**	**-6,116**	**-2,439**	**0**	**56,291**
Non-current portion	*35,278*						*42,299*
Current portion	*18,298*						*13,992*

Note 21 - BANK BORROWINGS

Breakdown by type and business sector

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Long-term borrowings			
Bank borrowings	48,600	68,547	83,682
Tourism	*46,250*	*64,750*	*74,000*
Property development	*2,350*	*3,797*	*9,682*
Bridging loans	31,674	11,531	2,970
Property development	*31,674*	*11,531*	*2,970*
Lease financing contracts	122,155	121,600	26,745
Tourism	*122,155*	*121,600*	*347*
Property development	-	-	*26,398*
Other bank borrowings	1,573	1,511	318
Tourism	*418*	*354*	*261*
Property development	*1,155*	*1,157*	*57*
LONG-TERM SUB-TOTAL	**204,002**	**203,189**	**113,715**
of which Tourism	*168,823*	*186,704*	*74,608*
of which Property development	*35,179*	*16,485*	*39,107*
Short-term borrowings			
Bank borrowings	21,317	21,069	40,651
Tourism	*18,135*	*17,998*	*37,122*
Property development	*3,182*	*3,071*	*3,529*
Bridging loans	19,617	8,483	20,897
Property development	*19,617*	*8,483*	*20,897*
Lease financing contracts	1,250	968	1,427
Tourism	*1,250*	*754*	*181*
Property development	-	*214*	*1,246*
Other bank borrowings	1,294	1,112	152
Tourism	*1,206*	*1,099*	*152*
Property development	*88*	*13*	-
Credit bank balances	2,650	2,470	899
Tourism	*2,337*	*1,855*	*630*
Property development	*313*	*615*	*269*
SHORT-TERM SUB-TOTAL	**46,128**	**34,102**	**64,026**
of which Tourism	*22,928*	*21,706*	*38,085*
of which Property development	*23,200*	*12,396*	*25,941*
TOTAL	**250,130**	**237,291**	**177,741**
of which Tourism	*191,751*	*208,410*	*112,693*
of which Property development	*58,379*	*28,881*	*65,048*

Bank borrowings and bridging loans at 30 September 2008 are essentially as follows:

Tourism business

- the principal still owed (€64,750 thousand) on the "Corporate" loan relating to the borrowings taken out for the external growth transactions, that was refinanced by the group the previous year. The loan outstanding at 30 September 2008 is broken down as follows:
  - €49,980 thousand to purchase the additional 50% of the Center Parcs Europe subgroup,
  - €14,770 thousand to buy Gran Dorado, the first 50% of the capital of Center Parcs Europe and Maeva.

  as part of this refinancing, the maturity date of this debt has been extended by 2.5 years with a final maturity set for 26 March 2012. The provisional plan for amortising this debt over the five years is by the straight-line method and corresponds to an annual repayment of principal of €18,500 thousand.

Property development business

- the bridging loans totalling €51,291 thousand put in place for property development:
  - €30,524 thousand to finance the construction, in the property development programme, of the cottages at the new site Center Parcs du Bois des Harcholins. On 1 October, this bridging loan was offset by cash and cash equivalents generated by the sales of cottages (€25,563 thousand) and which were, until the issuing of the completion guarantee, frozen in an escrow account. The net position on 30 September 2008 is therefore €4,961 thousand,
  - €12,118 thousand to finance the property development programmes of the Les Senioriales,
  - €8,649 thousand to finance the building of the Manilva property development programme in Spain;
- the outstanding principal of the loan to finance the "Nouvelle Propriété" debt acquired mainly as part of the purchase of Résidences MGM (€3,789 thousand after taking account of the €1,527 thousand repayment for the period).

Moreover, the Pierre & Vacances Group benefits from a confirmed line of credit (that has not been used to date) of €90 million for which the maturity date has been extended to 26 March 2012 following refinancing of the "Corporate" debt in March 2007.

The bank borrowings corresponding to restatement of lease finance agreements break down as follows:

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Domaine du Lac d'Ailette village	117,404(*)	118,729	26,398
Résidence Bénodet	-	214	1,246
Center Parcs Europe	176(**)	341	528
Sunparks	370(***)	544	-
PVMTE	5,455(****)	2,740	-
TOTAL	**123,405**	**122,568**	**28,172**

(*) The underlying net asset (€149,224 thousand at 30 September 2008) is recorded in tangible fixed assets.
(**) The underlying net asset (€328 thousand at 30 September 2008) is recorded in tangible fixed assets.
(***) The underlying net asset (€360 thousand at 30 September 2008) is recorded in tangible fixed assets.
(*****) The underlying net asset (€4,776 thousand at 30 September 2008) is recorded in tangible fixed assets.

Other bank borrowings consist essentially of the early exercise of the purchase option that Pierre & Vacances has with the new Chief Executive of the Les Senioriales subgroup in the amount of €1,100 thousand.

Breakdown by maturity

The change in maturity of gross bank borrowings breaks down as follows:

Maturities (in thousands of euros)	Balance at 30/09/2008	Balance at 30/09/2007	Balance at 30/09/2006
Year N + 1	46,128	34,113	64,026
Year N + 2	54,209	32,188	39,539
Year N + 3	21,771	20,585	41,703
Year N + 4	12,299	19,986	2,353
Year N + 5	3,872	10,889	1,918
Year > N + 5	111,851 (*)	119,530	28,202
TOTAL	**250,130**	**237,291**	**177,741**

(*) *Including €109,615 thousand for the lease financing contracts.*

Breakdown by currency

All bank borrowings and debts are denominated in euros. The group's bank borrowings therefo, re incur no currency risk.

Breakdown of main loans by interest rate type

FIXED RATE LOANS

The main fixed rate loans recorded as liabilities in the balance sheet on 30 September 2008 are those that relate to the restatement of the lease financing contracts. The nominal value of bank borrowings relating to the restatement of the lease financing contracts and taken out at a fixed rate is €117,950 thousand. The majority of these loans carry interest at 6.02%.

Date taken out	Maturity date	Principal outstanding at 30/09/2008 (in millions of euros)	
Lease financing contracts			
18/07/2005	18/07/2010	0.2	4.55%
21/09/2005	31/12/2038	117.4	6.02% (*)
15/03/2006	15/02/2011	0.1	7.00%
01/09/2006	01/08/2011	0.1	7.24%
15/11/2005	15/10/2011	0.2	6.27%
TOTAL		**118.0**	

(*) *The lease financing contract for the Center Parcs Europe Domaine du Lac d'Ailette village programme was a variable rate until 10 January 2008 (Eonia+ margin). Since then, it has been at a fixed rate (6.02%), which will continue until the contract matures.*

VARIABLE RATE LOANS

The nominal amount of bank loans, bridging loans and lease finance agreements taken out at a variable rate is €124,914 thousand with a rate, depending on the loans, varying between Eonia + margin and 12-month Euribor + margin.

To manage the risk associated with, interest rate fluctuations on variable rate loans, the Pierre & Vacances Group has set up interest rate swap contracts (described in Note 23 – Hedging instruments).

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

Bank loans, bridging loans and lease financing contracts				Hedging			
Date taken out	Maturity date	Principal outstanding at 30/09/2008 (in millions of euros)	Rate	Instrument type	Notional at 30/09/2008 (in millions of euros)	Maturity date	Rate details
Bank borrowings							
17/09/2003	30/09/2011	3.8	6-month Euribor + margin	None			
26/03/2007	26/03/2012	14.5	1 to 6-month Euribor + margin	Swap	37.0	28/09/2009	Lender rate: 6-month Euribor Borrower rate: fixed: 3.8675%
26/03/2007	26/03/2012	49.9	1 to 6-month Euribor + margin	Swap	10.0	26/03/2010	Lender rate: 6-month Euribor Borrower rate: fixed: 3.7200%
SUB-TOTAL		**68.2**			**47.0**		
Bridging loans							
18/09/2006	31/03/2009	8.6	1-month Euribor + margin	None			
11/12/2006	31/10/2008	0.7	T4M + margin	None			
24/09/2007	31/07/2009	4.0	T4M + margin	None			
03/12/2007	30/06/2009	2.1	T4M + margin	None			
26/02/2008	25/08/2009	2.3	Eonia + margin	None			
11/04/2008	11/04/2010	30.5 (*)	3-month Euribor + margin	None			
02/06/2008	31/03/2010	1.2	3-month Euribor + margin	None			
10/06/2008	30/09/2009	1.8	T4M + margin	None			
SUB-TOTAL		**51.2**			**0.0**		
Lease financingcontracts							
01/07/2007	01/07/2013	5.5	12-month Euribor	None			
SUB-TOTAL		**5.5**			**0.0**		
TOTAL		**124.9**			**47.0**		

(*) *On 1 October, this bridging loan was offset by cash and cash equivalents generated by the sales of cottages (€25,563 thousand) and which were, until the issuing of the completion guarantee, frozen in an escrow account. The net position on 30 September 2008 is therefore €4,961 thousand.*

GUARANTEES

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Guarantees	287,182	276,362	322,350
Mortgages	8,917	5,120	674
TOTAL	**296,099**	**281,482**	**323,024**

The guarantees granted by the group as security for its bank loans mainly include:

- first-call guarantees given by Pierre & Vacances SA to banks in connection with financing the "Corporate" loans taken out by the group. Following the refinancing of the balance of the loan finalised in March 2007, the first-call guarantees were lifted and replaced by new, identical first-call guarantees whose maturity has been extended by 2.5 years. These guarantees correspond to 1.1 times the amount of capital still owing on the Center Parcs Europe loan on 30 September 2008, or €54,978 thousand.

  As at 30 September 2008, there were no more pledges of company shares as surety for these first-call guarantees;
- a first-call guarantee of €189,830 thousand that can be written down, granted to the bank with which it took out a lease finance agreement for the Domaine du Lac d'Ailette village facilities;
- the guarantee granted by Pierre & Vacances SA to the value of €30,524 thousand for the bridging loan used to finance the cottages in the new Center Parcs site in Moselle, le Bois des Harcholins;
- the guarantee given by Pierre & Vacances SA to the value of €8,649 thousand for the bridging loan put in place to finance the building of the Manilva residence in Spain;
- sureties given as part of the bridging loans for the Les Senioriales property development programmes, divided between guarantees of €3,201 thousand and mortgages of €8,917 thousand.

The change in maturity of the guarantees is broken down as follows:

	Balance at		
Maturities (in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Year N + 1	37,565	25,758	55,509
Year N + 2	49,761	30,132	37,041
Year N + 3	18,234	18,802	39,492
Year N + 4	10,544	19,017	4,455
Year N + 5	2,849	11,403	4,724
Year > N + 5	177,146	176,370	181,803
TOTAL	**296,099**	**281,482**	**323,024**

Note 22 - FINANCIAL INSTRUMENTS

The table below shows the book value and the fair value of the financial instruments reported on the balance sheet:

(in thousands of euros)	Category IAS 39	30/09/2008 Book value (*)	30/09/2007 Book value (*)	30/09/2006 Book value (*)
ASSETS				
Non-current financial assets		36,370	36,812	27,537
Unlisted shareholdings	Assets available for sale at fair value by shareholders' equity	9,282	9,564	1,911
Related receivables	Loans and receivables at amortised cost	14	163	131
Loans and other financial assets	Loans and receivables at amortised cost	27,074	27,085	25,495
Trade receivables and related accounts	Loans and receivables at amortised cost	389,328	241,300	242,701
Other current assets	Loans and receivables at amortised cost	237,361	217,940	191,250
Cash and cash equivalents	Financial assets at fair value by income	167,295	162,164	118,292
Active derivatives	See Note 23 – Hedging instruments	423	740	352
LIABILITIES				
Bank borrowings (including the proportion at less than one year)		247,480	234,821	176,842
Bank borrowings	Financial liabilities at amortised cost	69,917	89,616	124,333
Lease financing contracts	Financial liabilities at amortised cost	123,405	122,568	28,172
Other bank borrowings	Financial liabilities at amortised cost	54,158	22,637	24,337
Trade payables and related accounts	Financial liabilities at amortised cost	272,674	334,202	270,299
Other current liabilities	Financial liabilities at amortised cost	624,509	440,971	414,171
Current bank loans	Financial liabilities at amortised cost	2,650	2,470	899

(*) The fair value of financial instruments is not significantly different from book value.

Note 23 - HEDGING INSTRUMENTS

The derivatives contracted by the Pierre & Vacances Group at 30 September 2008 are exclusively for the management of interest rate risk. They are deemed to be derivatives designated as cash flow hedging instruments. Interest rate risk is generally managed relative to the group's net bank borrowings in order to protect it against a possible rise in interest rates. To do this, the group took out swaps with leading banks.

At 30 September 2008, the notional amounts and market values of the swap contracts taken out to cover variable rate loans are as follows:

Lender rate	Borrower rate	Notional at 30/09/2008 (in thousands of euros)	Market value of hedging contracts (in thousands of euros)	Starting date	Date of maturity
6-month Euribor	3.8675%	37,000	285	26 Sept. 2007	26 Sept. 2009
6-month Euribor	3.7200%	10,000	117	26 March 2008	26 March 2010
6-month Euribor	3.6850%	0 (*)	21	28 Sept. 2009	26 March 2010
TOTAL		**47,000**	**423**		

(*) This swap needs to be used in order to comply with a commitment resulting from the Corporate debt contract.

The market value of the hedging instruments is +€423 thousand at 30 September 2008, compared with +€740 thousand at 30 September 2007.

Note 24 - MARKET RISKS

Cash flow management

Cash flow is managed centrally by the specialist staff of the Pierre & Vacances Group's Finance Department. The cash surpluses of subsidiaries are paid into the group's centralising entity (Pierre & Vacances FI) which redistributes them to the entities that need them and invests the balance in "regular euro money market" instruments to maximise liquidity and comply with the countervailing risk management policy. This centralisation means that financial resources are optimised and the main group entities' cash flow trends are closely monitored.

Countervailing risk

These operations are carried out with banks authorised by Senior Management in line with the countervailing risk management policy. Because of the diversity of counterparties, selected from leading banks according to their rating and the knowledge the group has of them, Pierre & Vacances considers that it is not exposed to a concentration of credit risk. Since Pierre & Vacances Group Management wants to be able to lay its hands on available cash consisting of unit trusts and mutual investment funds, the investments are short term (less than three months) and liquid.

Credit risk

Because of the group's marketing rules concerning the sale of property (selling off-plan), this activity does not contain any risks relating to these customer receivables.

In the tourism business, risk of non-payment by customers is low, with over 80% of turnover achieved by direct sale.

Liquidity risk

At 30 September 2008, the Pierre & Vacances Group's cash flow stood at €164,645 thousand. This is gross cash flow (€167,295 thousand) less bank overdrafts (€2,650 thousand).

The group also took out a confirmed line of credit for €90 million but that has not currently been used.

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Cash equivalents	83,127	117,766	72,192
Cash	84,168	44,398	46,100
Gross cash flow	**167,295**	**162,164**	**118,292**
Credit bank balances	-2,650	-2,470	-899
Net cash flow	164,645	159,694	117,393
Gross borrowings	**247,483**	**234,821**	**176,842**
Asset / liability hedging instruments	-423	-740	-352
NET DEBT	**82,415**	**74,387**	**59,097**

None of the Pierre & Vacances Group's bank loans are based on its debt rating. The contract set up during the refinancing of March 2007 contains standard clauses referring to the consolidated financial situation of the Pierre & Vacances Group.

The definition and levels of the ratios, also called financial covenants, are fixed in advance in agreement with the lenders. Compliance with the ratios is assessed only once a year at the year-end. Failure to comply with these ratios authorises the lenders to call in some or all of the debt early.

These loans are all accompanied by the usual legal clauses: "negative pledge", "pari passu", "cross default".

Following renegotiation of the "Corporate" loan in March 2007, only one ratio is now monitored compared with three previously:

- adjusted net debt/EBITDAR (adjusted net debt = net debt + eight times the annual lease expense excluding the head offices; EBITDAR = EBITDA before the annual lease expense excluding head offices; EBITDA = consolidated current operating income of the group plus net amortisation and provisions and expenses associated with the share purchase and subscription option plan).

For the financial statements to 30 September 2008, the "adjusted net debt/EBITDAR" ratio should be 5.50 or less. The Pierre & Vacances Group fully complies with this ratio.

Interest rate risk

The management of market risk relating to interest rate fluctuations is handled centrally by the group's Finance Department.

The group's policy is to reduce its exposure to interest rate fluctuations, so the group uses derivatives such as interest rate swaps, cap and floor contracts. The Pierre & Vacances Group's financial income thus has little sensitivity to interest rate changes. Only certain bridging loans backing property transactions may not be hedged against expected interest rate changes due to their usually limited duration.

At 30 September 2008, the maturities of assets and debts before and after taking account of off-balance sheet transactions break down as follows:

		Maturities		
(in thousands of euros)	30/09/2008	< 1 year	1 to 5 years	> 5 years
Fixed-rate borrowings	117,950	1,684	6,792	109,474
Variable-rate borrowings	124,914	40,149	84,624	141
Accrued interest not due	1,749	1,749	-	-
Financial liabilities	**244,613**	**43,582**	**91,416**	**109,615**
Fixed-rate loans	11,448	503	4,335	6,610
Variable-rate loans	5,336	1,386	3,950	-
Variable-rate cash equivalents	83,127	83,127	-	-
Financial assets	**99,911**	**85,016**	**8,285**	**6,610**
NET POSITION BEFORE MANAGEMENT	**144,702**	**-41,434**	**83,131**	**103,005**
Hedging (interest rate swaps)	47,000	37,000	10,000	-
NET POSITION AFTER MANAGEMENT	**97,702**	**-78,434**	**73,131**	**103,005**

The variable rate net position after management on 30 September 2008 is as follows:

(in thousands of euros)	30/09/2008	Maturities < 1 year	1 to 5 years	> 5 years
Borrowings	124,914	40,149	84,624	141
Loans	5,336	1,386	3,950	-
Cash equivalents	83,127	83,127	-	-
NET POSITION BEFORE MANAGEMENT	**36,451**	**-44,364**	**80,674**	**141**
Hedging	47,000	37,000	10,000	-
NET POSITION AFTER MANAGEMENT	**-10,549**	**-81,364**	**70,674**	**141**

A 1% increase in short-term debt would have a €0.8 million effect on financial income for 2008/2009, compared with €10.8 million of financial income for 2007/2008.

Exchange rate risk

Most of the group's assets and liabilities are denominated in euros. Only some subsidiaries are denominated in other currencies. As these subsidiaries are only small, the group is not exposed to foreign currency exchange rate variations.

Note 25 - TRADE PAYABLES AND RELATED ACCOUNTS

(in thousands of euros)	30/09/2008	30/09/2007 (*)	30/09/2006 (*)
Tourism	187,066	196,477	151,082
Property development	78,504	131,678	111,640
Services	7,104	6,047	7,577
TOTAL	**272,674**	**334,202**	**270,299**

(*) Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".

On 30 September 2008, the trade payables and related accounts show an increase of €61,528 thousand. This change is mainly linked to the property development business (-€53,174 thousand), in particular the Domaine du Lac d'Ailette village and Paris Tour Eiffel, programmes having been supplied in the previous year and whose contribution fell by €38,768 thousand and €6,802 thousand respectively.

Note 26 - OTHER CURRENT LIABILITIES

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Downpayments from clients	84,371	81,434	58,075
VAT and other taxes payable	84,477	60,284	40,423
Wages and social security commitments	83,460	86,914	75,110
Payables on acquisition of assets	821	843	3,143
Financial instruments	709	1,042	-
Other payables	79,481	72,195	41,990
OTHER OPERATING LIABILITIES	**333,319**	**302,712**	**218,741**
Property sales and support funds	276,032	126,655	176,501
Other deferred income	15,158	11,604	18,929
DEFERRED INCOME	**291,190**	**138,259**	**195,430**
TOTAL	**624,509**	**440,971**	**414,171**

The €183,538 thousand increase in "Other current liabilities" is mainly due to the development of the Domaine Center Parcs du Bois des Harcholins.

There has, in particular, been an increase in this property development programme of €26,600 thousand under the item "VAT and other taxes payable" and an increase in "Deferred income on property sales" of €206,319 thousand.

For the group, this deferred income relates to sales agreed at the notary's office relating to property development programmes under development and refurbishment that have not yet been supplied and for which the degree of progress has not yet been recorded at 30 September 2008.

BREAKDOWN OF THE MAIN PROFIT AND LOSS ACCOUNT ITEMS

Note 27 - PURCHASES AND EXTERNAL SERVICES

(in thousands of euros)	2007/2008	2006/2007 (*)	2005/2006 (*)
Tourism cost of goods sold	-94,804	-80,962	-81,047
Property development cost of inventories sold	-131,726	-297,004	-295,822
Owner leases and other co-ownership expenses	-340,737	-314,238	-284,593
Subcontracted services (laundry, catering, cleaning)	-38,375	-31,495	-24,921
Advertising and fees	-124,427	-153,266	-121,018
Other	-186,850	-169,417	-139,529
TOTAL	**-916,919**	**-1,046,382**	**-946,930**

(*) *Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".*

The group's expense for 2007/2008 relating to lease payments received by individual and institutional owners of the land and buildings of the hotels, residences and villages operated by the group was €273.7 million (€167.9 million for those marketed under the Pierre & Vacances Europe brands; €105.7 million for the Center Parcs Europe villages).

Note 28 - PERSONNEL EXPENSES

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Salaries and remunerations	-267,343	-250,110	-233,040
Social security expenses	-76,093	-77,087	-69,957
Cost of defined-contribution and defined-benefit schemes	430	-483	-1,130
Option plan expenses	-2,803	-2,122	-1,142
TOTAL	**-345,809**	**-329,802**	**-305,269**

The increase in "Personnel expenses" for the year arises partly from the, opening of the Domaine du Lac d'Ailette village (€10,197 thousand), which took place at the end of the 2006/2007 period.

Option plan expenses

In application of the transitional requirements for IFRS 2, only stock option plans granted after 7 November 2002 whose rights had not been acquired by 1 January 2005 have been valued and reported on the date of the transition to IFRS.

The features of the plans reported are as follows:

Date of allocation by the Board of Directors	Type (*)	Number of options at the start	Period of acquisition of rights	Expenses relating to option plans (in thousands of euros) 2007/2008	2006/2007	2005/2006
11/04/2003	OSA	25,000	4 years	-	-65	-123
03/11/2003	OSA	7,150	4 years	-4	-46	-46
07/09/2004	OSA	162,300	4 years	-735	-787	-787
26/09/2005	OAA	28,000	4 years	-158	-158	-158
26/09/2005	OSA	1,000	4 years	-6	-6	-6
21/07/2006	OAA	16,500	4 years	-113	-113	-22
09/01/2007	OAA	46,875	4 years	-254	-184	-
09/01/2007	OAA	16,010	2 years	-631	-458	-
09/01/2007	OAA	11,035	2 years	-420	-305	-
08/01/2008	OAA	38,375	4 years	-140	-	-
08/01/2008	OAA	13,010	2 years	-342	-	-
TOTAL				**-2,803**	**-2,122**	**-1,142**

(*) OSA: option to subscribe for shares. OAA: option to purchase shares.

The reported personnel expense is the fair value of the options granted as calculated on the date of grant by the Board using the "Black & Scholes" method. This expense is spread over the vesting period with a countervailing increase in reserves.

The assumptions used to value the options and results obtained are:

	Plan 03/11/2003	Plan 07/09/2004	Plan 26/09/2005	Plan 21/07/2006	Plan 09/01/2007	Plan 09/01/2007	Plan 09/01/2007	Plan 08/01/2008	Plan 08/01/2008
Share value on grant date	€71.10	€69.30	€65.40	€87.25	€93.40	€93.40	€93.40	€84.67	€84.67
Strike price	€63.83	€66.09	€59.89	€80.12	€87.40	€0.00	€0.00	€86.10	€0.00
Volatility	39.57%	39.57%	39.03%	37.67%	25.22%	25.22%	25.22%	30.79%	30.79%
Option period	10 years	10 years	10 years	10 years	10 years	4 years	4 years	4 years	2 years
Time to maturity used	5 years	5 years	5 years	5 years	5 years	2 years	2 years	5 years	2 years
Risk-free rate	3.88%	3.58%	2.71%	3.73%	4.06%	4.04%	4.04%	4.03%	3.93%
Dividend yield rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.89%	2.89%	2.30%	2.89%
Probability of beneficiaries leaving	0%	20%	0%	10%	10%	10%	0% to 20% (*)	10%	10%
Option value on grant date	€26.06	€24.24	€22.57	€30.59	€24.04	€89.39	€89.39	€22.17	€79.91

(*) The plan involving a large proportion of the employees of the Pierre & Vacances Group, a turnover rate per entity, professional grade and by age has been applied.

Note 29 - AMORTISATION AND PROVISIONS

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Amortisation	-41,271	-29,053	-26,752
Provisions	-5,155	-11,169	-15,602
TOTAL	**-46,426**	**-40,222**	**-42,354**

Net provisions of €5,155 thousand for 2007/2008 include provisions of €14,018 thousand and writebacks of unused provisions of €8,863 thousand.

Note 30 - CURRENT ITEMS

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Taxes	-5,813	-17,961	-18,912
Other operating expenses	-23,482	-24,655	-18,165
Other operating earnings	17,487	14,504	14,081
TOTAL	**-11,808**	**-28,112**	**-22,996**

The reduction in "Current items" is partly due to supply during the previous period of major property development programmes such as the Domaine du Lac d'Ailette village and Paris Tour Eiffel.

Note 31 - OTHER OPERATING EXPENSES AND EARNINGS

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Income from disposals	981	2,801	24,667
Restructuring costs	-3,862	-3,713	-10,388
Provisions for restructuring	-2,477	-684	-3,071
Depreciation of non-current assets	-	-980	-
TOTAL	**-5,358**	**-2,576**	**11,208**

The "Other operating expenses and earnings" in 2007/2008 essentially relate to the introduction of the plan to provide greater synergy between Pierre & Vacances Europe and Center Parcs Europe.

"Other operating expenses and earnings" for 2006/2007 mainly include:

- the surplus of €1,356 thousand from the sale of interests in Domaine Skiable de Valmorel (see Note 2 "Scope of consolidation", paragraph on Disposal in 2006/2007);

- the profit of €968 thousand following the sale of the business and non-current assets associated with operating the Pierre & Vacances Cefalù residence in Sicily;
- the restructuring costs net of a writeback for provision of €4,397 thousand of which €2,153 thousand relate to the ongoing reorganisation of the Italian subsidiary's tourism business;
- the total depreciation of €980 thousand for the whole of the business held by the Italian subsidiary following the reorganisation of its business.

"Other operating expenses and earnings" for 2005/2006 mainly included:

- the profit of €23,169 thousand from exercising the earn-out clause in the acquisition on 19 July 2006 by the Blackstone group of all the capital of Green Buyco BV;
- restructuring expenses and provisions of €13,459 thousand relating to setting up cost-saving programmes essentially for the tourism division.

Note 32 -FINANCIAL INCOME

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Gross cost of borrowings	-15,234	-7,798	-8,632
Earnings from cash and cash equivalents	4,060	3,150	2,765
Net cost of borrowings	**-11,174**	**-4,648**	**-5,867**
Income on loans	756	642	1,558
Other financial income	189	103	8
Other financial expenses	-578	-282	-1,325
Other financial income and expenses	**367**	**463**	**241**
TOTAL	**-10,807**	**-4,185**	**-5,626**
Total financial expenses	*-15,812*	*-8,080*	*-9,957*
Total financial income	*5,005*	*3,895*	*4,331*

Financial income for 2007/2008 mainly includes the costs of bank loans taken out by the group to finance its purchase of Center Parcs Europe and Gran Dorado (€5,096 thousand) and the costs relating to the lease financing contract for the central facilities of the Domaine du Lac d'Ailette village (€7,833 thousand).

Note 33 - CORPORATE INCOME TAX AND DEFERRED TAXES

BREAKDOWN OF THE TAX CHARGE

(in thousands of euros)	2007/2008	2006/2007 (*)
Consolidated income before tax	**87,324**	**98,989**
Untaxed income:		
Use of losses carried forward previously not activated	-866	-1,431
Unactivated tax losses for the period	5,813	2,337
Intra-group transactions having a tax impact	-39,794	-35,460
Other	12,126	5,624
Income taxable at corporate tax rate applicable in France	**64,603**	**70,059**
tax rate in France	*34.43%*	*34.43%*
Theoretical tax charge at corporate tax rate applicable in France	**22,243**	**24,121**
Impact of changes in tax rate on deferred taxes	-	1,287
Differences on tax rates abroad	-8,353	-1,907
GROUP TAX CHARGE	**13,890**	**23,501**
of which corporate income tax	3,665	4,827
of which deferred taxes	10,225	18,674

(*) Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".

Furthermore, Pierre & Vacances SA underwent a tax inspection for 2003/2004, 2004/2005 and 2005/2006. Based on a detailed analysis of the reassessment notification received at the end of December 2007, the Pierre & Vacances Group's legal and tax advisers do not anticipate any financial risk relating to this notification.

ANALYSIS OF DEFERRED TAX ASSETS AND LIABILITIES BY TYPE AND BY COUNTRY

Within the same country, taxable income generated by most of the group's entities are subject to a tax consolidation. The breakdown by country of the deferred tax situation in the group therefore reflects the situation of each tax consolidation subgroup.

(in thousands of euros)	30/09/2006 (*)	Change in scope	Change by income	Changes recorded as shareholders' equity	30/09/2007 (*)	Change in scope	Change by income	Changes recorded as shareholders' equity	30/09/2008
France	18,813	-12	-6,205	-	12,596	-	18,298	-	30,894
Netherlands	7,985	-	-8,125	-	-140	-	-7,123	-	-7,263
Belgium	4,994	-	-1,752	-	3,242	-1,347	-2,588	-	-693
Germany	1,907	-	1	-	1,908	-	151	-	2,059
Spain	-5	-	-	-	-5	-	-	-	-5
Italy	-	-	-	-	-	-	-	-	-
DEFERRED TAXES ON TIMING DIFFERENCES	**33,694**	**-12**	**-16,081**	**0**	**17,601**	**-1,347**	**8,738**	**0**	**24,992**
France	55	-1,568	-10,748	-	-12,261	-	-2,090	-	-14,351
Netherlands	-20,087	-	1,830	-87	-18,344	-	-1,400	81	-19,633
Belgium	212	1,843	-8	-	2,047	1,347	-1,599	-	1,795
Germany	-1,263	-	-165	-	-1,428	-	158	-	-1,270
Spain	33	-	-266	-	-233	-	-	-	-233
Italy	418	-	-304	-	114	-	27	-	141
DEFERRED TAXES ON CONSOLIDATION ADJUSTMENTS	**-20,632**	**275**	**-9,662**	**-87**	**-30,105**	**1,347**	**-4,904**	**81**	**-33,551**
France	16,025	-	7,379	-	23,404	-	1,326	-	24,730
Netherlands	17,863	-	1,042	-	18,905	-	-15,107	-	3,798
Belgium	-	5,075	-1,327	-	3,748	-	435	-	4,183
Germany	2,457	-	-25	-	2,432	-	-713	-	1,719
Spain	245	-	-	-	245	-	-	-	245
Italy	-	-	-	-	-	-	-	-	-
DEFERRED TAXES ON LOSSES CARRIED FORWARD	**36,590**	**5,075**	**7,069**	**0**	**48,734**	**0**	**-14,059**	**0**	**34,675**
TOTAL	**49,652**	**5,338**	**-18,674**	**-87**	**36,230**	**0**	**-10,225**	**81**	**26,116**
of which deferred tax assets	49,652	5,338	-18,674	-87	36,230		12,954	-	49,214
of which deferred tax liabilities	-	-	-	-	-	-	23,179	-81	23,098

(*) *Financial statements restated according to the change of method described in Note 1.3 "Change of method: costs of design and manufacture of advertising means".*

At 30 September 2008, deferred tax on losses carried forward was €9,700 thousand for the Center Parcs Europe subgroup.

Note 34 - EARNINGS PER SHARE

AVERAGE NUMBER OF SHARES

	2007/2008	2006/2007	2005/2006
Number of shares issued at 1 October	8,810,911	8,781,836	8,769,098
Number of shares issued during the period	-	29,075	12,738
NUMBER OF SHARES ISSUED AT 30 SEPTEMBER	**8,810,911**	**8,810,911**	**8,781,836**
Weighted average number of shares	8,694,516	8,715,386	8,727,201
Weighted average number of shares after dilution	8,755,951	8,817,571	8,773,622

The various dilutive instruments included in calculating the weighted average number of shares after dilution are:

Number of share subscription options (OSAs) and purchase options (OAAs) awarded by the Board of Directors:	Type	Strike price (in euros)	2007/2008	2006/2007	2005/2006
On 18/12/98 and still valid	OSA	15.24	-	-	2,000
On 20/03/00 and still valid	OSA	47.00	-	2,317	7,392
On 20/06/00 and still valid	OSA	59.99	-	-	2,000
On 13/11/00 and still valid	OSA	60.20	-	-	-
On 13/07/01 and still valid	OSA	61.56	-	-	-
On 11/04/03 and still valid	OSA	44.00	-	5,000	25,000
On 03/11/03 and still valid	OSA	63.83	-	7,150	7,150
On 07/09/04 and still valid	OSA	66.09	-	136,938	143,088
On 26/09/05 and still valid	OSA	59.89	-	1,000	1,000
On 26/09/05 and still valid	OAA	59.89	-	26,000	26,000
On 21/07/06 and still valid	OAA	80.12	-	12,500	15,500
On 09/01/07 and still valid	OAA	87.40	-	46,875	-
On 09/01/07 and still valid	OAA	0.00	-	16,010	-
On 09/01/07 and still valid	OAA	0.00	-	11,035	-
TOTAL			**0**	**264,825**	**229,130**

EARNINGS PER SHARE

	2007/2008	2006/2007	2005/2006
Net attributable income (in thousands of euros)	73,434	75,455	73,068
Weighted net attributable income per share (in euros)	8.45	8.66	8.37
Weighted net attributable income after dilution (in euros)	8.39	8.56	8.33

OTHER INFORMATION

Note 35 - HEADCOUNT

The average annual headcount (full-time equivalent) for the last three years of the companies within the Pierre & Vacances Group that are fully or proportionally (taken at 100%) consolidated stands as follows:

	2007/2008	2006/2007	2005/2006
Executives	849	815	708
Supervisory staff and employees	8,681	8,034	7,697
TOTAL	**9,530**	**8,849**	**8,405**

Note 36 - OFF-BALANCE SHEET COMMITMENTS

The guarantees granted by the group to back its bank loans and reciprocal commitments are detailed respectively in Note 21 "Bank borrowings" and Note 23 "Hedging instruments". They are therefore not included in the table below:

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Guarantees	8,616	14,540	16,055
Rental commitments	2,155,154	2,224,660	2,128,120
Commitments given	**2,163,770**	**2,239,200**	**2,144,175**
Guarantees	27,332	26,391	21,089
Completion guarantees	138,244	66,886	75,682
Commitments received	**165,576**	**93,277**	**96,771**

Commitments given

- At 30 September 2008, **guarantees** mainly comprised:

- commitments given by Pierre & Vacances SA to the joint venture companies in connection with the securitisation of receivables created under the "Ownership & Holidays" scheme in the amount of €4,984 thousand taking account of the lease assignments granted to the group f, or the receipt of these receivables,
- the liability guarantee given as part of the sale of the Cefalù residence (€1,600 thousand),
- the commitment given by Pierre & Vacances Tourisme Europe SA on behalf of Pierre & Vacances Italie Srl for €1,048 thousand for a VAT loan repayment;

- When the land and buildings of the residences, hotels and villages operated by the Pierre & Vacances Group's tourism operating companies are sold, a lease is signed with the new owners.

At 30 September 2008, the **rent remaining payable** by the group over the residual term of these leases amounted to €2,155 million. The present value of these rental commitments, calculated using a 9.4% discount rate, is €1,408 million.

The breakdown of rental commitments by brand and maturity date as at 30 September 2008 is as follows:

		Maturities					
(in thousands of euros)	30/09/2008	< 1 year	2 years	3 years	4 years	5 years	> 5 years
Pierre & Vacances Europe	970,025	163,583	155,812	136,747	124,061	105,852	283,970
Center Parcs	1,022,781	101,214	107,332	109,558	111,831	111,654	481,192
Sunparks	162,348	10,163	10,367	10,574	10,785	11,001	109,458
TOTAL	**2,155,154**	**274,960**	**273,511**	**256,879**	**246,677**	**228,507**	**874,620**

The main features of the land and buildings lease agreement, s for the residences, hotels and villages for Pierre & Vacances Europe made with private or institutional investors are usually signed for between 9 and 12 years with the option of renewal on expiry. The leases signed with individuals involve only a fixed lease payment. Those signed with institutions may, in some cases, in addition to the fixed portion, include marginally a variable portion. These leases are subject to indexation clauses corresponding in France to the building cost index, and in Italy and Spain to the consumer prices index for the country.

The contracts to lease the land and buildings of the 17 villages operated by Center Parcs Europe are signed for periods of between 11.5 and 15 years, with the option of renewal. The rents do not include a variable portion in their determination. They are subject to fixed (2.9%) or variable indexation reflecting inflation or the change in consumer prices in the country in which the assets are located, with ceiling and floor rates usually between 1.75% and 3.75% , depending on the contract.

Furthermore, the Société d'Investissement Touristique et Immobilier (the company indirectly controlled by the Chairman and Chief Executive Officer, founder and majority indirect shareholder of Pierre & Vacances SA) has a purchase option allowing him to buy, for €70 million, the land and buildings of the Center Parcs village of Eemhof (in the Netherlands) when the lease expires, namely in October 2018.

Following the purchase of Sunparks in the 2006/2007 period, and according to the group's policy not to retain ownership of the operated assets, the Pierre & Vacances Group, in September 2007, agreed with Foncière des Murs, a sale and lease-back agreement involving the villages of Oostduinkerke, De Haan and Vielsalm. On 4 July 2008, the group sold the buildings of the fourth village (Kempense Meren) to Foncière des Murs under terms identical to those for the first three villages.

The lease agreements for the land and buildings of these four villages operated by Sunparks are for a renewable period of 15 years. The rents do not include a variable portion in their determination. The rents are subject to indexation reflecting the changes in consumer prices in Belgium (health index).

Commitments received

Guarantees received correspond mainly to commitments granted by banks to the group's property development and tourism comp, anies with respect to their regulated activities so that they may obtain the relevant licences to conduct their property management, business and property trading and travel agency activities. At 30 September 2008, these commitments amounted to €22,387 thousand.

In addition, the Spanish company Port Aventura SA has committed to the Pierre & Vacances Développement España subsidiary to complete work to a value of €3,167 thousand corresponding to the amount that was paid to Port Aventura SA by the Pierre & Vacances Group to develop its businesses in Spain.

Completion guarantees are issued by banks with respect to property development transactions. At 30 September 2008, the changes in the completion guarantees are a result of:

- a total increase of €114,812 thousand for the provision during the year of several new guarantees. The main programmes concerned are Domaine Center Parcs du Bois des Harcholins (€68,963 thousand), Houlgate (€22,245 thousand), Les Senioriales-Côte d'Azur (€8,669 thousand) and Les Senioriales-Ruoms (€7,485 thousand);
- a total fall of €43,454 thousand arising from the expiry of several guarantees during the year relating mainly to Les Senioriales-Camargue (€8,514 thousand), Maisons du Green Beach (€8,056 thousand), the Aquila residence at Val d', Isère (€6,913 thousand) and Les Senioriales-Landes (€6,008 thousand).

Note 37 - MATURITY OF OFF-BALANCE SHEET COMMITMENTS

The maturity of guarantees granted by the group with respect to its bank loans and that of the reciprocal commitments is detailed in Note 21 "Bank borrowings" and Note 23 "Hedging instruments". It is not therefore repeated in the table below:

		Maturities		
(in thousands of euros)	30/09/2008	< 1 year	1 to 5 years	> 5 years
Guarantees	8,616	4,826	3,286	504
Rental commitments	2,166,624	276,577	1,013,084	876,963
Commitments given	**2,175,240**	**281,403**	**1,016,370**	**877,467**
Guarantees	27,332	3,636	-	23,696
Com, pletion guarantees	138,244	138,244	-	-
COMMITMENTS RECEIVED	**165,576**	**141,880**	**0**	**23,696**

Note 38 - REMUNERATION PAID TO DIRECTORS AND MEMBERS OF THE BOARD

Attendance fees paid to members of the Board with no contractual link to the group for 2007/2008 were €150 thousand, the same as for 2006/2007.

For the years ending 30 September 2008 and 30 September 2007, no salary (including benefits of any kind) was paid to an officer of the company directly by Pierre & Vacances SA or by companies of the Pierre & Vacances Group controlled as defined in Article L. 233-16 of the French Commercial Code. However, Société d'Investissement Touristique et Immobilier (a company indirectly controlled by the Chief Executive Officer, founder and majority shareholder of Pierre et Vacances SA) as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Eric Debry, Thierry Hellin and Patricia Damerval. The fees invoiced by SITI are determined on the basis of direct costs (remuneration paid + related employer expenses + other direct costs: travelling expenses, cost of premises and secretarial services) plus a 5% margin calculated according to the time spent by each person in managing the companies of the Pierre & Vacances Group. On 30 September 2008, since these four people are on the executive committee, their remuneration is included in the table below.

Eric Debry was the Deputy Chief Ex, ecutive Officer of Pierre & Vacances SA until 30 September 2008. He received compensation of €1 million when his employment contract was terminated by mutual consent.

In 2007/2008, all nine members of the Executive Committee received total gross remuneration (including benefits in kind) of €6,307,751, including €3,323,750 for the fixed portion of remuneration and €1,945 thousand for the variable portion (mainly bonuses payable for 2006/2007 paid in the first half of 2007/2008).

The table below shows the total gross remuneration paid to members of the Executive Committee during 2007/2008, 2006/2007 and 2005/2006 (in euros):

	2007/2008	2006/2007	2005/2006
Fixed remuneration (1)	3,323,750	2,962,378	1,909,599
Variable remuneration (2)	1,945,000	806,338	568,730
Benefits after leaving office (3)	52,338	47,405	44,451
Remuneration in shares (4)	986,663	866,426	408,562
TOTAL	**6,307,751**	**4,682,547**	**2,931,342**

(1) Including reinstatement of the benefit in kind involving the availability of a company car.
(2) Paid in the year following the year for which it is granted.
(3) This includes conventional pension payments.
(4) This is the annual charge relating to the allocation of options to subscribe for shares.

For each of them, the variable bonus relates to the financial performance of the Pierre & Vacances Group and the achievement of personal objectives.

Note 39 - IDENTITY OF THE ULTIMATE HOLDING COMPANY

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

Note 40 - TRANSACTIONS WITH RELATED PARTIES

The related parties used by the group are:

- the members of senior management and executive bodies: their remunerations and similar benefits are given in Note 38;
- the parent company of Pierre & Vacances (Société d'Investissement Touristique et Immobilier) and its subsidiaries which are not in the group's scope of consolidation;
- the joint venture companies that are consolidated on a proportional basis: Citéa, Les Villages Nature de Val d'Europe, Montrouge Développement, Nuit & Jour Projections, Part House, Adagio City Aparthotel and SNC N.L.D.;
- for 2005/2006, the associate company Domaine Skiable de Valmorel which was 25%-owned and whose shares were consolidated by the equity method.

The main transactions with related companies include:

- invoicing for lease payments and administrative personnel;
- purchase of support and advisory services as part of management agreements;
- lease contracts for apartments operated by the subsidiary Pierre & Vacances Maeva Tourisme Exploitation.

These transactions are conducted on normal market terms.

The details of the transactions with related parties are:

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Turnover	5,536	3,153	2,336
Purchases and external services	-14,269	-7,207	-4,766
Current items	1,583	938	1,268
Financial income	198	-190	-10

The receivables and liabilities on the balance sheet relating to related parties are:

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Trade receivables and related accounts	5,154	1,958	1,259
Other current assets	22,329	15,797	5,341
Trade payables and related accounts	8,119	3,365	3,094
Other current liabilities	15,847	23,870	4,262

Note 41 - INFORMATION RELATING TO JOINT VENTURE COMPANIES

The companies over which the group exercises joint control and are consolidated by the proportional method are as follows at 30 September 2008:

- Citéa SA (50%);
- Montrouge Développement SCI (50%);
- Les Villages Natures de Val d'Europe SARL (50%);
- Part House Srl (55%);
- Nuit & Jour Projections SL (50%);
- Adagio City Aparthotel (50%);
- SNC N.L.D. (50%).

The contributions to the group's main balance sheet and profit and loss account totals are as follows (proportional to the group's holding):

INFORMATION ON THE BALANCE SHEET

(in thousands of euros)	30/09/2008	30/09/2007	30/09/2006
Non-current assets	4,323	667	682
Current assets	48,642	41,904	23,033
TOTAL ASSETS	**52,965**	**42,571**	**23,715**
Non-current liabilities	108	40	-
Current liabilities	33,569	27,080	13,597
TOTAL LIABILITIES EXCLUDING SHAREHOLDERS' EQUITY	**33,677**	**27,120**	**13,597**

INFORMATION ON THE PROFIT AND LOSS ACCOUNT

(in thousands of euros)	2007/2008	2006/2007	2005/2006
Turnover	11,196	9,660	2,471
Current operating income	1,321	711	-228
Net income	546	381	-542

Note 42 - SIGNIFICANT EVENTS SINCE THE END OF 2007/2008

No significant event has occurred since the year-end on 30 September 2008.

Given the tourism activity recorded in the first quarter (6.4% increase in turnover) and the level of turnover achieved in the second quarter, we currently expect stable rental turnover, with comparable data, over the first half of 2008/2009.

Statutory Auditors' Report on the consolidated financial statements

YEAR ENDING 30 SEPTEMBER 2008

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Pierre & Vacances for the year ending 30 September 2008.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit..

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In our opinion, the consolidated financial statements for this year, with respect to the IFRS standards as adopted in the European Union, give a true and fair view of the assets, liabilities, financial position and results of the unit consisting of the people and entities included in the consolidation.

II. JUSTIFICATION OF THE ASSESSMENTS

In accordance with the provisions of Article L. 823-9 of the French Commercial Code concerning the justification of our assessments, we would like to draw your attention to the following:

- notes 1.11, 1.12, 1.14, 6, 7 and 8 describe the methods of accounting for and valuing tangible and intangible fixed assets;
- note 1.3 describes the change of method relating to the costs of designing and manufacturing means of advertising, and its impact on the accounts.

As part of our assessment of the accounting principles followed by your group, we have verified the consistency of the data and assumptions used, and the appropriateness of the accounting methods applied and the information provided in the appended notes.

The assessments form part of our procedure for auditing the consolidated financial statements, taken as a whole, and as such have contributed to the formation of our opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

In accordance with the professional standards applicable in France, we have also verified the information given in the Group Management Report. We have no comments to make on its sincerity and conformity with the consolidated financial statements.

Paris and Neuilly-sur-Seine, 22 January 2009

The Statutory Auditors

AACE Île-de-France	ERNST & YOUNG et Autres
Michel Riguelle	Bruno Bizet

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2

THE COMPANY PIERRE & VACANCES SA

Information on the Company and its Capital

INFORMATION ON THE COMPANY

GENERAL INFORMATION

Company name

Pierre & Vacances.

Registered office

L'ARTOIS – Espace Pont de Flandre – 11 rue de Cambrai – 75947 PARIS Cedex 19.

Telephone number: (+33)1 58 21 58 21.

Legal form

Société Anonyme (public limited company) with a Board of Directors, incorporated under French law and governed by the French Commercial Code and by its by-laws.

Date of incorporation – duration

The Company was incorporated for a duration of 99 years with effect from its registration in the Trade and Companies Register on 7 August 1979, unless dissolved or renewed prior to the end of its legal term.

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 particularly 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 businesses or likely to help in 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 property and equipment, relating directly or indirectly to the above business purpose or likely to help in the development thereof.

Trade and companies register

316 580 869 RCS PARIS.

Business activity code

6420 Z.

Financial year

The Company's financial year runs from 1 October to 30 September of the following year.

Consultation of documents and information relating to the Company

The Company documents relating to the last three years (annual financial statements, minutes of the General Meetings, lists of attendance at these General Meetings, list of directors, reports of the Statutory Auditors, etc.) may be consulted at the Pierre & Vacances head office.

In addition, the by-laws of the Company and, where appropriate, the reports, correspondence, assessments and declarations made by an expert at the Company's request, and the Company's historic financial information for the previous two years may be consulted at the Pierre & Vacances head office.

Appropriation of earnings (Article 20 of the by-laws)

Net income 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.

Of this net profit, less any losses brought forward, at least one twentieth 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 General Meeting may 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 or allocation of which is determined by the Meeting.

The General Meeting may also decide to make payouts from the reserves available for this purpose. Where this is the case, the resolution must expressly indicate from which reserves the payout is made.

The Meeting 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 General Meeting of 28 December 1998, voting rights double those conferred on other shares, in view of the portion of share capital that they represent, shall be attributed to all fully paid-up shares for which proof of registration in the name of the same shareholder for a period of at least two years has been provided.

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 issue 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, 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.

BREACHING OF 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 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 is entitled to attend General Meetings of Shareholders in person or by proxy, on proof of their identity and share ownership.

The right to participate in General Meetings of Shareholders is subject:

- in the case of registered shareholders, to entry of the shares in the name of the shareholder in the Company registers at least three working days before the General Meeting of Shareholders;
- in the case of holders of bearer shares, to the filing, according to the conditions stipulated by law, of the certificate drawn up on the basis of the attestation of participation issued the authorised intermediary three working days before the date of the General Meeting of Shareholders.

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 Meeting and under the conditions provided by law.

Any shareholder may also, if the Board of Directors so decides at the time the Meeting is convened, participate and vote at the General Meeting of Shareholders by means of electronic telecommunication enabling their identity to be established under the conditions provided by law.

Shareholders participating in the Meeting by videoconference, or by any other means of electronic telecommunication enabling their identity to be established under the conditions provided by law, shall be deemed to be present for the purposes of establishing quorum and majority.

METHODS OF CONVENING GENERAL MEETINGS

The General Meeting shall be convened by the Board of Directors or, failing this, by the Statutory Auditor, under the conditions provided for by Article R. 225-162 of the French Commercial Code, or by a proxy appointed by the President of the Commercial Court pursuant to a summary ruling given at the request of 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.

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 department in which the Company's registered office is located. Shareholders holding registered shares shall be convened by formal letter, which can be sent by registered post at the shareholders' request 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.

DESCRIPTION OF THE SITI GROUP

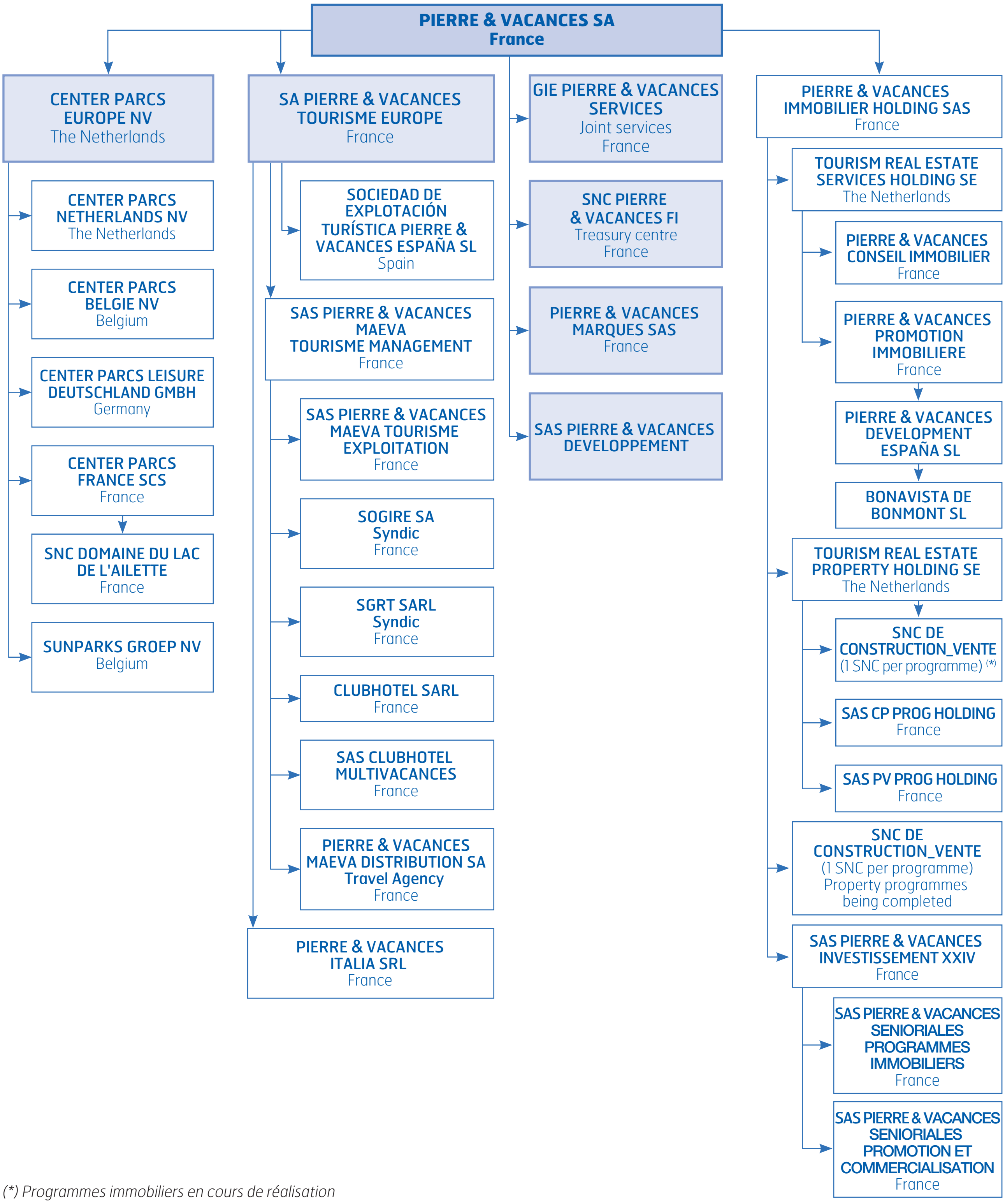
Société d'Investissement Touristique et Immobilier SA – SITI, holding company of the Pierre & Vacances Group, indirectly controlled by Gérard BRÉMOND through SCI SITI "R", holds 50.16% of Pierre & Vacances SA. The subgroup Pierre & Vacances constitutes the main asset of SITI SA and is fully consolidated.

Today the investments held by SITI outside Pierre & Vacances SA consist mainly of:

- assets not transferred to Pierre & Vacances SA, prior to its flotation on the stock market in June 1999. These are mainly companies holding land with no administrative permissions (CFICA, Lepeudry & Grimard, La Buffa, etc.) and various non-strategic assets (Sté Téléphérique de la Pointe du Nyon, Dramont Aménagement, etc.);
- companies involved in other business sectors (interests held through GB Développement: Cine-@, Espace TSF, Duc des Lombards, etc.);
- companies bought back during 2004/2005 and 2005/2006 from individual investors, relating to apartments of the Pierre & Vacances villages in Martinique and in Guadeloupe (SNC Société Hôtelière de la Rivière à la Barque, SNC Bougainville, SNC Société Hôtelière de la Plage du Helleux and SNC Filao). These apartments were built and sold by SITI under the aegis of the Pons Act prior to the stock market flotation. These apartments are being resold to individual investors in separation of ownership (sale of the bare property and retention of the usufruct in a Pierre & Vacances Group company operating these two sites).

THE LEGAL STRUCTURE OF PIERRE & VACANCES

Simplified Legal Organisation Chart at 30 September 2008



(*) Programmes immobiliers en cours de réalisation

The companies above are fully consolidated.

Pierre & Vacances SA, the Group holding company, listed on Eurolist of Euronext Paris, holds stakes in all the subholdings. It pays the outside fees and charges relating to the l'Artois head office, Paris 19th district (particularly the rents) which it bills to the various Group entities according to distribution keys, particularly the square footage occupied. Pierre & Vacances SA is required to give bonds or guarantees to banks on behalf of its subsidiaries when setting up corporate finance or financial completion guarantees.

Pierre & Vacances Services provides and invoices for management, administration, accountancy, financial and legal services for the Group and handles the services shared by the Group's companies through service agreements.

Pierre & Vacances FI is the Group's cash centralising company. It collects the excess cash from the subsidiaries, redistributes it to those that need it and invests the balance.

Pierre & Vacances Développement is responsible for the Group's property development in France and abroad.

Pierre & Vacances Marques SAS owns and manages the Pierre & Vacances, Maeva, Hôtels Latitudes, Résidences MGM, and Multivacances brands. As such it invoices the French Tourism operating entities for brand royalties.

Pierre & Vacances Tourisme Europe, the holding company for tourism activities, controls:

- SAS Pierre & Vacances Maeva Tourisme Management, which controls:
  - SAS Pierre & Vacances Maeva Tourisme Exploitation which manages apartments under agency agreements and leases, and operates and markets its holiday packages under the Pierre & Vacances, Maeva, Résidences MGM and Hôtels Latitudes brands,
  - 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, Résidences MGM and Hôtels Latitudes brands. As such, it invoices Pierre & Vacances Maeva Tourisme Exploitation for the marketing fees;
- Pierre & Vacances Italia Srl, which operates and sells apartments in Italy under agency agreements and leases, and operates and sells holiday packages under the Pierre & Vacances brand;
- Sociedad de Explotación Turística Pierre & Vacances España SL which handles the Pierre & Vacances tourism operation in Spain.

Center Parcs Europe NV, a holding company with a 100% stake in the Center Parcs Europe subgroup, which manages 12,919 holiday homes and apartments in the Netherlands, Germany, France and Belgium.

This company performs the central functions of the Center Parcs Europe subgroup which are invoiced to its subsidiaries and the commercial activity in the Netherlands. Center Parcs Europe NV indirectly controls:

- Center Parcs Netherlands NV, a subsidiary which manages all the villages in the Netherlands (eight villages);
- Center Parcs France SCS, a subsidiary responsible for the management and marketing of two French villages, Bois Francs and Chaumont;
- SNC Domaine du Lac de l'Ailette, a subsidiary responsible for operating the Domaine du Lac de l'Ailette holiday village in France;
- Center Parcs Holding Belgique, a company managing two villages in Belgium;
- Center Parcs Germany Holding BV manages four villages in Germany through various subsidiaries;
- Sunparks Groep NV which, through various subsidiaries, markets and manages four villages in Belgium.

Pierre & Vacances Immobilier Holding SAS controls:

- PV Senioriales Promotion et Commercialisation which promotes, constructs and markets residences for retired people;
- *Tourism Real Estate Services Holding SE*, a service sub-holding company which contains all the property services companies:
  - *Pierre & Vacances Conseil Immobilier (PVCI)* which sells to individual investors new or refurbished apartments and homes developed and managed by the Pierre & Vacances Group. It is also responsible, for the owners that require it, for selling these apartments and thus provides the investors with liquidity from their investment. PVCI bills the construction-sales companies for the marketing fees,
  - *Pierre & Vacances Promotion Immobilière (PVPI)* which carries out the real estate prospecting and the delegated project management. PVPI invoices project management fees to the construction-sales companies,
  - *Pierre & Vacances Development España SL* which controls the Bonmont programme development company (Bonavista de Bonmont SL);
- *Tourism Real Estate Property Holding SE*, the programme sub-holding company that controls itself:
  - CP Prog Holding SAS,
  - PV Prog Holding SAS,
  - a number of construction-sale companies.

  The property development operations are in fact housed in dedicated construction-sale SNCs in order to simplify management and set-up of finance. Because the property development operations are for tourism purposes and close links are maintained within the Group between the property development and tourism activities, Pierre & Vacances does not open the capital of these construction-sales companies to third parties.

  Since 30 April 2008, when the reorganisation of the property development programme division within the Pierre & Vacances Group came into effect, complex property development programmes have been ascribed to two holdings fully owned by Tourism Real Estate Property Holding SE:

  - CP Prog Holding for Center Parcs programmes;
  - PV Prog Holding for Pierre & Vacances programmes.

Straightforward programmes are still carried out directly by Tourism Real Estate Property Holding SE.

When the programmes are complete, the shares of the construction-sale companies are transferred to Pierre & Vacances Immobilier Holding SAS which eventually dissolves these companies and provides the ten-year warranty.

Different types of internal billing transactions are carried out between the entities of the tourism division and those of the property development division. These transactions are carried out under normal market conditions.

The construction-sale companies receive rents from the tourism division for the apartments that are not yet sold to investors but operated by tourism entities. Conversely, for refurbishment operations, the property development companies that carry out the work indemnify the tourism operating companies for the costs incurred during the period of closure for the refurbishment work.

Furthermore, when, as part of the sale of properties to outside investors, the rental commitments accepted by the tourism operating companies are higher than market rents at the time of the sale, the excess rent, called "support funds", is reported as a reduction to the selling price of the property. Therefore, this excess property margin is reported as deferred income and, from the time of delivery, reallocated over the period of the lease to income from tourism activities.

Finally, the tourism operating companies help to manage certain property programmes by participating in the design of the product, setting up the lease, delivering and accepting the site and putting it into operation. They also do work that contributes to the marketing of certain property programmes by actively helping with the selling work done by their teams on the sites. For doing this work, they invoice project management fees and marketing fees to the property development companies concerned.

SUMMARY OF PARENT-CHILD COMPANIES – 2007/2008

	Tourism		Property development	Other	P&V SA	Total
(in thousands of euros)	Center Parcs Europe	Pierre & Vacances Europe		(including cross services)	(listed company)	Group
Fixed assets (including goodwill)	484,211	195,256	23,343	14,283	8,801	**725,894**
Gross borrowings	169,025	5,884	42,788	9,750	20,036	**247,483**
Cash on balance sheet	24,388	16,186	44,388	77,641	2,042	**164,643**
Dividends paid to PV SA for the year	-	900	1,106	5,159	-	**7,165**

INFORMATION ON THE CAPITAL

SHARE CAPITAL

As at 12 January 2009, the share capital stands at €88,195,910 divided into 8,819,591 ordinary shares with a par value of €10 each, all of the same class and fully paid up.

The shares are in nominee or bearer form at the shareholder's discretion.

The company keeps itself informed of the ownership of its shares under the conditions provided by law.

The shares are freely transferable, unless otherwise stipulated by law or regulations.

The transfer of the shares, whether free of charge or for a consideration and whatever their form, is effected by transfer between accounts in accordance with the procedure laid down by the law.

Double voting rights are attributed to shares held in nominee form for more than two years. As at 12 January 2009, with double voting rights being granted on 4,434,455 shares, the total number of voting rights stands at 13,254,046 for 8,819,591 shares.

CAPITAL INCREASE TAKING PLACE SINCE THE END OF THE YEAR AS PART OF A PLAN TO ALLOCATE FREE SHARES

The Extraordinary General Meeting of 10 March 2005 authorised the Board of Directors to issue shares in the Company in order to allocate them free of charge to corporate officers and/or certain members of the salaried personnel of the Company or of the companies or company combinations related thereto up to 1% of the capital.

Under this authorisation, 11,035 Pierre & Vacances SA shares to be issued were allocated by the Board of Directors on 9 January 2007, the free allocation of the shares becoming final only after an acquisition period of two years and providing the beneficiary is still a member of salaried staff at the end of this period.

The Board Meeting of 12 January 2009 noted that, of the 2,207 beneficiaries allocated free shares by the Board of Directors on 9 January 2007, 1,736 beneficiaries met the conditions laid down in the rules for the plan to allocate free shares and could claim final allocation of 5 shares allocated to each beneficiary under this plan.

Consequently, the Board of Directors:

- decided to increase the share capital of the Company by a nominal amount of €86,800, from €88,109,110 to €88,195,910, by incorporation in the capital of a sum of €86,800 taken from the issue premium through the issuing of 8,680 fully paid-up new shares with a par value of €10 each,
- noted the final completion of this increase in capital and consequently the creation of shares in the Company,
- noted the final free allocation of the said shares to recipients in accordance with the Board decision of 9 January 2007.

TABLE SUMMARISING CURRENTLY VALID AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS CONCERNING CAPITAL INCREASES

The Extraordinary General Meeting of 14 February 2008 granted the Board of Directors certain authorisations to increase the share capital with the option of delegation to the Chief Executive Officer.

The Board of Directors has not used these authorisations.

A list of the resolutions adopted during the Extraordinary General Meeting and authorising the Board to increase the share capital is given below.

Resolution No.	Purpose	Duration
8	Authorisation to issue shares and/or securities giving immediate or eventual access to the Company's capital with maintenance of the preferential subscription rights and up to the par value of €22,000,000. Resolution No. 10, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	26 months
9	Authorisation to issue shares and/or securities giving immediate or eventual access to the Company's capital with cancellation of preferential subscription rights and up to the par value of €22,000,000, this amount being applied to the general ceiling set by the 8th resolution. Resolution No. 11, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	26 months
10	Authorisation to increase the number of shares to be issued in the event of a capital increase with or without cancellation of preferential subscription rights, up to the limit of 15% of the initial issue and conditional upon the ceilings set in the 8th and 9th resolutions. Resolution No. 12, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	26 months
11	Authorisation to issue shares in the capital or securities giving access to the capital, in return for contributions in kind granted to the Company and consisting of shares or securities giving access to the capital, up to the limit of 10% of the share capital. Resolution No. 13, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	26 months
12	Authorisation to make capital increases reserved for members of the Group company savings plan and up to the par value of €850,000. Resolution No. 14, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	18 months

Resolution No.	Purpose	Duration
13	Authorisation to issue shares in the Company with cancellation of the preferential subscription rights in order to grant options to subscribe for shares to officers of the Company and/or certain members of salaried personnel of the Company or of companies or groups affiliated thereto (1). Resolution No. 15, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	38 months
14	Authorisation to issue ordinary shares in the Company in order to allocate them free of charge to corporate officers and/or certain members of the salaried personnel of the Company or of the companies or company combinations affiliated thereto up to 1% of the share capital (2). Resolution No. 16, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	38 months
15	Authorisation to issue share subscription warrants (BSAs) reserved for a category of people, the total par value of the shares that may be issued not being able to exceed €1,500,000. Resolution No. 17, which is subject to the approval of the shareholders during the Combined General Meeting of 12 February 2009, will supersede this authorisation.	18 months

(1) The opening of a share subscription or purchase option plan: the options giving entitlement to subscribe for new shares in the Company or to purchase existing shares in the Company originating from purchases made by it. The total number of options granted by virtue of this authorisation may not give entitlement to subscribe for or purchase more than 100,000 shares. The options granted by the Board of Directors under this authorisation are all options to purchase shares.

(2) The free shares granted by the Board of Directors under this authorisation are existing shares in the Company originating from purchases made by it.

REPORT ON THE TREASURY STOCK

As part of the share buy-back programme authorised by the General Meeting of 14 February 2008, 54,607 shares (of which 6,191 were part of the AFEI liquidity agreement) were bought at an average price of €66.45 during the year ending 30 September 2008.

Furthermore, during the year ending 30 September 2008, 6,750 shares were sold at an average price of €77.03 as part of the AFEI agreement.

Using the authorisations granted by the General Meeting of 11 March 2004, and by the General Meeting of 10 March 2005, the Board, on 26 September 2005, instituted a Pierre & Vacances share purchase option plan relating to 28,000 shares for the benefit of Group executives with a high level of responsibility. This plan related to 28,000 shares in treasury stock granted as purchase options to eight beneficiaries at €59.89 each. The allocation price of the options reflects the average Pierre & Vacances SA share price during the 20 stock market sessions preceding the launch of the plan, less a discount of 5%. To date, 26,000 options are valid with 2,000 options having been cancelled.

Using the authorisations granted by the General Meeting of 2 March 2006, the Board, on 21 July 2006, instituted a Pierre & Vacances share purchase option plan relating to 16,500 shares for the benefit of Group executives with a high level of responsibility. This plan related to 16,500 shares in treasury stock granted as purchase options to 20 beneficiaries at €80.12 each. The allocation price of the options reflects the average Pierre & Vacances SA share price during the 20 stock market sessions preceding the launch of the plan, less a discount of 5%. To date, 11,500 options are valid with 5,000 options having been cancelled.

Using the authorisations granted by the General Meeting of 2 March 2006, the Board, on 9 January 2007, instituted a Pierre & Vacances share purchase option plan relating to 46,875 shares for the benefit of Group executives with a high level of responsibility. This plan related to 46,875 shares in treasury stock granted as purchase options to 19 beneficiaries at €87.40 each. The allocation price of the options reflects the average Pierre & Vacances SA share price during the 20 stock market sessions preceding the launch of the plan, less a discount of 5%. To date, 46,875 options are still valid.

Using the authorisations granted by the General Meeting of 10 March 2005, the Board of Directors, on 9 January 2007, instituted a Pierre & Vacances share purchase option plan relating to 16,010 shares for the benefit of 9 Group executives with a high level of responsibility, the free allocation of the shares becoming final only after an acquisition period of two years and the said shares originating from a buy-back carried out by the Company itself. The Board Meeting of 12 January 2009 noted the final allocation of these 16,010 shares.

Using the authorisations granted by the General Meeting of 2 March 2006, the Board of Directors, on 7 January 2008, instituted a Pierre & Vacances share purchase option plan relating to 38,375 shares for the benefit of Group executives with a high level of responsibility. This plan related to 38,375 shares in treasury stock granted as purchase options to 10 beneficiaries at €86.10 each. The allocation price of the options reflects the average Pierre & Vacances SA share price during the 20 stock market sessions preceding the launch of the plan, less a discount of 5%. To date, 38,375 options are still valid.

Using the authorisations granted by the General Meeting of 10 March 2005, the Board of Directors, on 7 January 2008, instituted a Pierre & Vacances share purchase option plan relating to 13,010 shares for the benefit of 8 Group executives with a high level of responsibility, the free allocation of the shares becoming final only after an acquisition period of two years and the said shares originating from a buy-back carried out by the Company itself.

On 30 September 2008, the company held 151,884 shares in treasury stock, of which 5,420 were part of the AFEI agreement and 146,464 were due to the buy-back programme.

The 146,464 shares held under the buy-back programme are allocated to the plans above.

The Company has asked Crédit Agricole Cheuvreux to implement a liquidity agreement according to the Compliance Charter established by the Association Française des Entreprises d'Investissement (AFEI) approved by the *AMF* (France's financial markets regulator).

Since the authorisation given by the General Meeting of 14 February 2008 authorising a share buy-back programme expires on 14 August 2009, a new authorisation is being put to the General Meeting of 12 February 2009.

As at 12 January 2009, the Company holds 135,894 shares of which 5,440 are due to the AFEI liquidity agreement.

CHANGE IN SHARE CAPITAL OVER THE LAST FIVE YEARS

Date	Transactions	Par value	Transaction amount	Issue premium	Total share capital	Total number of shares outstanding
01-04	Capital increase following the exercise of stock options on 23/12/2003	4	85,360	239,862	34,264,760	8,566,190
02-04	Capital increase following the exercise of options to subscribe for shares on 16/02/2004 and 25/02/2004	4	132,040	371,032	34,396,800	8,599,200
03-04	Capital increase following the exercise of stock options on 9/03/2004	4	124,080	348,665	34,520,880	8,630,220
03-04	Raising of the part value from €4 to €10 (incorporation of the premium). Capital increase by incorporation of €51,781,320 taken from the "issue, merger, contribution premiums, etc."	10	51,781,320		86,302,200	8,630,220
03-04	Capital increase following the exercise of stock options on 25/03/2004	10	6,000	3,144	86,308,200	8,630,820
04-04	Capital increase following the exercise of options to subscribe for shares on 20/04/2004 and 21/04/2004	10	78,400	41,082	86,386,600	8,638,660
05-04	Capital increase following the exercise of options to subscribe for shares on 06/05/2004 and 31/05/2004	10	55,000	60,580	86,441,600	8,644,160
09-04	Capital increase following the exercise of stock options on 28/09/2004	10	90,000	47,160	86,531,600	8,653,160
11-04	Capital increase following the exercise of stock options on 25/11/2004	10	77,400	40,558	86,609,000	8,660,900
01-05	Capital increase following the exercise of stock options on 04/01/2005	10	429,900	225,268	87,038,900	8,703,890
04-05	Capital increase following the exercise of stock options in March and April 2005 (30 beneficiaries involved)	10	632,080	2,322,816	87,670,980	8,767,098
06-05	Capital increase following the exercise of stock options on 03/05/2005	10	20,000	74,000	87,690,980	8,769,098
12-05	Capital increase following the exercise of options to subscribe for shares on 04/10/2005 and 12/10/2005	10	15,000	39,620	87,705,980	8,770,598
03-06	Capital increase following the exercise of stock options on 07/12/2005, 19/12/2005 and 23/01/2006	10	25,000	44,860	87,730,980	8,773,098

Date	Transactions	Par value	Transaction amount	Issue premium	Total share capital	Total number of shares outstanding
06-06	Capital increase following the exercise of stock options on 06/03/2006, 10/03/2006, 21/03/2006, 18/04/2006, 21/05/2006 and 29/05/2006	10	57,380	242,940	87,788,360	8,778,836
09-06	Capital increase following the exercise of stock options on 29/06/2006, 27/07/2006 and 31/07/2006	10	20,000	74,000	87,808,360	8,780,836
01-07	Capital increase following the exercise of stock options on 05/09/2006, 31/10/2006, 07/11/2006 and 13/12/2006	10	40,000	171,300	87,848,360	8,784,836
05-07	Capital increase following the exercise of options to subscribe for shares on 15/03/2007, 02/04/2007, 23/04/2007, 24/04/2007 and 22/05/2007	10	218,250	747,525	88,066,610	8,806,661
09-07	Capital increase following the exercise of options to subscribe for shares on 06/06/2007 and 18/06/2007	10	42,500	109,610	88,109,110	8,810,911

CHANGE IN SHARE CAPITAL AND VOTING RIGHTS DURING THE LAST THREE YEARS

	Situation at 30 September 2006			Situation at 30 September 2007			Situation at 30 September 2008 (1)		
Shareholders	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
SITI	4,407,991	50.19	67.00	4,411,241	50.06	66.53	4,423,548	50.21	66.66
Directors	105	-	-	105	-	-	95	-	-
Shares in treasury stock	76,519	0.87	-	83,144	0.94	0.63	151,884	1.72	1.15
Public	4,297,221	48.93	33.00	4,316,421	48.99	32.84	4,235,384	48.07	32.19
of which employees (Pierre & Vacances FCPE)	*39,041*	*0.44*	*0.59*	*30,616*	*0.35*	*0.46*	*27,816*	*0.32*	*0.42*
TOTAL	**8,781,836**	**100**	**100**	**8,810,911**	**100**	**100**	**8,810,911**	**100**	**100**

(1) *In its new wording, Article 222-12 of the General Rules of the AMF (French financial markets regulator) states that, to calculate participation thresholds, the total number of voting rights is calculated on the basis of all of the shares to which voting rights are attached, including shares stripped of voting rights.*

DECLARATION THAT A THRESHOLD HAS BEEN EXCEEDED

None.

SHAREHOLDERS' AGREEMENTS

None.

EMPLOYEE SHAREHOLDERS/GROUP COMPANY SAVINGS PLAN (PEE)

The Group's PEE, set up with the payment of the employees' profit-sharing entitlement for 1997/1998, has received voluntary payments from employees and the company contribution to subscribe for Pierre & Vacances shares in connection with the stock market flotation and capital increase of March 2002. It also receives voluntary contributions from employees.

Within this PEE, mutual investment funds consisting exclusively of Pierre & Vacances shares, represented 0.32% of the capital on 30 September 2008 (representing 27,816 shares).

EMPLOYEE PROFIT-SHARING

A Group employee profit-sharing derogatory agreement, covering the majority-controlled French entities, distributes the Group's special profit-sharing reserve (equalling the total profit-sharing reserves calculated in each company) between all Group employees with a contract of employment for more than three months with an entity that has joined this agreement. The special profit-sharing reserve for the Group profit-sharing agreement stands at €869,000 for 2007/2008.

For previous years, the amounts paid for Group profit-sharing were:

For 2006/2007	€18,687
For 2005/2006	€555,446
For 2004/2005	€245,759
For 2003/2004	€1,884,249

POLICY OF DIVIDEND PAYMENTS OVER THE PAST FIVE YEARS – TIME LIMIT FOR DIVIDEND CLAIMS

Over the past five years, Pierre & Vacances SA has made the following dividend payments:

Year for which the dividend was paid	Number of shares (1)	Par value	Net dividend
2002/2003	8,566,190	€10	/ (2)
2003/2004	8,653,160	€10	€1.80
2004/2005	8,723,020	€10	€1.50
2005/2006	8,706,207	€10	€2.50
2006/2007	8,712,863	€10	€2.70

(1) Number of shares eligible for dividends for the year.
(2) The Combined General Meeting of 11/03/04 (meeting after the Ordinary General Meeting called to vote on the financial statements for the year ending 30/09/03) decided to proceed with an extraordinary dividend of €1.50 per share.

Generally, dividends represent between 25 and 30% of net current attributable income. This policy may however be reviewed in line with the Group's financial situation and its expected financial requirements.

Also, 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.

The General Meeting of 12 February 2009 will be asked to approve a dividend of €2.70 per share, or 37% of the net current attributable income for 2007/2008.

FINANCIAL INSTRUMENT PLEDGES GRANTED INVOLVING PIERRE & VACANCES SA SHARES

Name of shareholder recorded on the purely nominee account	Beneficiary	Pledge start date	Pledge maturity date	Number of shares pledged
SITI SA	CALYON	30 July 2007	30 July 2012	642,074 or 7,28% of the issuer's share capital

OWNERSHIP OF CAPITAL AND VOTING RIGHTS

On 12 January 2009, the estimated shareholder structure of Pierre & Vacances was as follows:

	Number of shares	% of capital	Value of stake on 12 January 2009 (in thousands of euros)	Number of voting rights	% of voting rights
SITI [1]	4,423,548	50.16	191.097	8,829,539	66.62
Directors	3,595	0.04	155	3,680	0.03
Shares in treasury stock	135,894	1.54	5.871	135,894	1.02
- of which shares acquired in the buy-back programme	*130,454*		*5.636*		
- of which shares acquired in the liquidity agreement	*5,440*		*235*		
Public [2]	4,256,554	48.26	183.884	4,284,933	32.33
TOTAL	**8,819,591**	**100**	**381.007**	**13,254,046**	**100**

(1) 81.52% of SITI SA is directly owned by SCI SITI «R», 90% of the latter being owned by Gérard Brémond.
(2) Including employees (Pierre & Vacances FCPE: 27,816 shares or 0.32% of the capital).

The company has taken a number of measures to prevent the control exerted by SITI SA from being abusive (see the Chairman's report on the organisation of the Board and internal control procedures in the financial report).

To the Company's knowledge, no shareholder owns more than 5% of the capital or voting rights (other than those specified above).

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and given the information and notifications received in accordance with Articles L. 233-7 and L. 233-12 of the said Code, it is hereby stated that:

- SA SITI directly holds more than half of the share capital and more than two thirds of the voting rights at General Meetings;
- SCI SITI "R" indirectly holds more than half of the share capital and more than two thirds of the voting rights at General Meetings [1].

(1) To calculate participation thresholds, the total number of voting rights now being calculated on the basis of all of the shares to which voting rights are attached, including shares stripped of voting rights, SA SITI and SCI SITI "R" are under the threshold of two thirds of the voting rights, while they hold more than two thirds of the voting rights at General Meetings.

STOCK MARKET SHARE PRICES AND TRADING VOLUMES

Pierre & Vacances shares are listed on the Eurolist of Euronext Paris (Compartment B) and are included in the SBF 250 and CAC Mid 100 indexes.

Share trading over the last eighteen months:

Period	Number of shares traded	Value (in millions of euros)	Adjusted high/low	
			High	Low
July 2007	194,733	22,15	117,90	106,50
August 2007	473,796	47,88	110,83	90,20
September 2007	151,283	15,85	109,00	97,11
October 2007	282,912	27,44	104,84	90,24
November 2007	270,859	23,89	94,50	81,88
December 2007	256,569	23,34	95,90	86,09
January 2008	321,699	25,90	93,75	60,00
February 2008	311,018	24,79	87,45	68,55
March 2008	197,866	14,45	77,50	67,61
April 2008	271,880	21,19	82,90	70,35
May 2008	315,842	22,08	73,99	64,01
June 2008	339,868	23,14	74,90	60,90
July 2008	260,299	15,80	66,00	56,01
August 2008	166,834	10,09	64,00	58,18
September 2008	373,959	20,53	63,49	45,20
October 2008	341,186	13,49	48,59	32,33
November 2008	266,601	8,89	37,20	28,20
December 2008	187,218	6,67	39,74	33,70

(Source: Euronext).

Board of Directors' report to the General Meeting

POSITION AND ACTIVITY OF THE COMPANY

PREAMBLE

Pierre & Vacances SA, the group holding company, owns:

- stakes in all the subholdings;
- the lease and the fittings at the administrative premises of the registered office located in the 19th district of Paris (Espace Pont de Flandre).

At 30 September 2008, there are three types of contract binding Pierre & Vacances SA and its subsidiaries:

- an agreement on the invoicing of head office costs (rental expenses, amortisation of fittings and furniture);
- sub-leases within the framework of invoicing for rent;
- rate hedging contracts by which Pierre & Vacances SA takes out at banks, on behalf of its subsidiaries, financial instruments contracted to hedge variable rates on bank loans based in subsidiary accounts.

SIGNIFICANT FACTS

Significant facts relating to the Pierre & Vacances group for which Pierre & Vacances SA is the holding company are described in the group management report.

As far as the legal entity Pierre & Vacances SA is concerned, 2007/2008 saw the takeover of its subsidiary Pierre & Vacances Holding SAS.

This operation was carried out by the complete transfer of assets and liabilities for the purposes of continuing the rationalisation of the group's legal organisation chart. The impact of this operation is detailed in the change in the structure of the balance sheet.

CHANGE OF ACTIVITY

Turnover in 2007/2008 was €11,1 million. It mainly consists of the following:

- €5.2 million in invoicing subsidiary entities for rental costs, in particular for the occupation of premises at the l'Artois head office in the 19th district of Paris;
- €5.9 million for services carried out and invoiced to subsidiaries for the development of their activities.

The €1.9 million increase in turnover compared to the previous year is mainly down to the invoicing of these services carried out (seconded staff, telecommunications, etc.).

Business interruption came to €4.5 million. It is at a level comparable to that of the previous year (€4.4 million). It is the result of costs inherent in the group holding activity.

Financial income was €14.1 million compared with €63.9 million the previous year. It mainly consists of the following:

- in terms of revenue:
- subsidiary dividends worth €7.2 million, including:
  - €5.2 million from Pierre & Vacances Marques, which owns all of the group's brands and related intangible elements,
  - €1.1 million from Pierre & Vacances Transaction, a property development subsidiary operating as an estate agent,
  - €0.9 million from Pierre & Vacances Tourisme Europe, a subsidiary holding tourism companies,

- interest on current accounts or loans with respect to subsidiaries worth €14.1 million, including €12.4 million with respect to Pierre & Vacances FI, a subsidiary responsible for central cash flow management for all subsidiaries in the group;

- in terms of costs:

- allocations to provisions for depreciation of shares and allocation to provisions for contingencies relating to subsidiaries of €4.9 million,

- interest on bank loans worth €1.7 million.

Financial income in 2006/2007 mainly breaks down as follows:

- revenue of €59.3 million in subsidiary dividends, including:

- €54.0 million from the sub-holding in property development activities, Pierre & Vacances Holding. This subsidiary was taken over by Pierre & Vacances SA in 2007/2008,

- €4.6 million from Pierre & Vacances Marques, which owns all of the group's brands and related intangible elements;

- revenue of €9.6 million corresponding to interest on current accounts, including €8.7 million with respect to Pierre & Vacances FI;

- costs of €1.0 million corresponding to interest on bank loans;

- costs of €3.2 million corresponding to allocations to provisions for depreciation of shares and allocations to provisions for contingencies relating to subsidiaries.

It should be noted that the financial income in 2005/2006 included €75.1 million from the sub-holding for the activities of the Tourisme France division, Pierre & Vacances Maeva Tourisme SA. This company was taken over by merger of assets and liabilities by Pierre & Vacances SA on 29 March 2007 with retrospective effect on 1 October 2006.

Extraordinary income is -€1.0 million compared to €0.2 million in 2006/2007. It mainly consists of costs for the reorganisation of tourism activities.

As parent company, Pierre & Vacances SA enters any tax resulting from the tax consolidation of the group in its financial statements. Corporate income tax booked comes to €10.5 million compared to €22.2 million the previous year. It corresponds to €11.3 million in corporate income tax passed on by subsidiaries of the tax group, net of €0.8 million in tax paid.

As a result, net income for the year amounts to €19.2 million compared to €81.9 million the previous year.

CHANGE IN THE STRUCTURE OF THE BALANCE SHEET

The balance sheet total is €622.8 million compared to €649.9 million at 30 September 2007, a reduction of €27.1 million. In terms of its structure, assets show a mixed change, with a €119.1 million increase in fixed assets, a €145.8 million reduction in current assets and a €0.4 million reduction in costs to be spread.

This position is essentially the result of the takeover by Pierre & Vacances SA of its subsidiary Pierre & Vacances Holding SAS.

In summary, the impact of this operation on the structure of Pierre & Vacances SA's balance sheet is as follows (in millions of euros):

- Goodwill	+10.4
- Shares	+109.0
- Fixed assets	+119.4
- Other receivables (intragroup current accounts)	-126.9
TOTAL ASSETS	**-7.5**
- Merger surplus	0.5
Shareholders' equity	**0.5**
- Provisions for contingencies and charges	0.6
- Other payables	-8.6
TOTAL LIABILITIES	**-7.5**

- the €11.7 reduction in other receivables relating to sums owed by subsidiaries of Pierre & Vacances SA under the balance of Corporate Income Tax in its capacity as head of the tax consolidation group.

The €11.4 million increase in the item "net intangible fixed assets" is mainly the result:

- of the assignment of goodwill resulting from the takeover described above;
- of the acquisition of computer and software licences worth €1.4 million.

The change in the item net financial assets is mainly down to the €108.1 million increase in net value of shares broken down as follows (in millions of euros):

Takeover of Pierre & Vacances Holding SAS	-49.5
Contribution of shares following the takeover by complete transfer of the assets and liabilities of Pierre & Vacances Holding SAS:	
Pierre & Vacances Tourisme Europe SA	89.7
Pierre & Vacances Immobilier Holding SA	68.8
Other movements	-0.9
	+108.1

The net book value of the main shares is thus broken down as follows at 30 September 2008 (in millions of euros):

Center Parcs Europe NV	143.9
Pierre & Vacances Tourisme Europe SA	103.0
Pierre & Vacances Immobilier Holding SAS	68.8
Pierre & Vacances Marques SAS	60.7
Center Parcs France SCS	5.9
Adagio Holding SAS	0.5

Net current assets are €206.7 million compared to €352.5 million at 30 September 2007.

This reduction is mainly due to the €150.5 million fall in the item Other receivables, consisting mainly of current accounts with respect to group subsidiaries.

This change is mainly down to the takeover by Pierre & Vacances SA of its subsidiary Pierre & Vacances Holding SAS.

The shareholders' equity of Pierre & Vacances SA fell by €4.3 million to €588.5 million at 30 September 2008.

This change is broken down as follows (in millions of euros):

- Distribution of dividends -23.5
- Net income for the year 19.2

Share capital at 30 September 2008 is €88,109,110 and is divided into 8,810,911 fully paid-up ordinary shares with a par value of €10 each.

Provisions for contingencies and charges at 30 September 2008 are €5.0 million.

They are broken down as follows (in millions of euros):

- Provisions for financial contingencies relating to subsidiaries 3.8
- Provisions for legal and miscellaneous contingencies 1.2

Bank loans showed a balance of €15 million at 30 September 2008 after taking into account repayment of €4.2 million during the year. This balance corresponds to the capital still due on the debt relating to loans taken out during external growth operations (purchase of the additional 50% of Center Parcs Europe and acquisition of Gran Dorado in September 2004).

This debt was refinanced on 26 March 2007 at €21.1 million. As part of this refinancing, the maturity date has been extended by 2.5 years with a final maturity set for 26 March 2012. The provisional plan for amortising this debt over the five years is by the straight-line method and corresponds to an annual repayment of the principal of €4.2 million.

This loan is at a variable rate (6-month Euribor + margin). Hedging instruments have been contracted by Pierre & Vacances SA in order to cover the interest rate risk associated with this loan. On 30 September 2008, the whole loan is hedged.

In order to manage the risk associated with interest rate fluctuations, Pierre & Vacances SA is taking out rate hedging contracts for the entire group. Under this framework, Pierre & Vacances SA invoices companies affiliated to the group that have directly taken out bank loans for any losses and profits associated with the hedging of loans carried out on behalf of these companies pro rata on the basis of their liabilities. Thus, several swap contracts have been entered into by Pierre & Vacances SA to hedge variable rate loans taken out for the purposes of financing the group's external growth.

SIGNIFICANT EVENTS THAT HAVE OCCURRED SINCE THE YEAR-END

INCREASE IN CAPITAL SINCE THE YEAR-END AS PART OF A PLAN TO ALLOCATE FREE SHARES

The Extraordinary General Meeting of 10 March 2005 authorised the Board of Directors to issue shares in the Company in order to allocate them free of charge to corporate officers and/or certain members of the salaried personnel of the Company or of the companies or company combinations related thereto up to 1% of the share capital.

Under this authorisation, 11,035 Pierre & Vacances SA shares to be issued were allocated by the Board on 9 January 2007, the free allocation of the shares becoming final only after an acquisition period of two years and subject to the beneficiary still being a salaried employee at the end of this period.

The Board of Directors meeting of 12 January 2009 found that, of the 2,207 recipients of free shares allocated by the Board of Directors meeting of 9 January 2007, 1,736 recipients met the conditions laid down in the rules of the free share allocation plan and could claim final allocation of the 5 shares allocated to each recipient under this plan.

Consequently, the Board of Directors:

- decided to increase the share capital of the Company by a nominal amount of €86,800, from €88,109,110 to €88,195,910, by incorporation in the capital of a sum of €86,800 taken from the issue premium through the issuing of 8,680 fully paid-up new shares with a par value of €10 each;
- noted the final completion of this increase in capital and consequently the creation of shares in the Company;
- noted the final free allocation of the said shares to recipients in accordance with the Board decision of 9 January 2007.

FUTURE PROSPECTS

In 2008/2009, Pierre & Vacances SA will continue to act as the holding company of the group under conditions equivalent to those in the year ended.

SUBSIDIARIES AND EQUITY INVESTMENTS

In addition to the information given in this document, we have described the activity of the subsidiaries and of affiliated companies in the group management report and in the reference document of the Pierre & Vacances group.

The table of subsidiaries and equity investments is appended to the balance sheet.

The activities of these main subsidiaries during 2007/2008 are broken down as follows:

- Center Parcs Europe NV

Center Parcs Europe NV is the holding company of the Center Parcs Europe sub-group. The activity of the company corresponds to the invoicing of fees and the invoicing of charges of the company to operating entities of the Center Parcs Europe sub-group.

During 2007/2008, the operating income of Center Parcs Europe NV showed a loss of €2.2 million and its net income, after taking into account €34.0 million in income from subsidiaries, corresponded to a profit of €23.5 million.

- Pierre & Vacances Tourisme Europe SA

The company Pierre & Vacances Tourisme Europe SA continued its activity as a sub-holding company of the Tourism division.

In the year ended 30 September 2008, the loss of the company PVT Europe was €2.6 million.

- Pierre & Vacances Marques SAS

The activity of this company consists of collecting royalties from the granting of rights to use its brands.

In 2007/2008, it renewed its annual licences with the various companies in the Group using its brands.

This year, Pierre & Vacances Marques SAS's operating income shows a profit of €7.6 million and net income of €5.0 million.

- Pierre & Vacances FI SNC

In 2007/2008, Pierre & Vacances FI SNC continued its responsibilities for the centralised management of cash flow for the various entities in the Pierre & Vacances Group.

The usufruct of CP Holding France and CP Holding Belgique matured at 30 September 2008. On 30 September 2008, PV FI acquired shares in Center Parcs BF Holding BV for €65.8 million from Center Parcs Holding Belgium BV.

The following information is provided on these subsidiaries and equity investments:

During the past financial year, our Company has made the following investments:

Adagio Holding

On 12 March 2008, at the time of the creation of Adagio Holding S.A.S., Pierre & Vacances SA subscribed for 5,000 shares at a par value of €100, or 50% of the capital.

Pierre & Vacances Maroc S.A.S.

On 26 March 2008, at the time of the creation of Pierre & Vacances Maroc S.A.S., Pierre & Vacances SA subscribed for 2,999 shares at a par value of 100 dirhams, out of the 3,000 shares constituting the capital.

Pierre & Vacances Immobilier Holding S.A.S.

On 30 June 2008, as a result of the early winding-up, without liquidation, of Pierre & Vacances Holding S.A.S., Pierre & Vacances SA took over 6,881,445 shares in Pierre & Vacances Immobilier Holding S.A.S.

Pierre & Vacances Tourisme Europe

On 30 June 2008, as a result of the early winding-up, without liquidation, of Pierre & Vacances Holding S.A.S., Pierre & Vacances SA took over 215,615 additional shares in Pierre & Vacances Tourisme Europe.

Pierre & Vacances Investissement XXXIX

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXIX, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

Pierre & Vacances Investissement XXXX

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXX, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

Pierre & Vacances Investissement XXXXI

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXXI, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

Pierre & Vacances Investissement XXXXII

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXXII, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

Pierre & Vacances Investissement XXXXIII

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXXIII, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

During the past financial year, our Company has disposed of the following investments:

Pierre & Vacances Investissement XXX

On 6 November 2007, Pierre & Vacances SA sold 3,812 shares in Pierre & Vacances Investissement XXX SAS (or 100% of the capital) to Pierre & Vacances Investissement XXIX, for a total of €38,120.

CP Prog Holding S.A.S.

On 26 March 2008, Pierre & Vacances SA sold 25,000 shares in CP Prog Holding S.A.S. (or 100% of the capital) to Tourism Real Estate Property Holding SE, for a total of €250,000.

PV Prog Holding S.A.S.

On 26 March 2008, Pierre & Vacances SA sold 25,000 shares in PV Prog Holding S.A.S. (or 100% of the capital) to Tourism Real Estate Property Holding SE, for a total of €250,000.

Newcity Aparthotels S.A.S.

On 15 May 2008, Pierre & Vacances SA sold 5,000 shares in Newcity Aparthotels (or 50% of the capital) to Adagio Holding, for a total of €500,000.

Pierre & Vacances Holding S.A.S.

On 30 May 2008, Pierre & Vacances SA, the sole partner, decided on the early winding-up, without liquidation, of Pierre & Vacances Holding S.A.S. This operation was carried out on 30 June 2008.

Significant investments and disposals since the year-end:

Pierre & Vacances Développement S.A.S.

On 27 November 2008, Pierre & Vacances SA sold 100,000 shares in Pierre & Vacances Développement S.A.S. (or 100% of the capital) to Pierre & Vacances Promotion Immobilière, for a total of €1.

REMUNERATION OF EXECUTIVES AND MEMBERS OF THE BOARD OF DIRECTORS

REMUNERATION PAID TO SENIOR OFFICERS

For the years ending 30 September 2008 and 30 September 2007, no salary (including benefits of any kind) was paid to an officer of the company directly by companies of the Pierre & Vacances Group controlled as defined in Article L. 233-16 of the French Commercial Code or by Pierre & Vacances SA. However, Société d'Investissement Touristique et Immobilier (a company controlled by the Chief Executive Officer, founder and majority shareholder of Pierre & Vacances SA) as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Eric Debry, Thierry Hellin and Patricia Damerval. The fees invoiced by SITI are determined on the basis of direct costs (remuneration paid + related employer expenses + other direct costs: travelling expenses, cost of premises and secretarial services) plus a 5% margin calculated according to the time spent by each person in managing the companies of the Pierre & Vacances Group.

Total gross remuneration and benefits of any kind paid by SITI to each of the senior officers of the company at Pierre & Vacances SA is made up of the following:

	2007/2008 remuneration		2006/2007 remuneration	
(in euros)	due for the period	paid during the period	due for the period	paid during the period
Gérard Brémond, Chief Executive Officer				
Fixed remuneration (*)	503,648	503,648	503,420	503,420
Variable remuneration (**)	90,000	90,000	90,000	90,000
TOTAL	**593,648**	**593,648**	**593,420**	**593,420**
Eric Debry, Deputy Chief Executive Officer				
Fixed remuneration (*)	513,315	513,315	471,154	471,154
Variable remuneration (**)	500,000	950,000	450,000	
TOTAL	**1,013,315**	**1,463,315**	**921,154**	**471,154**
Thierry Hellin, Assistant Chief Executive Officer				
Fixed remuneration (*)	256,407	256,407	222,908	222,908
Variable remuneration (**)	80,000	155,000	103,250	103,250
TOTAL	**336,407**	**411,407**	**326,158**	**326,158**
Patricia Damerval, Assistant Chief Executive Officer				
Fixed remuneration (*)	256,229	256,229	232,520	232,520
Variable remuneration (**)	80,000	105,000	75,000	75,000
TOTAL	**336,229**	**361,229**	**307,520**	**307,520**

(*) Including reinstatement of the benefit in kind involving the availability of a company car.
(**) Variable remuneration is paid in the year following the year for which it is granted.

For each of them, the variable bonus relates to the financial performance of the Pierre & Vacances Group and the achievement of personal objectives.

The Pierre & Vacances Group has not introduced a system of golden hellos and golden handshakes for officers of the company.

Eric Debry was the Deputy Chief Executive Officer of Pierre & Vacances SA until 30 September 2008. He received compensation of €1 million when his employment contract was terminated by mutual consent.

There are no additional pension schemes specific to officers of the company. They receive, in accordance with their contract of employment with SITI, an end-of-service lump sum payment calculated on the basis of the rules applicable to all salaried employees.

ATTENDANCE FEES PAID TO DIRECTORS

Attendance fees paid in 2008 for the 2007/2008 period came to a total of €150,000, the same as for 2006/2007.

	2007/2008 remuneration		2006/2007 remuneration	
	due for the period	paid during the period	due for the period	paid during the period
Sven Boinet	30,000	30,000	30,000	30,000
Olivier Brémond (*)	30,000	30,000	30,000	30,000
Ralf Corsten (*)	30,000	30,000	30,000	30,000
Michel Dupont	30,000	30,000	30,000	30,000
Marc R.Pasture (*)	30,000	30,000	30,000	30,000
TOTAL	**150,000**	**150,000**	**150,000**	**150,000**

(*) *Messrs O. Brémond, R. Corsten and M. Pasture effectively received €22,500 each (less €7,500 deducted at source and paid directly by Pierre & Vacances SA to the French tax authorities).*

LOANS AND GUARANTEES GRANTED BY PIERRE & VACANCES SA

No loan or guarantee has been granted by Pierre & Vacances SA to the members of the Management Committee or of the Board of Directors.

SHARE OPTIONS AND FREE ALLOCATIONS OF SHARES

ALLOCATION POLICY

The allocation policy followed hitherto by the Group identifies:

- occasional allocations to a large number of Group executives;
- more regular allocations, in principle on an annual basis, to the holders of key positions in the group;
- exceptional allocations to group employees (executives and non-executives).

This policy is likely to change during future years due to the legislative and regulatory changes in reporting share purchase or subscription options.

SHARE SUBSCRIPTION OPTION PLANS

	2000 option plan	2003 option plan		2004 option plan	2005 option plan
Date of General Meeting	17/03/2000		10/03/2003	11/03/2004	11/03/2004
Date of Board meeting	20/03/2000	11/04/2003	03/11/2003	07/09/2004	26/09/2005
Total number of shares that may be subscribed for at the outset	87,200	25,000	7,150	162,300	1,000
Number of shares that may be subscribed for by members of the Executive Committee (as it currently stands)	4,000	25,000	/	26,000	/
Number of executives concerned	4	2	/	8	/
Number of shares that may be subscribed for by members of the Board (as it currently stands)	1,000	15,000	/	8,000	/
Total number of shares that may be subscribed for by the ten company employees awarded the largest number of stock options (*)	68,000	25,000	7,150	51,000	1,000
Date from which options may be exercised	21/03/2004	12/04/2007	04/11/2007	08/09/2008	27/09/2009
Strike price	€47	€44	€63.83	€66.09	€59.89
Expiry date	21/03/2010	12/04/2013	04/11/2013	08/09/2014	27/09/2015
Number of shares subscribed for	78,417	20,000	/	/	/
Total number of options cancelled	6,466	/	/	38,512	/
Total number of options outstanding on 12 January 2009	2,317	5,000	7,150	123,788	1,000
Potential dilution arising from exercise of options (in number of shares)	2,317	5,000	7,150	123,788	1,000

(*) *When more than ten employees are equally entitled, the indicated amount takes account of all those involved (including those who are no longer members of the company's salaried personnel).*

On 12 January 2009, there are 139,255 share subscription options outstanding.

If all the options were exercised, 139,255 new shares would be issued, increasing the total number of shares to 8,958,846.

These new shares would represent an increase of €9,026,322 in shareholders' equity.

The options in circulation represent 1.55% of the share capital after the increase.

SHARE PURCHASE OPTION PLANS

	2005 Share purchase option plan	2006 Share purchase option plan	2007 Share purchase option plan	2008 Share purchase option plan	2009 Share purchase option plan
Date of General Meeting	11/03/2004 and 10/03/2005	02/03/2006	02/03/2006	02/03/2006	14/02/2008
Date of Board Meeting	26/09/2005	21/07/2006	09/01/2007	07/01/2008	12/01/2009
Total number of shares that may be purchased at the outset	28,000	16,500	46,875	38,375	5,000
Number of shares that may be purchased by members of the Executive Committee (as it currently stands)	20,000	/	24,000	24,000	5,000
Number of executives concerned	5	/	6	6	1
Total number of shares that may be purchased by members of the Board (as it currently stands)	8,000	/	8,000	8,000	/
Total number of shares that may be purchased by the ten company employees awarded the largest number of stock options (*)	28,000	16,500	45,375	38,375	5,000
Date from which options may be exercised	27/09/2009	22/07/2010	10/01/2011	08/01/2012	13/01/2013
Strike price	€59.89	€80.12	€87.40	€86.10	€39.35
Expiry date	27/09/2015	22/07/2016	10/01/2017	08/01/2018	13/01/2019
Number of shares purchased	/	/	/	/	/
Total number of options cancelled	2,000	5,000	/	/	/
Total number of options outstanding	26,000	11,500	46,875	38,375	5,000
Potential dilution arising from exercise of options (in number of shares)	None, since these are purchase options granted on shares arising from purchases made by the Company				

(*) When more than ten employees are equally entitled, the indicated amount takes account of all those involved (including those who are no longer members of the company's salaried personnel).

ALLOCATION AND EXERCISE OF OPTIONS DURING 2007/2008 APPLYING TO THE OFFICERS OF THE COMPANY

Options granted during the year to each officer (named list)

	Number of shares allocated	Strike price	Expiry date
Eric Debry (*)	8,375	€86.10	08/01/2018
Patricia Damerval	4,000	€86.10	08/01/2018
Thierry Hellin	4,000	€86.10	08/01/2018

(*) Mr Eric Debry was the Deputy Chief Executive Officer of Pierre & Vacances SA until 30 September 2008, which is why the options that were granted to him during the period ended are shown in these tables. According to the terms of the act of 30/12/2006 to develop employee profit-sharing and shareholding, the Board decided that Eric Debry must retain nominally 10% of the shares arising from the exercise of the share purchase options that were granted to him and that, until he ceases to be Deputy Chief Executive Officer of Pierre & Vacances SA.

Options exercised during the year by each officer (named list)

None.

NUMBER OF OPTIONS TO SUBSCRIBE FOR SHARES AND PURCHASE SHARES ALLOCATED TO OFFICERS OF THE COMPANY

Options to subscribe for shares (OSAs) and options to purchase shares (OAAs) allocated by the Board on:	Strike price	Number of options held on 30/09/2007	Movements for the year			Number of options held on 30/09/2008
			New allocation	Options exercised	Options cancelled	
11 April 2003 (OSA)	€44.00	5,000	/	/	/	5,000
7 September 2004 (OSA)	€66.09	8,000	/	/	/	8,000
26 September 2005 (OAA)	€59.89	8,000	/	/	/	8,000
9 January 2007 (OAA)	€87.40	16,375	/	/	/„	16,375
7 January 2008 (OAA)	€86.10	/	16,375	/	/	16,375
TOTAL		**37,375**	**16,375**	**/**	**/**	**53,750**

OPTIONS ALLOCATED, AND EXERCISED DURING 2007/2008 CONCERNING THE TEN COMPANY EMPLOYEES WHO ARE NOT OFFICERS AND WHO WERE AWARDED THE LARGEST NUMBER OF SHARE OPTIONS

Options granted during 2007/2008 (general information)

Number of options allocated	Strike price	Expiry date
22,000	€86.10	08/01/2018

Options exercised during 2007/2008 (general information)

None.

PLANS TO ALLOCATE FREE SHARES

	2007 plan	2007 plan	2008 plan	2009 plan
Date of General Meeting	10/03/2005	10/03/2005	10/03/2005	14/02/2008
Date of Board Meeting	09/01/2007	09/01/2007	07/01/2008	12/01/2009
Total number of shares allocated at the outset	11,035	16,010	13,010	86,335
Total number of recipients	2,207	9	8	56
Starting date of the acquisition period	09/01/2007	09/01/2007	07/01/2008	12/01/2009
Starting date of the retention period	10/01/2009	10/01/2009	08/01/2010	13/01/2011
Duration of the retention period	2 years	2 years	2 years	2 years
Conditions and criteria of allocation	Conditions of presence (*)	Conditions of performance	Conditions of performance	Conditions of performance
Source of the shares to be allocated	Shares to be issued	Treasury stock	Treasury stock	Treasury stock
Number of shares cancelled	2,355	/	/	/
Number of shares finally allocated	8,680	16,010	/	/
Potential dilution resulting from the final allocation of shares	8,680	None, the free shares granted being existing shares		

(*) *Allocation intended for members of salaried personnel (excluding Center Parcs) on permanent contract on 9 January 2007 (excluding trial period).*

ALLOCATIONS OF FREE SHARES DURING 2007/2008 CONCERNING OFFICERS OF THE COMPANY (NAMED LIST)

	Number of shares allocated
Eric Debry (*)	2,510
Patricia Damerval	1,500
Thierry Hellin	1,500

(*) Mr Eric Debry was the Deputy Chief Executive Officer of Pierre & Vacances SA until 30 September 2008, which is why the free shares that were granted to him during the period ended are shown in these tables. According to the terms of the act of 30/12/2006 to develop employee profit-sharing and shareholding, the Board decided that Eric Debry must retain nominally 10% of the shares arising from the exercise of the share purchase options that were granted to him and this will apply until he ceases to be Deputy Chief Executive Officer of Pierre & Vacances SA.

FREE SHARES ALLOCATED DURING 2007/2008 TO THE TOP TEN COMPANY EMPLOYEES WHO ARE NOT OFFICERS (GENERAL INFORMATION)

7,500.

SUMMARY OF COMPANY SHARE TRANSACTIONS

Summary of trading in the Company's shares, as specified in Article L. 621-18-2 of the Monetary and Financial Code [1], during the last year:

None.

The transaction below was done on 7 October 2008:

Person concerned	Type of transaction	Number of shares
Andries Arij Olijslager	Purchase	500

OTHER SHARES GIVING ACCESS TO THE CAPITAL

None

(1) Trades made in the Company's shares by the executives, similar persons and their families

The Company's financial statements

PROFIT AND LOSS ACCOUNT

(in thousands of euros)	Notes	2007/2008	2006/2007	2005/2006
Sales of services carried out	12	11,143	9,200	7,084
Net turnover		**11,143**	**9,200**	**7,084**
Self-constructed assets				
Operating subsidy				
Amortisation writebacks – provisions, cost transfer	12	8,263	7,702	7,784
Other earnings	12	20	174	23
Operating earnings		**19,426**	**17,076**	**14,891**
Other external costs and purchases	12	20,722	18,453	16,837
Tax and related payments	12	510	679	729
Wages and salaries	12	0	27	
Social security expenses	12	701	645	636
Amortisation of fixed assets	12	1,600	1,484	1,458
Provisions for fixed assets				
Provisions for current assets	12	17		
Provisions for contingencies and charges	12	220		
Other costs	12	168	154	150
Operating expenses		**23,938**	**21,442**	**19,810**
OPERATING INCOME		**-4,512**	**-4,366**	**-4,919**
Financial earnings from shareholdings	13	7,165	59,306	148,300
Earnings from other securities and loans on fixed assets	13	145	161	146
Other interest and related earnings	13	14,099	9,470	4,322
Writeback on provisions and cost transfers		-580	-231	221
Positive exchange rate differences				
Net earnings on transfers of short-term investments	13	6	60	75
Financial earnings		**20,835**	**68,766**	**153,064**
Financial allocation to amortisation and provisions	13	4,863	3,153	
Interest and related charges	13	1,727	1,714	2,427
Net expenses on transfers of short-term investments	13	97	19	29
Financial expenses		**6,687**	**4,886**	**2,456**
FINANCIAL INCOME		**14,148**	**63,880**	**150,608**
CURRENT INCOME BEFORE TAX		**9,636**	**59,514**	**145,689**

PROFIT AND LOSS ACCOUNT

(in thousands of euros)	Notes	2007/2008	2006/2007	2005/2006
Extraordinary earnings on management transactions	14	0	169	
Extraordinary earnings on capital transactions	14	1,044	3,089	57,464
Writeback on provisions and cost transfers				
Extraordinary earnings		**1,044**	**3,258**	**57,464**
Extraordinary expenses on management transactions	14	0	39	11
Extraordinary expenses on capital transactions	14	2,024	2,665	57,464
Extraordinary allocation to amortisation, depreciation and provisions	14	0	350	42
Extraordinary expenses		**2,024**	**3,054**	**57,517**
EXTRAORDINARY INCOME		**-980**	**204**	**-53**
Employee share in the benefits of expansion				
Corporate income tax	15	-10,509	-22,211	-20,126
TOTAL EARNINGS		**41,305**	**89,100**	**225,419**
TOTAL EXPENSES		**22,140**	**7,171**	**59,657**
PROFIT		**19,165**	**81,929**	**165,762**

BALANCE SHEET

ASSETS

(in thousands of euros)	Notes	Gross Amount	Amort.	Net 30/09/2008	Net 30/09/2007	Net 30/09/06
Intangible fixed assets	**1**	**24,290**	**1,191**	**23,099**	**11,699**	**2,619**
Tangible fixed assets	**1**					
Other tangible fixed assets		7,155	5,034	2,121	2,712	3,351
Tangible fixed assets in progress		2		2		
Financial assets	**1, 2, 4**					
Other equity investments		385,515	2,051	383,464	275,399	359,081
Loans		3,377		3,377	3,360	3,301
Other financial assets		2,824	9	2,815	2,676	2,567
FIXED ASSETS		**423,163**	**8,285**	**414,878**	**295,846**	**370,919**
Advances, downpayments on orders		22		22	106	155
Trade receivables and related accounts	4	9,235	32	9,203	6,726	7,168
Other receivables	3 & 4	187,159		187,159	337,683	184,728
Short-term investments	6	10,487	2,147	8,340	6,054	5,487
Liquid assets	6	57		57	60	68
Prepayments	4 & 10	1,957		1,957	1,878	1,569
CURRENT ASSETS		**208,917**	**2,179**	**206,738**	**352,507**	**199,175**
Costs to be spread over a number of years	11	1,175		1,175	1,532	1,573
TOTAL		**633,255**	**10,464**	**622,791**	**649,885**	**571,667**

LIABILITIES

(in thousands of euros)	Notes	30/09/2008	30/09/2007	30/09/2006
Share or individual capital	7	88,109	88,109	87,818
Additional paid-in capital, merger premiums, share premiums etc.	7	8,704	8,651	7,673
Statutory reserve	7	8,811	8,782	8,769
Other reserves	7	2,309	2,309	2,309
Retained earnings	7	461,402	403,027	259,044
Income for the year	**7**	**19,165**	**81,929**	**165,762**
SHAREHOLDERS' EQUITY		**588,500**	**592,807**	**531,375**
Provisions for contingencies	2	570	350	
Provisions for charges	2	4,428	2,145	
PROVISIONS FOR CONTINGENCIES AND CHARGES		**4,998**	**2,495**	**0**
Bank borrowings				
Bank loans and borrowings	4	14,961	19,239	21,158
Miscellaneous loans and bank borrowings	4	703	14,816	1,069
Advances and downpayments received on orders in progress		0	0	0
Operating debts				
Trade payables and related accounts	4 & 5	7,661	6,430	5,550
Taxes and social security contributions payable	4	900	790	877
Miscellaneous debts				
Borrowings on fixed assets and related accounts	4	302	104	205
Other payables	4 & 9	4,353	12,597	10,618
Equalisation accounts				
Deferred income	4 & 10	413	607	815
BORROWINGS		**29,293**	**54,583**	**40,292**
TOTAL		**622,791**	**649,885**	**571,667**

PROPOSED APPROPRIATION OF EARNINGS AND ASSIGNMENT OF DIVIDENDS

Net of all charges, taxes and amortisation, the parent company financial statements show a net profit of €19,164,798.96.

It is proposed that it be appropriated as follows:

Income for the year	€19,164,798.96
Plus retained earnings from the previous year	€461,402,070.57
Total	**€480,566,869.53**
• to the statutory reserve	€0.00
• to shareholders in dividends (8,819,591 x €2.70)	€23,812,895.70
• to retained earnings	€456,753,973.83

The dividend to be distributed for the year is therefore €2.70 per share. This dividend will be payable on 12 March 2009.

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

Share capital (8,810,911 x €10)	€88,109,110.00
Additional paid-in capital	€8,648,595.43
Merger premiums	€55,912.36
Statutory reserve	€8,810,911.00
Other reserves	€2,308,431.46
Retained earnings	€456,753,973.83
TOTAL	**€564,686,934.08**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(These notes show figures in thousands of euros)

On the balance sheet before distribution for the period ending 30 September 2008 of which the total in euros is:	622,791,122
And on the profit and loss account for the year generating a profit in euros of:	19,164,799

The period lasts for 12 months, from 1 October 2007 to 30 September 2008. These annual financial statements were approved by the Board of Directors on 2 December 2008.

SIGNIFICANT EVENTS DURING THE PERIOD

Takeover by Pierre & Vacances of its subsidiary Pierre & Vacances Holding SAS (PVH) – This was carried out by complete transfer of assets and liabilities for the purposes of continuing the rationalisation of the group's legal organisation chart. The merger surplus representing the difference between the net position contributed and the book value of the shares was booked in financial income to accumulated, undistributed earnings of the company taken over (€471 thousand); in shareholders' equity above that (€53 thousand).

The impacts of this operation can be summarised as follows (in millions of euros):

Goodwill	+10.4
Shares	+109.0
Intragroup current account	-126.9
TOTAL ASSETS	**-7.5**
Merger surplus	0.5
Provisions for contingencies and charges	0.7
Other payables	-8.6
TOTAL LIABILITIES	**-7.5**

ACCOUNTING METHODS AND RULES

Accounting principles – The annual financial statements are presented in accordance with the provisions of the 1999 French National Accounting Code (Regulation No. 99-03 of 29 April 1999 of the Accounting Regulation Committee, approved by Order of 22 June 1999).

General accounting conventions have been applied, based on the principle of prudence, in accordance with the following basic assumptions:

- business continuity;
- consistency of accounting methods from one period to the next;
- independence of accounting periods;

and in accordance with professional standards.

The principal methods of valuation relate to the following:

- Fixed assets: Intangible and tangible fixed assets are valued at their acquisition cost or at their contribution value or at their construction cost.

With the exception of goodwill, the other intangible fixed assets and tangible fixed assets are amortised using the straight-line method as a function of the following economic lives:

General installations	10 years
Office furniture and equipment	5 to 10 years

- Equity investments: shares are valued at their acquisition value or at their contribution value. A provision is made for depreciation if this value is greater than the value in use determined at each year-end taking into account the proportion of shareholders' equity, the potential profitability or, if applicable, the stock market prices.
- Loans and other financial assets: this item mainly includes subordinated loans granted to the GIE NPPV3 as part of operations to securitise "Ownership & Holidays" receivables and accrued interest not due relating thereto.
- Trade receivables and related accounts: a provision is made for risk of non-recovery of receivables when a debtor shows a risk of insolvency or disputes the basis of receivables or when payments are unusually delayed. The provisions are based on an individual assessment of this risk of non-recovery.
- Other receivables: these include, in particular, tax receivables, VAT, Group current accounts, miscellaneous debtors and accrued revenues.
- Securitisation operations: Under the "Ownership & Holidays" sales scheme offered to investors in properties developed and marketed by Pierre & Vacances property development subsidiaries, these buyers do not have to pay out the full purchase costs of the assets. Receivables linked to prepaid rent commitments receive interest. They are repaid each year through rent paid by tourism companies. Pierre & Vacances regularly securitises these receivables arising from property sales under the "Ownership & Holidays" scheme. These refinancing transactions involve transferring the receivables to a banking consortium (GIE) in return for payment of the securitisation proceeds.

A rental agreement covering these repayments is granted to Pierre & Vacances in connection with these property sales via its tourism subsidiaries. Thus, within the framework of business continuity, the risk that the non-repayment of receivables securitised in the GIE actually falls on Pierre & Vacances is zero. Pierre & Vacances does not own any shares in the capital of the banking consortia (GIEs) and is not involved in their management. Once receivables have been transferred to the banking consortium, Pierre & Vacances no longer receives any benefit in remuneration of the transferred receivables.

In legal terms, the operation is a conventional subrogation in which the banking consortium is substituted for Pierre & Vacances in terms of its rights, actions and privileges, which means Pierre & Vacances can no longer show the receivables on its balance sheet. Information on total securitised receivables is given in off-balance sheet commitments.

The securitisation operation can generate, on the date of transfer of the receivables, a net profit linked to the differential between the rate of return on the receivables and the rate of refinancing of the GIE. This profit was previously booked in the period in which securitisation was carried out. For securitisation operations carried out from 1 October 1998 onwards, it is now spread across over the duration of the operations.

- Short-term investments: short-term investments are booked at their acquisition cost. They are valued at the lower of their acquisition cost and their market value.
- Pierre & Vacances treasury stock is entered:
  - as assets on the balance sheet in short-term investments, when this treasury stock is explicitly assigned, on acquisition, either to allocation to employees or to stimulate the market under the liquidity agreement;
  - or otherwise in long-term investments;

- depreciation of treasury has been booked for the period at €2,147 thousand in order to value treasury stock at the average stock market price for the last month preceding the year-end.

- Prepayments and deferred income: this item mainly includes current management costs and income.
- Costs to be spread over a number of years: these costs correspond to borrowing issue costs.
- Inclusion of subsidiary earnings: in accordance with statutory provisions, earnings of subsidiaries in the form of a partnership exempt from corporate income tax are included in the same year.

Note 1 - FIXED ASSETS

FIXED ASSETS	30/09/2007	Acquisitions	Disbursements	30/09/2008
Intangible fixed assets				
Brands, concessions, patents	666	979	0	1,645
Goodwill	9,108	10,403		19,511
Other intangible fixed assets	2,445	447	0	2,892
Intangible fixed assets in progress	130	110	0	240
TOTAL INTANGIBLE FIXED ASSETS	**12,349**	**11,939**	**0**	**24,288**
Tangible fixed assets				
Miscellaneous fixtures	4,067	93	0	4,160
Office equipment & computers, furniture	2,994	18	17	2,995
Tangible fixed assets in progress		2		2
TOTAL TANGIBLE FIXED ASSETS	7,061	113	17	7,157
Financial assets				
Equity investments and related receivables	276,407	159,705	50,597	385,515
Loans and other financial assets	6,045	253	96	6,202
TOTAL FINANCIAL ASSETS	**282,452**	**159,958**	**50,693**	**391,717**
TOTAL GROSS FIXED ASSETS	**301,862**	**172,010**	**50,710**	**423,162**

AMORTISATION & PROVISIONS	30/09/2007	Increases	Reductions	30/09/2008
Brands, concessions, patents	233	228	0	461
Goodwill	42			42
Other intangible fixed assets	375	313	0	688
TOTAL INTANGIBLE FIXED ASSETS	**650**	**541**	**0**	**1,191**
Tangible fixed assets				
Miscellaneous fixtures	2,302	404	0	2,706
Office equipment & computers, furniture	2,046	299	17	2,328
TOTAL TANGIBLE FIXED ASSETS	**4,348**	**703**	**17**	**5,034**
Financial assets				
Equity investments and related receivables	1,008	1,043	0	2,051
Loans and other financial assets	9			9
TOTAL FINANCIAL ASSETS	**1,017**	**1,043**	**0**	**2,060**
TOTAL AMORTISATION & PROVISIONS	**6,015**	**2,287**	**17**	**8,285**
TOTAL NET FIXED ASSETS	**295,847**	**169,724**	**50,693**	**414,878**

The increase in net fixed assets over the year (+€119,031 thousand) is mainly down to the takeover of Pierre & Vacances Holding SAS with the complete transfer of assets and liabilities on 30 June 2008.

This operation has led to:

- the cancellation of Pierre & Vacances Holding shares worth €49,544 thousand;
- the contribution of Pierre & Vacances Tourisme Europe shares worth €89,734 thousand;
- the contribution of Pierre & Vacances Immobilier & Holding shares worth €68,814 thousand;
- the contribution of Pierre & Vacances Tourisme Europe goodwill worth €10,403 thousand.

The net book value of shareholders' equity at 30 September 2008 is €383,464 thousand and mainly includes:

- Center Parcs Europe N.V.: €143,919 thousand;
- Pierre & Vacances Tourisme Europe SAS: €103,010 thousand;
- Pierre & Vacances Immobilier Holding SAS: €68,814 thousand;
- Pierre & Vacances Marques SAS: €60,686 thousand;
- Center Parcs France SCS: €5,943 thousand;
- Adagio Holding SAS: €500 thousand.
- "Loans and other financial assets" essentially relate to subordinated loans (and capitalised interest) granted to the GIE III tranche 1, 2 & 3 as part of the operations to securitise "Ownership & Holidays" receivables.

Note 2 - PROVISIONS

	30/09/2007	Increases	Reductions	30/09/2008
Provisions for contingencies and charges	2,495	2,576	73	4,998
Provisions for depreciation				
- Goodwill	42			42
- Shares	1,008	1,043		2,051
- Financial assets	9			9
- Trade receivables	0	32		32
- Treasury stock	0	2,147		2,147
TOTAL	**3,554**	**5,798**	**73**	**9,279**

Provisions for contingencies and charges correspond:

- to disputes at €570 thousand;
- to costs of support funds at €683 thousand (provisions relating to property development programmes received as part of the transfer of PVH SAS);
- to provisions covering net negative positions of subsidiaries:
- Pierre & Vacances Courtage SARL: €568 thousand,
- Pierre & Vacances Développement SAS: €3,250 thousand.

Provisions for depreciation of shares relate to the following shares:

- Parthouse SRL at €1,043 thousand;
- Pierre & Vacances Développement SAS at €1,000 thousand;
- Pierre & Vacances Courtage SARL at €8 thousand.

Provisions for depreciation of other assets correspond:

- to trade receivables of €32 thousand (provisions relating to customer accounts for property development programmes received as part of the transfer of PVH SAS)
- to the depreciation of treasury stock of €2,147 thousand, allowing valuation at the average stock market price for the last month preceding the year-end.

Note 3 - OTHER RECEIVABLES

	30/09/2008	30/09/2007
Current accounts	178,130	314,843
Pierre & Vacances FI SNC	173,168	313,490
Adagio Holding SAS	3,534	0
Part House SRL	1,282	1,217
Pierre & Vacances Promotion Immobilière	94	84
Miscellaneous current account assets	52	52
STATE AND OTHER PUBLIC AUTHORITIES	**5,268**	**7,246**
OTHER RECEIVABLES AND MISCELLANEOUS DEBIT ACCOUNTS	**3,761**	**15,594**
TOTAL	**187,159**	**337,683**

Pierre & Vacances FI, a subsidiary of Pierre & Vacances SA, is responsible for central cash flow management for all subsidiaries in the Group.

The €126.9 million reduction in the Pierre & Vacances FI current account is down to the impact of the takeover of Pierre & Vacances Holding SAS by the combining of assets and liabilities in the accounts of Pierre & Vacances SA.

Receivables from the State correspond, in particular, to the VAT credit and to VAT refunding rights of €1,813 thousand and to receivables from the State worth €3,268 thousand as carry back.

The item Other receivables includes sums owed to Pierre & Vacances SA by subsidiaries under the balance of Corporate Income Tax in its capacity as head of the Tax Consolidation Group.

The takeover of Pierre & Vacances Holding SAS generated a reduction of €8.6 million corresponding to the group tax payables owed to Pierre & Vacances SA by this subsidiary.

Note 4 - SUMMARY OF MATURITIES OF RECEIVABLES AND BORROWINGS

		Payability	
RECEIVABLES	Amount	Less than a year	More than a year
Loans	3,377		3,377
Other financial assets	2,824		2,824
Trade receivables and related accounts	9,235	9,235	
State and other public authorities	5,266	5,266	
Group and partners	178,131	178,131	
Other receivables	3,762	3,762	
Equalisation accounts	1,957	1,957	
	204,552	**198,351**	**6,201**

BORROWINGS	Amount	Less than a year	Payability 1 to 5 years	More than 5 years
Loans and borrowings from banks	14,961	4,411	10,550	
Miscellaneous loans and long-term borrowings	703	277	426	
Trade payables and related accounts	7,661	7,661		
Taxes and social security contributions payable	900	900		
Borrowings on fixed assets	302	302		
Other payables	4,353	4,353		
Equalisation accounts	413	413		
	29,293	**18,317**	**10,976**	

Bank loans mainly correspond to the capital still owed on the €21 million loan taken out during the year for refinancing the residual liability for the €35 million loan taken out in 2004. The residual liability of the new refinancing at 30 September 2008 is €14,770 thousand including repayments of €4,220 thousand for the period.

This loan is at a variable rate (6-month Euribor + margin). In order to manage the risk associated with interest rate fluctuations, Pierre & Vacances SA is taking out rate hedging contracts for the entire Group. Under this framework, Pierre & Vacances SA invoices companies affiliated to the Group that have directly taken out bank loans for any losses and profits associated with the hedging of loans carried out on behalf of these companies pro rata on the basis of their liabilities.

Thus, several swap contracts have been entered into by Pierre & Vacances SA to hedge variable rate loans taken out for the purposes of financing the Group's external growth. The characteristics of all of these hedging contracts are shown in Note 18 – Off-balance sheet commitments.

None of the Pierre & Vacances SA's bank loans are based on its debt rating or that of the Group. Bank loans include contractual clauses referring to the consolidated financial position of the Pierre & Vacances Group. These ratios are adjusted to the repayment profile for these loans. The level and definition thereof have been fixed in consultation with the lenders on the basis of forecasts. Compliance with these ratios is assessed only once a year at the year-end. Failure to comply with these ratios authorises the lenders to call in some or all of the debt early. These credit lines are also all provided with the usual legal covenants "negative pledge", "pari passu" and "cross default".

With the agreement of the lending banks, certain elements (defined according to French accounting standards) included in the calculation of ratios have been remplaced with elements defined according to IFRS standards in order to maintain a consistent method of calculation despite the Group's adoption of IFRS standards (ratio levels to be met have not been altered).

Note 5 - ACCRUED REVENUES AND COSTS

Accrued revenues	30/09/2008	30/09/2007
Customers	664	208
Repayment of Trade Tax	187	0
Interest on Adagio debt	34	0
Interest on MGM debt	16	18
	901	**226**

Accrued costs	30/09/2008	30/09/2007
Suppliers	1,122	893
Group customer credit notes	153	0
New property receivable interest	0	30
Pension contributions	0	45
	1,275	**968**

Note 6 - SHORT-TERM INVESTMENTS AND LIQUID ASSETS

Short-term investments: consisting of the company's own shares, which amount to €10,487 thousand at 30 September 2008.

During 2007/2008, the Pierre & Vacances Group bought, in particular, 65,770 of its own shares for a total of €4,462 thousand recorded as a debit to the treasury stock reserve.

At 30 September 2008, the group held 151,884 of its own shares for a total value of €10,487 thousand.

Depreciation of treasury has been booked for the period at €2,147 thousand in order to value treasury stock at the average stock market price for the last month preceding the year-end.

Liquid assets: there are €57 thousand in liquid assets at 30 September 2008, compared to €60 thousand at the end of the previous year.

Note 7 - CHANGE IN SHAREHOLDERS' EQUITY

	Capital	Additional paid-in capital and merger premiums	Reserves and retained earnings	Income for the year	Total
Shareholders' equity at 30 September 2006	87,818	7,673	270,122	165,762	531,375
Capital increase	291	978			1,269
Distribution of dividends				-21,766	-21,766
Statutory reserve			13	-13	
Retained earnings			143,983	-143,983	
Income for the year				81,929	81,929
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2007	**88,109**	**8,651**	**414,118**	**81,929**	**592,807**
Contribution by merger		52			52
Distribution of dividends				-23,526	-23,525
Statutory reserve			29	-29	
Retained earnings			58,376	-58,376	
Income for the year				19,165	19,165
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2008	**88,109**	**8,703**	**472,523**	**19,165**	**588,499**

Note 8 - MISCELLANEOUS LOANS AND LONG-TERM BORROWINGS

	30/09/2008	30/09/2007
Current accounts	**277**	**14,390**
Société d'Investissement Touristique et Immobilier	166	14,372
Miscellaneous current account liabilities	111	18
Deposits received	**426**	**426**
TOTAL	**703**	**14,816**

At 30 September 2008, Société d'Investissement Touristique et Immobilier (SITI) owns 50.21% of the capital of Pierre & Vacances SA.

Note 9 - OTHER PAYABLES

	30/09/2008	30/09/2007
GIE NPPV III	1,182	1,212
PV FI	-	454
Set PV Martinique	872	-
Peterhof II	719	-
Set PV Guadeloupe	556	-
PV Marques	300	410
PV Maeva Tourisme Management	-	-
PV Maeva Tourisme Exploitation	-	3,940
SFA	-	899
PVPI	-	2,516
Tourisme et Rénovation	229	634
Cobim	-	1,023
Miscellaneous payables	495	1,509
TOTAL	**4,353**	**12,597**

Payables to GIEs correspond to rental maturities relating to securitisation.

Payables to Set PV Martinique, Set PV Guadeloupe, Peterhof II, PV Marques and Tourisme et Rénovation are linked to the booking, by Pierre & Vacances SA in its capacity as parent company of the Tax Consolidation Group, of tax advances resulting from tax consolidation.

Note 10 - EQUALISATION ACCOUNTS

ASSETS	30/09/2008	30/09/2007
Rents and & rental expenses	1,513	1,305
Miscellaneous	444	573
TOTAL PREPAYMENTS	**1,957**	**1,878**

LIABILITIES	30/09/2008	30/09/2007
Margin on securitisation	413	607
TOTAL DEFERRED INCOME	**413**	**607**

The margin on securitisation booked in deferred income corresponds to the spreading over the duration of the operation of net profit generated by operations for the securitisation of receivables arising from sales under the "Ownership & Holidays" scheme. This margin corresponds to the differential between the rate of return on the receivables and the rate of refinancing.

Note 11 - COSTS TO BE SPREAD OVER A NUMBER OF YEARS

	30/09/2007	Increase	Reduction	30/09/2008
Charges and fees on securitisation	217	-	65	152
Commission on loan	1,315	-	292	1,023
TOTAL	**1,532**	**-**	**357**	**1,175**

Note 12 - FORMATION OF OPERATING INCOME

	2007/2008	2006/2007
Services	5,871	4,341
Miscellaneous rentals	5,272	4,859
TOTAL TURNOVER	**11,143**	**9,200**
Invoicing of costs and fees	8,263	7,701
Miscellaneous	20	174
TOTAL OPERATING EARNINGS	**19,426**	**17,075**
Rents and charges	6,687	5,667
Miscellaneous fees	4,660	4,374
Other external costs and purchases	10,991	9,917
Amortisation and provisions	1,600	1,483
TOTAL OPERATING COSTS	**23,938**	**21,441**
OPERATING INCOME	**-4,512**	**-4,366**

Turnover for the 2007/2008 period mainly consists of:

- €5,871 thousand in invoicing of services carried out at subsidiaries for the development of their activities;
- €5,272 thousand in invoicing subsidiary entities for rental costs for the occupation of premises at the head office of Artois in the 19th district of Paris.

Note 13 - FINANCIAL INCOME

	2007/2008	2006/2007
Financial earnings from shareholdings	7,165	59,306
Writeback on provisions and cost transfers	-581	-231
Other interest and related earnings	14,100	9,470
Other financial income	151	221
FINANCIAL EARNINGS	**20,835**	**68,766**
Financial allocation to amortisation and		
Provisions	4,863	3,153
Interest and related charges	1,726	1,714
Other financial expenses	98	19
FINANCIAL EXPENSES	**6,687**	**4,886**
FINANCIAL INCOME	**14,148**	**63,880**

Financial income for the 2007/2008 period is €14,148 thousand. It mainly consists of the following:

- revenue of €7,165 thousand in subsidiary dividends, including:
  - €5,158 thousand from the company PV Marques, a subsidiary having the Pierre & Vacances SA brand and all of the related intangible elements and brands (Pierre & Vacances, Maeva and Multivacances brands),
  - €1,106 thousand from the company PV Transactions, a property development subsidiary operating as an estate agent,
  - €901 thousand from the company PVT Europe, a subsidiary holding tourism companies.
- revenue of €12,415 in interest on the PV Fi current account;
- costs of €4,863 thousand corresponding to the amortisation of financial assets, including:
  - €2,716 thousand on shares and risks on corresponding net negative positions,
  - €2,147 thousand on treasury stock;
- costs of €968 thousand corresponding to interest on bank loans.

Financial income for the 2006/2007 period was €63,880 thousand. It mainly consisted of the following:

- revenue of €59,306 thousand in subsidiary dividends, including:
  - €523 thousand from the sub-holding in the activities of the Center Parc division, CP France SCS,
  - €53,990 thousand from the sub-holding in property development activities, PV Holding,
  - €181 thousand from the company PV Transactions, a property development subsidiary operating as an estate agent,
  - €4,612 thousand from the company PV Marques, a subsidiary having benefited, on 21 December 2004, from the contribution by Pierre & Vacances SA of all of the brands and related intangible elements (Pierre & Vacances, Maeva and Multivacances brands);
- revenue of €8,713 in interest on the PV Fi current account;
- costs of €989 thousand corresponding to interest on bank loans.

Note 14 - EXTRAORDINARY INCOME

	2007/2008	2006/2007
Extraordinary income on management transactions	-971	131
Extraordinary income on capital transactions	-9	423
Extraordinary allocations and writebacks, provisions and cost transfers	-	-350
EXTRAORDINARY INCOME	**-980**	**204**

Extraordinary income on management transactions generated during 2007/2008 mostly relates to the costs of restructuring the tourism activities of the Pierre & Vacances group which was carried out at the the end of the year and amounted to -€693 thousand.

Note 15 - CORPORATE INCOME TAX

Pierre & Vacances SA formed a tax consolidation group as from 1 October 1996. The following companies are members of this group at 30/09/2008:

- Pierre & Vacances SA
- Pierre & Vacances Tourisme Europe SA
- Pierre & Vacances Maeva Distribution SA
- Sogire SA
- Compagnie Hôtelière Pierre & Vacances SA
- Société de Gestion de Mandats SARL
- Club Hôtel Multivacances SA
- Pierre & Vacances Transactions SARL
- Pierre & Vacances Promotion Immobilière SA (formerly PV Développement SA)
- Société de Développement de Bourgenay SA
- Pierre & Vacances Conseil Immobilier SA
- Pierre & Vacances Courtage SARL
- Club univers de France SARL
- Pierre & Vacances Rénovation Tourisme SAS (formerly PVI XVIII SAS)
- Cobim SARL
- Tourisme Rénovation SAS
- Peterhof 2 SARL
- Club Hôtel SARL
- SGRT SARL
- Latitudes Toulouse SNC
- Pierre & Vacances Fi SNC
- Financière Pierre & Vacances I SNC
- Financière Pierre & Vacances II SNC
- Pierre & Vacances Maeva tourisme exploitation SAS
- Pierre & Vacances Maeva tourisme Management SAS
- Pierre & Vacances Investissement XXIV SAS
- Pierre & Vacances Immobilier Holding SAS (formerly PVI XXV SAS)
- Paris Côté Seine SAS (formerly PVI XII)
- SICE SNC
- Parking de Val d'Isère la Daille SAS
- Pierre & Vacances Investissement XXVIII SAS
- Orion (formerly PV Investissement XXIX SAS)
- Pierre & Vacances Investissement XXX SAS
- Pierre & Vacances Investissement XXXI SAS
- PV Prog Holding (formerly PV Investissement XXXII) SAS
- CP Prog Holding (formerly PV Investissement XXXIII) SAS
- Société d'Exploitation Touristique Pierre & Vacances Guadeloupe (formerly PV Investissement XXXIV SAS)
- Société d'Exploitation Touristique Pierre & Vacances Martinique (formerly PV Investissement XXXV SAS)
- Pierre & Vacances Marques SAS
- PV Senioriales Promotion et Commercialisation (formerly Senioriales Diffusion Sarl)
- Commerces Patrimoine Cap Esterel SNC
- Pierre & Vacances Esterel Développement SAS
- Société Financière des Arcs SA
- Tourism Real Estate Services Holding SE (permanent French establishment)
- Pierre & Vacances Développement SAS

BREAKDOWN OF THE TAX CHARGE

Tax passed on by subsidiaries	11,323
Tax charge from previous years	-814
NET TAX (INCOME)	**10,509**

Each subsidiary in the Consolidation Group books its tax as if it were levied separately. Pierre & Vacances SA, as the parent company in the Tax Consolidation Group, books the tax saving resulting from tax consolidation.

In the absence of tax consolidation, the amout of tax that would have been borne by Pierre & Vacances SA in 2007/2008 would have been zero.

Furthermore, Pierre & Vacances SA underwent a tax inspection for 2003/2004, 2004/2005 and 2005/2006. Based on a detailed analysis of the reassessment notification received at the end of December 2007, the Pierre & Vacances group's legal and tax advisers do not anticipate any financial risk relating to this notification.

Note 16 - INCREASES AND REDUCTIONS IN THE FUTURE TAX DEBT

The tax position at 30 September 2008 of the Consolidation Group of which Pierre & Vacances SA is the head shows a total of €85,931 thousand corresponding to a deficit on the shared tax rate that can be carried forward.

Note 17 - AFFILIATED UNDERTAKINGS

	Affiliated undertakings	Undertakings in which the company has a shareholding
Elements coming under balance sheet items		
Net shareholdings	385,015	500
Trade receivables and related accounts	8,118	-
Other receivables (*)	177,266	3,524
Miscellaneous loans and long-term borrowings (*)	277	-
Trade payables and related accounts	2,539	-
Other payables	2,940	-
Elements coming under profit and loss account items		
Financial expenses	148	-
Financial earnings	19,839	-

(*) These items mainly include current accounts.

FINANCIAL COMMITMENTS AND OTHER INFORMATION

Note 18 - OFF-BALANCE SHEET COMMITMENTS

	30/09/2008	30/09/2007
Guarantees:	**1,110,825**	**968,703**
Rent payment guarantee in leases	826,448	695,971
Guarantee on behalf of Cala Rossa Srl to repay the buyers' deposits for the construction of additional apartments		1,070
Guarantee given on behalf of P&V Italia Srl to Meliorbanca (Porto Rondo)		350
Guarantee given on behalf of P&V Italia Srl in the acquisition of	250	250
Résidence de GardenFirst-call guarantee to Sogefinerg (Ailette financing lease)	189,830	192,000
Guarantee on behalf of Bois des Harcholins Cottages SNC	30,524	-
Guarantee on behalf of P&V Développement SA to the village of Houlgate	-	43
Guarantee on behalf of SNC Chamonix Loisirs to Sté Cie du Mont Blanc	106	106
Guarantee on behalf of the company Nuits & Jours Projections SL	8,649	8,227
Guarantee on behalf of P&V Développement SA to a private individual for the purchase of land in Arles	40	
First-call guarantee for finance contracted by Center Parcs Europe NV	54,978	70,686
Rent payment guarantee on securitisation transactions:	**4,984**	**8,844**
Payment of rent on GIE NPPV3 T1 securitisation transactions	340	1,004
Payment of rent on GIE NPPV3 T2 securitisation transactions	1,364	2,089
Payment of rent on GIE NPPV3 T3 securitisation transactions	3,280	5,751
COMMITMENTS GIVEN	**1,115,809**	**977,547**
Guarantees:	1,196	952
Artois rent guarantee deposit	952	952
Artois Bât. rent guarantee deposit 26	84	-
Aubervilliers rent guarantee deposit	160	
COMMITMENTS RECEIVED	**1,196**	**952**
RECIPROCAL COMMITMENTS	**74,925**	**74,000**

Rent payment guarantee in leases

Pierre & Vacances SA has provided a guarantee of €826,448 thousand, broken down as described below:

- to a company outside the group, Green Buyco BV, owner of the land and buildings of 7 Center Parcs Europe villages, for payment of rent by its operating subsidiaries. At 30 September 2008, rental commitments still to be paid over the remaining term of the leases for these 7 villages come to €450.1 million;
- for payment of rent for the village of Eemhof to the Dutch company Zeeland Investments Beheer, owner of the land and buildings of the village. Rental commitments still to be paid over the remaining term of the lease come to €97.8 million;
- to the owner of the Le Dehon residence in Rome, for payment of rent owed by its operating subsidiary Pierre & Vacances Italia Srl. Rental commitments still to be paid over the remaining term of the lease come to €20.6 million;
- to the owner of the land and buildings of the Center Parcs village of Butjadinger Küste in Tossens, Germany, with Center Parcs , Europe NV, for payment of rent owed by its operating subsidiary. Rental commitments still to be paid over the remaining term of the lease come to €24.1 million;
- to the individual owners, in France, of cottages in the new Domaine du Lac d'Ailette Center Parcs village, for payment of rent owed by its operating subsidiary. Rental commitments still to be paid over the remaining term of the lease come to €50.5 million.

- to La Foncière des Murs for payment of rent owed by Sunparks villages and for which the amount still to be paid over the term of the leases comes to €162. 3 million.

Within the framework of the first-call guarantees given for the refinancing on 26 March 2007, pledging of the Center Parcs brand and company shares was agreed to guarantee these guarantees. These guarantees correspond to 1.1 times the amoun, t of capital still owing on these loans, that is to say €55.0 million.

First-call guarantee to Sogefinerg (Ailette financing lease)

Within the framework of the building of central facilities (tropical paradise, restaurants, bars, shops, sports and leisure facilities) at the new Center Parcs in Aisne, Pierre & Vacances signed a public service delegation agreement with the Conseil Général de l'Aisne, which delegates to Pierre & Vacances and its subsidiaries the design, building and operation of the leisure centre facilities. Furthermore, a tripartite agreement was signed between Pierre & Vacances, the Conseil Général de l'Aisne and a finance house to set up the financing for this work.

Part of the cost of building the facilities is being provided by a subsidy from the Conseil Général de l'Aisne. The rest of the financing is based on the transfer of assets to the finance house in the form of an off-plan sale carried out by an indirect property development subsidiary of Pierre & Vacances, and accompanied by a lease on the facilities. Within the framework of the lease finance agreement for the facilities, Pierre & Vacances SA has granted a first-call guarantee of €189,830 thousand that can be written down over the term of the agreement, that is to say until 31 December 2038. On this date, the Conseil Général will regain ownership of the facilities free of charge.

Guarantees to banks on behalf of subsidiaries of the Group

Within the framework of bridging loans put in place for property development operations, Pierre & Vacances SA has granted guarantees to banks on behalf of subsidiaries of the Group.

To finance the building of the Manilva residence in Spain, the guarantee was increased during the period from €8,227 thousand to €8,649 thousand.

Reciprocal commitments

Reciprocal commitments correspond to hedging variable rate loans (cf. Note 4 – Summary of maturities of receivables and borrowings). The characteristics of all existing agreements at 30 September 2008 are shown in the table below:

Lender rate	Borrower rate	Notional at 30/09/2008 (in thousands of euros)	Start date	Maturity date
6-month Euribor	3.8675%	51,800	26 Sept 2007 (1)	28 Sept 2009
6-month Euribor	3.7200%	10,000	26 March 2008	26 March 2010
6-month Euribor	3.6850%	13,125	28 Sept 2009	26 March 2010

(1) Swap contract entered into on 31 July 2006 (for an initial notional amount of €51,800 thousand), starting on 26 September 2007.

The market value of the hedging instruments is €4, 24 thousand at 30 September 2008, compared with €740 thousand at 30 September 2007.

Pierre & Vacances has not entered into any other significant off-balance sheet commitments, according to current accounting methods, at 30 September 2008.

Note 19 - IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE ACCOUNTS

The accounts of the company are fully consolidated within those of the company SITI SA.

Note 20 - REMUNERATION ALLOCATED TO ORGANS OF MANAGEMENT

Attendance fees paid to members of the Board in 2008 for 2007/2008 were €150 thousand, the same as for 2006/2007.

For the years ending 30 September 2008 and 30 September 2007, no salary (including benefits of any kind) was paid to an officer of the company directly by Pierre & Vacances SA or by companies of the Pierre & Vacances Group controlled as defined in Article L. 233-16 of the French Commercial Code.

However, Société d'Investissement Touristique et Immobilier (a company indirectly controlled by the Chief Executive Officer, founder and majority shareholder of Pierre & Vacances SA) as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Eric Debry, Thierry Hellin and Patricia Damerval. The fees invoiced by SITI are determined on the basis of direct costs (remuneration paid + related employer expenses + other direct costs: travelling expenses, cost of premises and secretarial services) plus a 5% margin calculated according to the time spent by each person in managing the companies of the Pierre & Vacances Group.

In 2007/2008, all nine members of the Executive Committee received total gross remuneration (including benefits in kind) of €3,323,750 as the fixed portion of remuneration and €1,945,000 for the variable portion (mainly bonuses payable for 2006/2007 paid in the first half of 2007/2008).

Eric Debry was the Deputy Chief Executive Officer of Pierre & Vacances SA until 30 September 2008. He received compensation of €1 million when his employment contract was terminated by mutual consent.

The table below shows the total gross remuneration paid to members of the Executive Committee during 2007/2008 and 2006/2007 (in euros):

	2007/2008	2006/2007	2005/2006
Fixed remuneration (1)	3,323,750	2,962,378	1,909,599
Variable remuneration (2)	1,945,000	806,338	568,730
Benefits after leaving office (3)	52,338	47,405	44,451
Remuneration in shares (4)	986,663	866,426	408,562
TOTAL	**6,307,751**	**4,682,547**	**2,931,342**

(1) Including reinstatement of the benefit in kind involving the availability of a company car.
(2) Paid in the year following the year for which it is granted.
(3) This includes conventional pension payments.
(4) This is the annual charge relating to the allocation of options to subscribe for shares.

For each of them, the variable bonus relates to the financial performance of the Pierre & Vacances Group and the achievement of personal objectives.

Note 21 - LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS

Subsidiaries and equity investments	Capital	Shareholders' equity other than share capital (excluding income)	Share of capital held (%)	Gross value of shares held	Net book value of shares held	Loans and advances granted by the company and not yet repaid	Guarantees given by the company	Turnover excluding tax for the past year	Income for the past year	Dividends received by the company during the year	Comments
SUBSIDIARIES (more than 50% holding):											
Center Parcs Europe NV	36,473	62,551	100.00	143,919	143,919	0	1,029,787	58,546	-15,304	0	30/09/2008
Pierre & Vacances Immobilier Holding SAS	68,814	285	100.00	68,814	68,814	0	0	65	17,876	0	30/09/2008
Pierre & Vacances FI SNC	15	-6,792	99.00	15	15	173,168	0	0	5,969	0	30/09/2008
Pierre & Vacances Transactions SARL	38	4	99.96	37	37	0	0	0	1,579	1,107	30/09/2008
La Financière Pierre & Vacances & Cie SNC	15	0	99.02	15	15	0	0	0	1	0	30/09/2008
Cobim SARL	76	256	100.00	0	0	0	0	32	163	0	30/09/2008
Financière P&V I SNC	15	0	98.36	15	15	0	0	0	1	0	30/09/2008
Financière P&V II SNC	15	0	98.36	15	15	0	0	0	1	0	30/09/2008
Part-House Srl	99	188	55.00	1,054	11	1,282	0	369	-267	0	30/09/2008
Pierre & Vacances Courtage SARL	8	-576	99.80	8	0	0	0	80	-1	0	30/09/2008
PVMT Haute Savoie	8		100.00	8	8	0	0	0		0	30/09/2008
Pierre & Vacances Investissement XXVIII SAS	38	-2	100.00	38	38	0	0	0	0	0	30/09/2008
Orion	38	-2	95.28	36	36	0	0	0	0	0	30/09/2008
Pierre & Vacances Investissement XXXI SAS	38	-2	100.00	38	38	0	0	0	0	0	30/09/2008
Pierre & Vacances Investissement XXXVIII SAS	38	-1	100.00	38	38	0	0	0	0	0	30/09/2008
Pierre & Vacances Investissement XXXIX SAS	38	0	100.00	38	38	0	0	0	0	0	30/09/2008
Pierre & Vacances Investissement XXXX SAS	38	0	100.00	38	38	0	0	0	0	0	30/09/2008

Subsidiaries and equity investments	Capital	Shareholders' equity other than share capital (excluding income)	Share of capital held (%)	Gross value of shares held	Net book value of shares held	Loans and advances granted by the company and not yet repaid	Guarantees given by the company	Turnover excluding tax for the past year	Income for the past year	Dividends received by the company during the year	Comments
Pierre & Vacances Investissement XXXXI SAS	38	0	100.00	38	38	0	0	0	0	0	30/09/2008
Pierre & Vacances Investissement XXXXII SAS	38	0	100.00	38	38	0	0	0	0	0	30/09/2008
Pierre & Vacances Investissement XXXXIII SAS	38	0	100.00	38	38	0	0	0	0	0	30/09/2008
Pierre & Vacances Maroc SAS	28	0	99.97	28	28	0	0	0	-23	0	30/09/2008
Multi-Resorts Holding BV	18	271	100.00	18	18	0	0	0	-60	0	30/09/2008
Pierre & Vacances South Europe Holding BV	18	0	100.00	18	18	0	0	0	0	0	30/09/2008
PVD France International	1,000	-2,650	100.00	1,000	0	0	0	1,043	-2,408	0	30/09/2008
Pierre & Vacances Tourisme Europe	11,890	28,022	100.00	103,010	103,010	0	0	0	-2,634	900	30/09/2008
Pierre & Vacances Marques SAS	62,061	766	97.78	60,686	60,686	0	0	0	4,954	5,159	30/09/2008
SUBSIDIARIES (more than 10% holding):											
GIE Pierre & Vacances Services	150	2	20.00	30	30	0	0	0	-135	0	30/09/2008
Adagio Holding SAS	1,000	0	50.00	500	500	3,534	0	0	-69	0	31/12/2008

Note 22 - SIGNIFICANT EVENTS SINCE THE END OF THE YEAR

On 12 January 2009, the Board of Directors decided to increase the company's share capital at a par value of €86,800 by withdrawal from additional paid-in capital. The 8,680 new shares thus issued were allocated free of charge to salaried personnel (outside Center Parcs) in accordance with the free share allocation plan decided on by the board of Directors on 9 January 2007. Share capital is thus increased from €88,109,110 to €88,195,910 (or 8,819,591 shares at €10 each).

THE COMPANY'S FINANCIAL INCOME OVER THE LAST FIVE YEARS

(Articles R. 225-81, R. 225-83 and R. 225-102 of the French Commercial Code)

	Year ending				
Information type	30/09/2004	30/09/2005	30/09/2006	30/09/2007	30/09/08
I- Financial position at the end of the year					
a) Share capital	86,532	87,691	87,818	88,109	88,109
b) Number of shares issued	8,653,160	8,769,098	8,781,836	8,810,911	8,810,911
c) Par value (in euros)	10.00	10.00	10.00	10.00	10.00
II- Transactions and income for the year					
a) Turnover excluding VAT	6,485	7,024	7,084	9,200	11,143
b) Income before tax, amortisation and provisions	5,440	66,760	147,136	64,705	15,045
c) Corporate income tax	-17,779	-18,493	-20,126	-22,211	-10,509
d) Income after tax, amortisation and provisions	160,831	83,851	165,762	81,929	19,165
e) Total distributed profits	15,576	13,154	21,955	23,789	23,813
III- Income per share (in euros)					
a) Income after tax but before provisions	2.68	9.72	19.05	9.86	2.90
b) Income after tax, amortisation and provisions	18.59	9.56	18.88	9.30	2.18
c) Dividend allocated to each share	1.80	1.50	2.50	2.70	2.70
IV- Personnel					
a) Number of employees					
b) Total wage bill					
c) Total paid in welfare benefits					

(*) Distribution of dividends proposed to the Combined General Meeting of 12 february 2009.

General report of the Statutory Auditors on the annual financial statements

YEAR ENDING 30 SEPTEMBER 2008

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby present our report relating to the year ending 30 September 2008, on:

- the audit of the accompanying annual financial statements of Pierre & Vacances;
- the justification of our assessment;
- the specific checks and information required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

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

We hereby certify that the annual financial statements, with respect to French accounting rules and principles, are correct and sincere and give a true picture of the result of operations carried out in the year ended and of the financial position and the assets of the company at the end of that year.

II. JUSTIFICATION OF THE ASSESSMENTS

In accordance with the provisions of Article L. 823-9 of the French Commercial Code concerning the justification of our assessments, we would like to draw your attention to the following:

Note 1 and the “Accounting methods and rules” attached set out the accounting methods and rules relating to the valuation of shares. We have verified the appropriateness of the accounting methods described, the correct application thereof, and the information relating thereto given in the attached notes.

The assessments thus carried out form part of our procedure for auditing the annual financial statements, taken as a whole, and as such have contributed to the formation of our opinion expressed in the first part of this report.

III. VERIFICATIONS AND SPECIFIC INFORMATION

In accordance with the professional standards applicable in France, we have also carried out the specific verifications required by law.

We have no comments to make on:

- the sincerity of the information given in the Board of Directors' management report and in the documents sent to shareholders on the financial position and the annual financial statements and its conformity with the annual financial statements;
- the sincerity of the information given in the management report relating to remuneration and benefits paid to the corporate officers concerned and to commitments given to them when they take up, retire from or change posts or thereafter.

In accordance with the law, we are satisfied that the various information relating to shareholdings and control and the identity of shareholders and of voting rights has been provided in the management report.

Paris and Paris-La Défense, 22 January 2009

The Statutory Auditors

AACE ÎLE-DE-FRANCE
Michel Riguelle

ERNST & YOUNG et Autres
Bruno Bizet

Special Report on Related-Party Agreements

To the Shareholders,

In our capacity as Statutory Auditors for your Company, we hereby submit our report on the related-party agreements.

AGREEMENTS AUTHORISED DURING THE YEAR:

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of an agreement that was authorised prior to your Board of Directors meeting.

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 principal terms and conditions of agreements indicated to us, without having to comment as to whether they are beneficial or appropriate. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to evaluate the benefits of these agreements prior to their approval.

We have conducted our work in accordance with the 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.

Your Board of Directors meeting of 17 September 2008 authorised the payment of contractual severance pay and pay in lieu of notice to Mr Eric Debry in relation to his retirement as Deputy Chief Executive Officer of your Company and officer of other Companies in the Group.

The contractual severance pay was fixed by the Board of Directors at two years' fixed salary, that is to say a million euros, and pay in lieu of notice was fixed at €115,385. These two sums were paid to the person concerned at the end of September 2008 by SITI, the Company controlling Pierre & Vacances within the meaning of Article 233-16 of the French Commercial Code.

AGREEMENTS APPROVED DURING PREVIOUS YEARS THAT HAVE CONTINUED DURING THE YEAR:

Furthermore, in application of Article R. 225-30 of the French Commercial Code, we have been informed that the following agreement, approved during previous years, has continued during the last year:

With SITI – Société d'Investissement Touristique et Immobilier

Sale and lease-back with Zeeland Investments Beheer B.V.:

SITI has a freely transferable option to buy 100% of Recreatiecentrum De Eemhof B.V., or of the buildings of the Eemhof park (carried by Center Parcs De Eemhof B.V., a company of which Recreatiecentrum De Eemhof B.V. is the sole shareholder), that can be exercised within ten years. If the option is exercised, SITI shall acquire 100% of Recreatiecentrum De Eemhof B.V., or the ownership of the buildings of the park, on the 15th anniversary of the sale, or on 30 October 2018, for €70 million.

Furthermore, Pierre & Vacances stands surety for the period of the lease, with Zeeland Investments Beheer B.V., for the payment of the rents payable by its operating subsidiary.

Finally, Pierre & Vacances guarantees all the obligations of the vendor under the terms of the sale agreement, subscribed to by DN 8 Holding B.V. and in particular all the declarations and guarantees made to the benefit of the buyer.

Paris and Paris-La Défense, 22 January 2009

The Statutory Auditors

AACE ÎLE-DE-FRANCE	ERNST & YOUNG et Autres
Michel Riguelle	Bruno Bizet

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CORPORATE GOVERNANCE

Administration - Management

COMPOSITION OF THE BOARD OF DIRECTORS

Name	Function	Date first appointed	Date current term of office ends	Main function in the Company	Main function outside the Company	Independence criteria [1]	Number of shares held in the Company [2]
Gérard BRÉMOND	Chief Executive Officer	22/04/1992	Until the General Meeting called to vote on the financial statements for the year ending 30/09/2009	CEO	/	No	10
Olivier BRÉMOND	Director	10/07/1995		/	Company director	No	10
SITI SA, represented by	Director	03/10/2003		Group CE	/	No	4,423,548
Thierry HELLIN							1,515
Marc R. PASTURE	Director	10/09/1998		/	Founder and Director of TV Gusto	Yes	10
Sven BOINET	Director	24/02/2003		/	Chairman of the Board of the Lucien Barrière Group	Yes	25
Ralf CORSTEN	Director	11/03/2004		/	Attorney	Yes	10
G.B. DÉVELOPPEMENT SA, represented by	Director	10/10/2005		Group CE	/	No	10
Patricia DAMERVAL							1,515
Andries Arij OLIJSLAGER	Director	06/10/2008		/	/	No	500
Delphine BRÉMOND	Director	02/12/2008		/	/	No	/[3]

(1 The criteria used for considering a director independent are those from the Bouton Report of September 2002. The situation of each director with respect to the independence criteria was examined by the Board on the occasion of the self-assessment of its operation.

(2) The minimum number of shares that must be held by Directors of the Company is 10.

(3) In accordance with the provisions of Article L. 225-25, paragraph 2 of the French Commercial Code, Mrs Delphine BRÉMOND will have 3 months in which to sort out her situation.

The only family relationship between those listed in the above table is a relationship between Gérard Brémond, Olivier Brémond and Delphine Brémond.

To the Company's knowledge, there is no potential conflict of interest between the Company's senior officers' and directors' duties and their private interests and/or duties.

In addition, to the Company's knowledge, no officer of the Company has:

- been convicted for fraud during the last five years at least;
- been made bankrupt, placed in compulsory administration or liquidation during the last five years at least;
- been charged for an offence and/or had an official public penalty pronounced against him or her by the statutory or regulatory authorities during the last five years at least.

Finally, to the Company's knowledge, no officer has been barred by a court from serving as a member of an administrative, management or supervisory body of an issuer of stock or from being involved in the management or conduct of the affairs of an issuer of stock during the last five years at least.

As of the date of this Reference Document, no officer is linked to the Company, or to any of its subsidiaries, by a service agreement.

OPERATION OF THE BOARD OF DIRECTORS

The Company complies with the governance regime applicable in the French Republic.

All information relating to the way the Board of Directors operates appears in the Chairman's report on the organisation of the Board and the internal control procedures 160 to 162 of this Reference Document).

OFFICES HELD IN OTHER COMPANIES IN THE LAST FIVE YEARS

Gérard BRÉMOND, Chief Executive Officer:

Date of birth 22/09/1937

Mr Gérard Brémond is:

- Chief Executive Officer of Société d'Investissement Touristique et Immobilier SA – SITI
- Chairman of G.B. Développement S.A.S;
- Director of Vivendi Universal;
- Director of Lepeudry et Grimard;
- General Manager of the SCI SITI R.

Mr Gérard Brémond was:

- until 29 May 2006, a Director of Holding Green BV;
- until 30 June 2006, a permanent representative of GB Développement SA in Ciné B;
- until 27 January 2006, a permanent representative of OG Communication in Marathon and Marathon International;
- until 23 March 2007, a permanent representative of SITI SA in CFICA;
- until 30 May 2007, a permanent representative of SITI SA in SERL;
- until 12 December 2008, a permanent representative of SITI SA in Lepeudry et Grimard.

Olivier BRÉMOND:

Date of birth 03/10/1962

Mr Olivier Brémond is:

- Director of:
- Société d'Investissement Touristique et Immobilier SA – SITI
- Kisan
- Caoz
- Kisan INC. (United States)

Mr Olivier Brémond was:

- until 27 January 2006:
- Chairman of the Board of:
  - Marathon SA
- Chief Executive Officer of:
  - Marathon International SA
  - Cinéa SA
  - Marathon Animation SA
- General Manager of:
  - O.G. Communication SARL
  - Marathon Méditerranée SARL
  - Marathon GmbH

Marc R. PASTURE:

Date of birth 19/12/1947

Mr Marc Pasture is:

- Member of the Supervisory Board of:
- Maritim Hotelgesellschaft mbH (Germany)
- Dolce Media GmbH (Germany)
- Société de Production Belge S.A. (Belgium)
- Director of:
- TV Gusto Medien GmbH (Germany)
- Deutsche Auslandsgesellschaft (Germany)
- Member of the Consultative Council of:
- Gerling Versicherungen AG (Germany)
- Odewald & Compagnie (Germany)
- Comites GmbH (Germany)

Mr Marc Pasture was:

- until 2007, a member of the Supervisory Board of RWE-Harpen AG (Germany);
- until 2007, Director of Jöma Beteiligungsgesellschaft mbH (Germany).

Sven BOINET:

Date of birth 11/04/1953

Mr Sven Boinet is:

- Chairman of the Board of the Lucien Barrière Group;
- Director of:

- Dinard Golf SA
- SHCD, SEETE (Lucien Barrière Group)
- EasyJet plc

Mr Sven Boinet was:

- from 2003 to July 2005, a director of Lastminute.com (UK);
- from February 2005 to July 2006, a director of Société Française des Papiers Peints;
- from 2003 to August 2008, a director of Géodis.

Ralf CORSTEN:

Date of birth 21/02/1942

Mr Ralf Corsten is:

- Chairman of the Supervisory Board of:
- Steigenberger Hotels AG (Germany)
- Messe Berlin GmbH (Germany)

Mr Ralf Corsten was, until 30 June 2006:

- Director of TUI China Travel Co (China)

Thierry HELLIN, Group Deputy Chief Executive, in charge of the Legal, Human Resources, Risk Management, General Services and Sustainable Development Departments:

Date of birth 11/11/1963

Mr Thierry Hellin is:

- Chief Executive Officer of Lepeudry et Grimard SA;
- Chairman of CFICA S.A.S.;
- General Manager of Le Duc des Lombards SARL;
- Joint General Manager of Espaces TSF SARL, Médiason SARL and TSF Côte d'Azur SARL.

Mr Thierry Hellin was:

- until 23 September 2004, permanent representative of Pierre & Vacances Maeva Distribution in Pierrebac;
- until 12 October 2005, director of SITI SA;
- until 23 March 2007, a permanent representative of Peterhof SA on the Board of CFICA SA;
- until 30 May 2007, Chief Executive Officer of SERL SA;
- until 15 September 2008, a permanent representative of G.B. Développement S.A.S. on the Board of SITI SA.

Patricia DAMERVAL, Group Deputy Chief Executive responsible for Finance:

Date of birth 28/04/1964

Mrs Patricia Damerval is:

- Permanent representative of G.B. Développement S.A.S. on the Board of SITI SA;
- Permanent representative of SITI SA on the Board of Lepeudry et Grimard SA.

Mrs Patricia Damerval was:

- until 23 March 2007, a permanent representative of Clubhotel Multivacances SA on the Board of C.F.I.C.A. SA;
- until 30 May 2007, a director of SERL SA.

Andries Arij OLIJSLAGER:

Date of birth 01/01/1944

Mr Andries Arij OLIJSLAGER is:

- Deputy Chairman of the Supervisory Board of ABNAMRO Holding N.V. and of AVEBE U.A.;
- Chairman of the Supervisory Board of Eriks B.V.;
- Chairman of the Supervisory Board of Heijmans N.V.;
- Member of the Supervisory Board of Samas-Groep N.V.

Delphine BRÉMOND:

Date of birth 14/07/1966

Mrs Delphine Brémond does not hold any office in any other company.

DIRECTORS' INTERESTS

PAYMENTS MADE TO OFFICERS OF THE PARENT COMPANY AND MEMBERS OF THE EXECUTIVE BOARD

Payments made to officers of the parent company are detailed in the Group Annual Report 2007/2008.

The Board of Directors of Pierre & Vacances SA, at its meeting of 2 December 2008, approved the updated version of the "Corporate Governance Code" ("Recommendations on the payment of directors of companies whose shares are traded on a regulated market") presented by the Medef and the Afep on 6 October 2008. The Board of Directors has undertaken to ensure strict enforcement of these recommendations.

Total gross payments made to members of the Executive Board are detailed in the notes to the financial statements (Note 20).

LOANS AND GUARANTEES GRANTED OR SET UP IN FAVOUR OF MEMBERS OF THE BOARD OF DIRECTORS

No loan or guarantee has been granted by Pierre & Vacances SA to the members of the Management Committee or of the Board of Directors.

INTERESTS OF THE DIRECTORS IN THE CAPITAL OF PIERRE & VACANCES SA

This information is given on page 116 in the section entitled "Ownership of shares and voting rights", on page 156 in the section entitled "Composition of the Board of Directors" and on pages 125 to 129 in the section entitled "Share options and free allocations of shares".

There is no convention, agreement or partnership between the Company and the members of the Management Committee or of the Board of Directors concerning a restriction on the sale of their investments after a period of time.

PRIVILEGED·INFORMATION – SHARE TRANSACTIONS

Because of the particular knowledge they have of the Company, its plans and results, the directors are required to exercise strict vigilance in their transactions involving the Company's shares.

When taking up their post, the directors are committed to holding their shares in nominee form throughout their term of office; they are also committed to register in nominee form all shares subsequently acquired.

The directors are more generally committed to strictly observing the recommendations of the AMF (French financial markets regulator) concerning officers of the parent company declaring transactions involving shares in their company.

In order that Pierre & Vacances SA can itself abide by these AMF recommendations, the directors must declare to the AMF and Pierre & Vacances SA their transactions concerning their shares within five days of making them.

The table summarising the Company's share transactions specified in Article L. 621-18-2 of the Monetary and Financial Code [1], carried out during the past year, appears on page 129.

(1) Trade made in the Company's shares by the directors, similar persons and ther families.

Report of the Chairman on the Organisation of the Board and Internal Control Procedures

In application of Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors hereby reports on how the Board prepares and organises its work and on the internal control and risk management procedures applied within the Group.

The Board of Directors, which has been involved in the preparation of this report, has approved the content thereof in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

OBJECTIVES AND PROCEDURE

The internal control procedures and organisation that follow are intended to identify, prevent and control the risks the Group faces. Like any control arrangement, it cannot however provide certainty that the risks are totally eliminated. The internal control procedures are mainly aimed at:

- supporting the Group in achieving its strategic and operational objectives;
- protecting the reliability, quality and availability of the financial information;
- protecting the Group's assets, human capital and brands;
- complying with the applicable laws and regulations.

The Chairman has entrusted Group Senior Management and the Administration and Finance Department of Center Parcs Europe with the management of internal control procedures and the preparatory work and diligence required in the production of this report. This report covers the Group's internal control procedures applied to the activities of the Tourism and Property Development divisions and to its principal subsidiary, Center Parcs Europe. This report was drawn up based on interviews with the heads of the various finance departments, the project management department and the management of Center Parcs Europe, as well as written information (descriptions of organisational structures and procedures, audit plans, etc.) provided by these departments.

This report complies with the framework proposed by the MEDEF and the AFEP and is consistent with the latest recommendations of the AMF (French financial markets regulator) as published on 18 January 2006.

In January 2007, an AMF recommendation suggested using this frame of reference. It is in this context, and on the basis of the new frame of reference, that Pierre & Vacances reflects on its internal control arrangements. The procedure adopted by the Group integrates the two aspects of the frame of reference: the "General principles" of the frame of reference, and the "Implementation guide" relating to the internal control of accounting and financial information.

COMPOSITION OF THE BOARD OF DIRECTORS - CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

COMPOSITION AND FUNCTIONING

The Board of Directors of Pierre & Vacances SA has nine members, three of whom are considered to be independent based on the criteria laid down in the Bouton report on corporate governance of September 2002, namely:

- not being an employee or officer of the Company, an employee or director of its parent company or of a company included in its consolidation and not having been one in the last five years;
- not being an officer of a company in which the Company has a direct or indirect seat on the board or in which an employee appointed as such or an officer of the Company (currently or having been one within the last five years) holds a directorship;

- not being a significant customer, supplier, corporate banker or financier of the Company or of its group or of which the Company or its group represents a significant portion of the business;
- not having any close family ties with an officer of the Company;
- not having been an auditor of the Company in the last five years;
- not having been a director of the Company for more than twelve years.

A table summarising the information provided on the composition of the Board of Directors and a list of the offices held in other companies is given on pages 156 to 158 of the Reference Document.

Pursuant to the amendments to the by-laws adopted by the Extraordinary Meeting of Shareholders of 11 March 2004, the term of office of Board members has been reduced from six to three years. Consequently, all the directors were appointed or coopted or their terms of office were renewed until the end of the meeting held to approve the financial statements for the period ending 30 September 2009.

The meetings of the Board of Directors are scheduled to take place once a year. This schedule is adjusted and supplemented, if applicable, by additional meetings as and when the directors need to be consulted.

During the year under review, the Board of Directors met five times, with an overall attendance rate of 95%. The average duration of each meeting was two hours and allowed examination and detailed discussion of the items on the agenda. Meetings of the Board of Directors are called by the Chairman. Background information on agenda items is included with the notice of meeting sent to each director in advance of Board meetings to allow them to prepare for discussions. The Chairman ensures that the Directors receive all the information they require to perform their duties, in particular by the attendance of operational managers presenting their activities and main results during Board Meetings. Minutes of meetings of the Board of Directors are drawn up after each meeting and approved at the next meeting.

In accordance with Article L. 823-17 of the French Commercial Code, the Statutory Auditors are invited to attend and participate in Board Meetings held to examine and close the annual and half-yearly financial statements.

Meetings of the Board of Directors are usually held at the head office or at any other venue as permitted by the by-laws. Pursuant to the provisions of Article L. 225-37, paragraph 3 of the French Commercial Code, directors may also take part in Board meetings using videoconferencing or telecommunication facilities. This option was used on three occasions during the 2007/2008 period. In general, after the Board reviews and approves the minutes of the previous meeting's deliberations and decisions, the members discuss the items on the agenda. The discussions are organised and directed by the Chairman. He ensures that the Board examines all items on the agenda.

The Board of Directors has adopted a Directors' Charter and Internal Rules governing how it functions and the personal conduct of Directors. These rules incorporate a number of legal requirements along with provisions designed to reinforce directors' independence of action and judgement in relation to the Company and to enhance control of the Company. The Board's internal rules specify that the Board should carry out an annual appraisal of its performance. The functioning of the Board is governed by the Company's by-laws, some articles of which were amended by the Joint General Meeting of 11 March 2004 and by the Joint General Meeting of 14 February 2008 (reducing directors' mandates from six to three years; prohibiting the appointment of board members aged over 70 (versus 75 previously) if the appointment means that the proportion of Board members aged over 70 would exceed a third of the total number; authorising directors to participate in Board meetings using videoconferencing or telecommunication facilities) and by Articles L. 225-17 and following of the French Commercial Code.

In 2008, the Board of Directors carried out its self-assessment by sending detailed questionnaires to directors whose answers were analysed and then presented during the meeting of the Board of Directors on 2 December 2008. Generally speaking, the answers given by the directors confirm once again that an improvement in the functioning of the Board of Directors has been seen, particularly thanks to the inclusion of measures decided on by its members as a result of the self-assessment in 2007. The directors recommended:

- re-examining the composition of the Board (which was carried out with the coopting of two new directors);
- devoting more time to strategy and discussion;
- introducing even more contact between directors and operational managers, with a "client" view given to directors (customer satisfaction etc.) and training in areas with which directors are unfamiliar.

The set of rules of governance that have been put in place by the Group makes it possible to ensure – amongst other things – that SITI SA does not abuse its powers of control.

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors determines the Group's key strategies and ensures their proper implementation. The Board is briefed at least once a quarter on the activities of the Group's tourism and property development divisions, and examines the strategic aims of each activity. It is regularly informed of the Group's turnover, the progress of significant investment operations and trends in the Group's markets. The Board approves significant changes to the Group's legal structure and major external and internal growth operations (acquisitions, launch of major property development programmes, property deliveries, etc.), prior to their completion. Prior approval is required for operations involving external financing, except in the case of normal property financing transactions that are not backed by guarantees issued by the parent company. In accordance with the provisions of Article L. 225.35 of the French Commercial Code, any guarantee, pledge or security granted by the company must be submitted to the Board of Directors for approval.

During the past year, the Board of Directors met on five occasions. In addition to the examination of the annual and quarterly financial statements and the regular examination of the business and the results of the Tourism and Property Development divisions, the main topics discussed concerned the property and development transactions (sale-and-lease back of the Kempense Meren site, the creation of the first rural renewal zone (ZRR) SPCI and the partnership with UFG Group for the marketing of Center Parcs du Bois des Harcholins in Moselle, the sale of the "central facilities" of Center Parcs du Bois des Harcholins in Moselle, particularly development projects in Morocco), corporate governance (distribution of directors' attendance fees, self-assessment of the Board of Directors) and allocations of stock options and free shares.

POWERS OF THE GENERAL MANAGEMENT

In application of the "New Economic Regulations" law, the Board of Directors' meeting of 5 March 2002 decided to combine the functions of Chairman and Chief Executive Officer. As such, Gérard Brémond holds the title of Chairman and Chief Executive Officer. His term of office was renewed by the Board of Directors meeting of 15 February 2007 for the duration of his directorship, i.e. for a period of three years ending at the close of the General Meeting called to approve the financial statements for the year ending 30 September 2009. Following the departure of Mr Eric Debry, the post of Deputy Chief Executive Officer has been vacant since 1 October 2008. As a result:

- the Company agreed to reorganise the Group's tourism activities based on the introduction of a single Chief Executive Officer for the Group's Tourism division;
- the remits of the two Group Deputy Chief Executive Officers directly answerable to the Chief Executive Officer were widened in that acquisition and external growth operations are now carried out under their joint responsibility.

Powers of the Chairman of the Board of Directors

As Chairman of the Board of Directors, Mr Gérard Brémond organises and oversees the work of the Board of Directors and reports to the Annual General Meeting of Shareholders. He ensures that the Group's corporate decision-making bodies operate effectively and in particular that the directors are in a position to fulfil their duties.

Powers of the Chief Executive Officer

As Chief Executive Officer, Mr Gérard Brémond is vested with full powers to act on behalf of the company in all circumstances. He represents the Company in its relations with third parties. By virtue of the company's corporate governance structure, no limitations have been placed on the powers of the Chief Executive Officer other than the requirement to exercise these powers within the scope of the company's purpose and subject to the authority expressly assigned by law to Shareholder Meetings and the Board of Directors.

Powers of the Deputy Chief Executive Officer

The holder of the post of Deputy Chief Executive Officer is vested with the same powers as Mr Gérard Brémond in his capacity as Chief Executive Officer. The Deputy Chief Executive Officer is nominated by the Chief Executive Officer and appointed by the Board of Directors. The post has not been filled since the departure of Mr Eric Debry, who will not be replaced in this function.

OTHER DECISION-MAKING BODIES

EXECUTIVE COMMITTEE

The Executive Committee has nine members. It meets every three months unless more frequent meetings are required. The Executive Committee's role is to bring together the Group's principal senior managers to discuss strategic matters that involve all or virtually all of the Group's business activities. Subjects discussed include brand management, product segmentation, the geographical spread of the development zones for the Group's brands, human resources, consolidated risk management and key financial indicators (profitability, cash flow generation, data consolidation, management control, etc.). The Executive Committee is also in charge of strategic business planning to suit market trends as well as developing internal synergies within the Group.

OTHER DECISION-MAKING BODIES WITHIN THE OPERATING DIVISIONS

TOURISM COMMITTEE

The Tourism Committee meets once a month. Committee meetings are chaired by the Chairman and Chief Executive Officer and are attended by the Deputy Chief Executive Officer, the CEO of the Tourism division, and his principal deputies along with the Group Assistant Chief Executive Officer responsible for finance and development. The Committee discusses all matters relating to turnover changes in the Tourism division, makes decisions concerning product and pricing strategy, and deliberates on tourism developments (the acquisition of new apartment buildings, for management under leasing or mandate agreements, etc.). The Committee is responsible for implementing brand management strategies for the Pierre & Vacances Europe division (Pierre & Vacances, Maeva, Résidences MGM and Hôtels Latitudes brands).

ADAGIO DEVELOPMENT COMMITTEE

The Development Committee meets once a month to examine all the Adagio development projects. The Adagio team presents the projects that are being studied by this committee which includes representatives of Pierre & Vacances (Chairman and Chief Executive Officer and CEO of Pierre & Vacances Promotion Immobilière) and Accor (CEO of hotel development and Legal Director).

PROPERTY DEVELOPMENT COMMITTEE

The Property Development Committee meets once a month. Committee meetings are attended by the Chairman and Chief Executive Officer and the CEOs of Pierre & Vacances Promotion Immobilière and Pierre & Vacances Conseil Immobilier. The Committee is responsible for launching and monitoring property development programmes (studies, marketing, construction starts, issues related to construction progress, sales formulae, potential disputes, etc.).

LES SENIORIALES STRATEGIC COMMITTEE

The Les Senioriales Strategic Committee meets once a month. This committee is attended by the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the CEO of Pierre & Vacances Promotion Immobilière, the Director of development and the CEO of Les Senioriales. It discusses the business and the current projects and authorises the purchase of land.

DEVELOPMENT COMMITTEE

Formed during 2005/2006, this committee includes representatives from tourism, property development, development and finance. Its job is to make decisions on development projects.

BOARD OF MANAGEMENT AND SUPERVISORY BOARD OF CENTER PARCS EUROPE

Center Parcs Europe is a Dutch law company with its registered office in Rotterdam and is therefore subject to the corporate governance rules in force in the Netherlands. The company's corporate governance bodies consist of a Board of Management and Supervisory Board. The Board of Management has consisted of a single member since September 2007, the Chief Executive Officer of Center Parcs. It is required to comply with the instructions issued by the Supervisory Board in terms of the company's financial, management and business strategy. The Supervisory Board, comprising five members (two of whom are not executives of the Group), is specifically responsible for more closely supervising and more regularly advising the Board of Management. The Supervisory Board oversees the Board of Management and the conduct of the company's business. It generally meets four times a year.

CENTER PARCS EUROPE EXECUTIVE COMMITTEE

Six members sit on this committee which meets every two weeks with the Board of Management. All departments of the company are represented on it, Senior Management, the Sales and Marketing Department, the Operations Department, the Development Department, the Finance Department, the Information Systems Department and the Corporate Secretariat of Center Parcs Europe. This committee conducts a full review of business of Center Parcs Europe and Sunparks and of the key questions concerning the interface between the main departments in order to optimise the general day-to-day conduct of business.

REMUNERATION COMMITTEE OF CENTER PARCS EUROPE NV

This Committee, comprising two members (one of whom is not an executive of the Group), meets at least twice a year. Its role is to advise the Supervisory Board on the remuneration of members of the Board of Management, according to the performance objectives set for Center Parcs Europe.

AUDIT COMMITTEE OF CENTER PARCS EUROPE NV

This Committee has three members, two of whom are salaried employees of the Group. Its role is to advise the Supervisory Board and the Board of Management on matters relating to the Group's financial management, including strategic aspects and financial reporting and audit procedures. The Committee meets at least twice a year. The Committee chairman may require members of the Board of Management and/or the auditors to attend. The auditors attend Audit Committee meetings that discuss their report on the company's annual financial statements and the approval of the annual accounts.

SPECIAL TERMS RELATING TO THE PARTICIPATION OF SHAREHOLDERS IN GENERAL MEETINGS

Detailed information on special terms relating to the participation of shareholders in General Meetings is given in the Company by-laws (Title V – General Meetings) and is also summarised on page 105 of this Reference Document.

REMUNERATION OF OFFICERS OF THE COMPANY

Officers of the company whose remuneration is detailed in the annual report receive fixed and a variable remuneration according to their contract of employment with SITI. The variable remuneration is determined on the basis of the financial performance of the Pierre & Vacances Group and the achievement of personal objectives. They can be allocated options to subscribe for or purchase shares and be allocated free shares in accordance with financial performance criteria.

There are no additional pension schemes specific to officers of the company. They receive, in accordance with their contract of employment with SITI, an end-of-service lump sum payment calculated on the basis of the rules applicable to all salaried employees.

All of these rules apply to all members of the Executive Committee.

RECENT DEVELOPMENTS AND FORTHCOMING CHANGES TO THE GROUP'S INTERNAL CONTROL SYSTEM

Since November, the Sales Administration has been using a collection tool integrated in the Pierre & Vacances information system. It has made it possible to automate, target, personalise and thus optimise collection procedures and to improve the monitoring of disputes encountered. This application should generate productivity gains and thus reduce the costs of collection.

In order to take advantage of extensive synergies between Pierre & Vacances and Center Parcs Europe, the Group announced, on 1 September 2008, a reorganisation of its tourism activities in Europe with the appointment of a single Chief Executive Officer for the Tourism division. This reorganisation should not really affect the internal control of the Tourism division in that the organisation of Pierre & Vacances Europe in Business Units is confirmed, with a single commercial department which oversees all direct and indirect distribution, the CRM and revenue management.

The Board of Directors of Pierre & Vacances SA , at its meeting of 2 December 2008, approved the updated version of the "Corporate Governance Code" ("Recommendations on the payment of directors of companies whose shares are traded on a regulated market") presented by the MEDEF and the AFEP on 6 October 2008. The Board of Directors has undertaken to ensure strict enforcement of these recommendations.

INTERNAL CONTROL PROCEDURES

Internal control procedures extend to all of the Group's business activities and are designed to provide a reasonable assurance, but not certainty, that risk factors are well managed and that the Group's objectives are being achieved.

SUMMARY OF THE PROCEDURES

Board of Directors

The Board of Directors has a two-fold responsibility:

- as the corporate body responsible for the Group's parent company, the Board takes decisions that fall outside the remit of the parent company's corporate officers (pledges and guarantees, granting of stock options, approval of parent company and consolidated financial statements, etc.) and grants limited special powers to the corporate officers to execute its decisions;
- as the Group's supervisory body, the Board is responsible for appointing and supervising the corporate officers of the parent company and indirectly oversees the principal subsidiaries, which report regularly to it on the activities of the tourism and property development businesses, among other matters.

Committees

The various committees (Executive Committee, Tourism Committee, Adagio Development Committee, Property Development Committee, Les Senioriales Strategic Committee, Development Committee) are chaired by the Chairman and Chief Executive Officer of the Pierre & Vacances Group. Those committees allow the Chairman and Chief Executive Officer to supervise the actions of the management bodies of the Group's subsidiaries and corporate departments before, during and after important decisions are implemented, and to monitor the Group's day-to-day business.

Corporate departments

A number of the Group's corporate departments have been assigned internal control responsibilities. This is notably the case of the operating finance department, consolidation, accounts department that form part of the Deputy Chief Executive's department in charge of Finance and development and the legal department, the insurance and risk management department, the human resources department that form part of the Deputy Chief Executive's Corporate Secretariat and the Purchasing Department. These corporate departments are centralised at the Group's head office in Paris and report to the Deputy Chief Executive Officer of the Pierre & Vacances Group.

The internal control responsibilities of the corporate departments include:

- verifying that Group policies (financial, legal, purchasing, human resources, etc.) are effectively implemented by all subsidiaries and operating divisions;
- implementing horizontal strategies on behalf of these subsidiaries and operating divisions, with each department applying its respective area of expertise in close collaboration with the subsidiaries' own teams and the teams of the said operating divisions (e.g.: covering risks, drafting and reviewing contracts, bookkeeping, drafting collective labour agreements, etc.);
- assisting operational managers, where required, on subjects falling under their respective areas of expertise.

Centralising these functions within departments that are independent of the operating divisions allows the Group to enhance controls and reduce risk exposure, while ensuring that Group policies are applied consistently.

Summary of delegation and internal control structure

This structure is based on:

- **a legal framework of entities:** consisting of a horizontal structure in which the holding company wholly owns its legally-independent subsidiaries:
  - with their own "business" Chief Executives,
  - supervised by the Group Chairman (or by the Deputy Chief Executive Officer),
  - whose corporate governance bodies, where such exist (depending on the company's legal form), are made up of senior managers from the Group who do not hold executive positions within the division in question, in order to ensure optimum consultation, coordination and control by the parent company,
  - whose legal matters are managed centrally by the Group Legal Department;
- **a structure that centralises** business support and management control services within Group-level corporate departments that oversee Pierre & Vacances Promotion Immobilière, Pierre & Vacances Conseil Immobilier and Pierre & Vacances Maeva Tourisme Exploitation. Center Parcs Europe has its own corporate departments, which work closely with their Group-level counterparts.

This organisation ensures that policies and procedures are consistently applied across the Group, while allowing a high level of delegation of day-to-day responsibilities. Because the company is organised by legal entity, a formal delegation scheme has been put in place by which each operational manager is given both the resources and the personal responsibility for his actions.

RISK MANAGEMENT

The principal risks, their management and their coverage are outlined in the risk management section of the corporate governance part of this reference document. Owing to the nature of its business, the Group mainly monitors risks related to the seasonal nature of its business, construction risk, the risk related to the stock of residences being marketed, receivables and rental commitments. The Group has implemented a market risk hedging and monitoring policy to manage its liquidity and interest rate risks.

The Group Legal Department is centralised and reports to the Group Deputy Chief Executive Officer in charge of the Corporate Secretariat and development in order to coordinate risk management. It takes early action to protect the Group's legal commitments and oversees the disputes of all the operating subsidiaries except Center Parcs Europe which has its own Legal Department in Rotterdam. A Risk Manager is responsible for handling insurance at the Group level (including Center Parcs Europe) in order to optimise risk management (conservation/externalisation) and oversee the declarations of risks and claims.

SUMMARY OF INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The Group's internal control procedures relating to the preparation of financial and accounting information are overseen by the Group Deputy Chief Executive Officer responsible for finance and development. A body of procedures and practices has been defined to ensure that action is taken to control risks which could have a material effect on the Group's financial position or adversely affect its ability to achieve its corporate objectives.

Organisation of the Group's finance departments

The Group Deputy Chief Executive Officer in charge of finance and development is responsible for central and operational management functions within a framework of delegated responsibilities for each business. Central corporate functions include holding company services, for example financial communication, consolidation (at the accounting and management control levels), and functions managed on behalf of the Group, such as tax (tax consolidation group), treasury (cash pooling agreement) and project management. Management control and accounting tasks are more devolved to the tourism and property development businesses.

The Group Deputy Chief Executive Officer responsible for finance and development is directly responsible for the tourism activities of Pierre & Vacances Europe and the property development business. For Center Parcs Europe (Center Parcs Europe and Sunparks), they report to the Chief Financial Officer of Center Parcs Europe (who reports directly to Center Parcs Europe's General Management) and in functional terms to the Group Deputy Chief Executive Officer in charge of finance. This choice of structure reflects Center Parcs Europe's particular situation - its head office is in Rotterdam and it conducts its business mainly in the Netherlands, Germany, France and Belgium.

"CENTRAL" CORPORATE FUNCTIONS

The Group **financial communication** department supervises the Group's external communications directly with financial analysts, investors and shareholders. It also controls and approves all financial information and press releases issued by the Corporate Communication Department and by the tourism and property development divisions, and ensures the overall coherence of financial information disclosures.

The Group **tax** department supervises and coordinates the Group's specific tax policies in each of the countries in which the Group operates (France, Netherlands, Germany, Belgium, Italy and Spain). It is directly responsible for the tax consolidation group in France. Center Parcs Europe's Administration and Finance Department is responsible for the entities located in the Netherlands, Germany and Belgium. The Group Tax department advises and assists the operating divisions in all issues relating to tax law.

The Group **treasury** department manages the subsidiaries' cash positions through a central cash pooling structure. It is responsible for structuring Group financing and hedging interest-rate risks using derivatives. It decides upon the distribution of cash/debt position between banks, organises invitations to tender on behalf of the Group and ensures the consistency of information published on its scope of activity.

The **consolidation** department is responsible for preparing, analysing and publishing the consolidated financial statements (financial and management accounts). It formulates financial and management principles and ensures compliance with Group accounting procedures. Consolidated financial statements are prepared each quarter, enabling a perfect match between data from accounts and from management, thereby providing an additional assurance on the quality and reliability of financial information.

The **organisation and project** management department coordinates large-scale projects involving the finance function. To this end, it acts as an interface with the Information Systems Department for the implementation and maintenance of financial information systems (accounting, purchasing, treasury management, tax return packages, etc.). It is responsible for managing security of access to these systems, safeguarding data integrity (back-up, interfacing, etc.) and advising on large-scale financial projects.

"OPERATIONAL" FUNCTIONS

These functions reflect the Group's operating structure. The Operational Finance Department and the Accounting Department are organised around the following operating divisions: Tourism, Property Development and Center Parcs Europe.

Tourism

Tourism is organised by brand around five business units (BUs): Pierre & Vacances, Maeva, Résidences MGM, Hôtels Latitudes and Adagio. Each BU has its own marketing and operating resources. A central Commercial Department manages all direct and indirect distribution, relational marketing and revenue management departments. The Operational Finance Department is divided into two divisions: sales and BUs. The sales management control staff, whose job is mainly to monitor reservations and changes in distribution channels, work closely with the Commercial Department. As for monitoring residence operations, the Group chose a decentralised organisation with regional administrative centres that match the breakdown of the operating departments within the BUs, for the purpose of better communications. The Operational Finance Department staff also provide financial monitoring of the tourism activities in Spain and Italy.

The Accounting Department is divided into three departments: accounting services and owner financial management and sales administration. The accounting services department includes four activities: supplier accounting, customer accounting on sites, bank accounting and financial accounting. The accounting services are organised at two centres. The head office, Paris and Atlantic, Aquitaine and Languedoc regional accounting departments are grouped in Paris. The Alpes, Provence Alpes Côte d'Azur and Antilles regions are monitored in Cannes.

The owner financial management service, divided into three departments, is responsible for administering the database (leases, owners), the receipting of rents and the booking of transactions of French Tourism and Center Parcs developments in France. This department also manages the stock of accommodation units to be marketed by French Tourism. Sales administration is responsible for invoicing, collection, payment reminders, customer relations, management of disputes and processing refund claims of direct customers (call centres, brochures, Internet, etc.) and indirect customers (tour operators, travel agents, works councils, etc.).

Holding company and Property Development division

Accounting and management control teams for the Property Development division (marketing and property development) and the Holding company are organised by legal entity. This organisation allows Property Programme Managers to work with a single contact for accounting as well as management control issues relating to the property programmes they manage.

Center Parcs Europe

Center Parcs Europe's finance functions are decentralised in the Netherlands, Belgium, Germany and France and fall under the responsibility of Center Parcs Europe's Chief Financial Officer, who reports functionally to the Group Finance Department. His role is to supervise the budget, reporting, central accounting, consolidation and management of tax, cash and internal control.

In each village, an operational finance department is responsible for activity monitoring, budget reviews and occupancy forecasting in order to take the necessary measures, particularly in terms of cost management. These reviews are analysed by the Site Financial Manager, the General Manager and the Regional Director responsible for the country and are presented to the Operational Management Committee. The Operational Finance managers in each village are placed under the functional authority of a single Center Parcs Europe manager who is responsible for global reviews and inter-site optimisation. This manager is under the direct authority of the Chief Operating Officer and reports functionally to Center Parcs Europe's CFO. In each country, a Finance Department is responsible for ensuring compliance with local accounting rules and for drawing up statutory accounts and tax declarations. Local Finance and Accounting Managers, reporting to Center Parcs Europe's CFO, are also responsible for financial reporting under Group standards.

Accounting records are kept in each country in an administrative centre (shared service centre) which deals with all the accounts of the various villages and the head office of the country. Three shared service centres, reporting to the Financial and Accounting Manager of the country concerned have been put in place. Because of its geographic proximity, Belgium's accounting has been centralised with that of the Netherlands, while France and Germany each have their own shared service centre. These national centres are located in one of the villages of the country concerned. The coverage of customer receivables, which is the responsibility of the country's financial managers, is located in the head office in order to handle any disputes effectively. The Financial Department of the Netherlands is also responsible for the consolidation, tax and treasury of CPE and for maintaining the accounting system (ERP – JD Edwards).

The financial functions of Sunparks centralised at its head office in De Haan (Belgium) are carried out under the responsibility of the Chief Financial Officer of Center Parcs Europe. These functions mainly cover the budget, reporting, accounting and operational finance. Consolidation, tax, cash and internal auditing are managed by central teams at Center Parcs Europe.

Duties of the Group's financial departments

THE OPERATIONAL FINANCE DEPARTMENT

The Operational Finance Department supervises and measures the operating performance of the Group's different businesses. It translates the financial objectives of the Group and of each Business Unit into operating targets, controls and measures their achievement via the reporting system, and proposes any corrective action necessary. The Operational Finance Department provides tailor-made reporting solutions for each operating division which are analysed during regular financial reviews with operational managers. It is responsible for preparing the budget targets, activity estimates and medium-term operating results. More generally, the Operational Finance Department assists operational managers in all financial matters: simulations, planning (pricing policy, specific actions, etc.). It also advises on development issues (business plans, simulation of profitability on new and renovated property programmes) and on the renewal or creation of leasing formulas or on the reorganisation and rationalisation of the operating businesses.

THE ACCOUNTING DEPARTMENT

The accounting department ensures the Group's accounting rules are correctly applied throughout the Group. Checks on the production of accounting information are made at the level of each "organisational sub-group" by teams working in close collaboration with the management control department:

- in the tourism business, these controls are performed at the level of each residence/village, then at the level of each geographical region; controls are also performed by the head office corporate departments, which consolidate this data by legal entity then by country (Center Parcs Europe and Tourism) in the same way as for management controls;

- for the property development business, as the legal structure parallels the organisational structure, controls are primarily performed on each legal entity: each development project is housed within a separate property development company in the form of a general partnership (SNC), while central functions (marketing and project management) are housed within separate entities. Second-level controls are performed at the level of the property development division, notably to validate the reconciliation of intercompany transactions.

These verifications are supplemented by horizontal accounting checks on turnover, cash flows, suppliers, rental commitments, etc.

In addition to preparing the financial statements, the accounting department assists operational managers by providing financial information and is involved in the deployment of back-office IT solutions (multi-brand reservation system, shared ERP purchasing solution, expense claim management software) and sales tools. Quarterly financial statements are prepared for each entity, for cross-checking management reporting. At Center Parcs Europe, financial accounts are closed on a monthly basis. The accounting function's role is to support operational managers (operating controllers), management controllers, and internal auditors in preparing monthly summaries of financial indicators and ratios.

The Operational Finance and Accounting Departments are jointly responsible for planning and organising the financial reporting cycle. To this end, they issue procedural notes and prepare detailled reporting schedules. They provide weekly updates on account closures and validate Accounting Information as it is made available. They are also responsible for analysing accounting data in relation to forecasts and budgets.

INTERNAL AUDIT

Tourism

The running, coordination and validation of the internal control process is part of the Operational Finance Department's responsibilities. As such, it is responsible not only for the financial audits but also the social and regulatory audits concerning the touristic operation of holiday residences. These audits are mainly carried out on the operating sites. It therefore issues procedures aimed at limiting the risks of financial loss on site, communicates them and ensures that they are correctly applied but also, working closely with the Human Resources Department, it ensures that the social obligations and labour laws concerning advertising, keeping of registers, etc. are correctly applied.

The main areas of risk covered by the internal audit are:

- ensuring that turnover generated on site is reported correctly, optimising turnover. It verifies that services provided have been invoiced correctly. Checks are also made on the correct application of pricing terms and justification of any discounts given. Finally, turnover deletions and reimbursements are traced and analysed;
- the security of property and financial assets. Under this heading, the internal audit verifies in particular that proper security procedures are deployed on each site to protect cash receipts and deposits. Checks are also made on bank deposits to ensure their accuracy and frequency;
- collection and the level of payments outstanding from customers. To ensure optimum account collection, many points are examined: the establishment and strict application of standardised contracts for groups and seminars, chasing letters are sent out at the required intervals, customer deposits are effectively collected and customers' addresses are recorded correctly;
- the whole purchasing stream is also audited. This begins with the approval of suppliers as part of the Group common purchasing policy and its strict application. The validation of order forms, receipts and payment authorisations also receive particular attention during these audits.

Control procedures may involve physical site audits. The sites audited are either selected at random or according to their profile (holiday villages have greater risk exposure than small residences) or in response to General Management requests. Audits are coordinated by the Operational Finance Department and carried out by both management controllers and accounting controllers. At the end of each audit, the auditor completes a compliance scorecard and prepares a report outlining any deficiencies and proposing corrective actions. Where necessary, a follow-up audit is organised within a period of two months.

Center Parcs Europe

Center Parcs Europe has in Internal Audit team which is responsible for carrying out audits in Center Parcs and Sunparks villages. The main aim of these audits is to ensure compliance with Group procedures in order to ensure the exhaustivity of income and the accuracy and correct accounting of costs. Moreover, certain services (sales, marketing, purchasing, investment, payroll and cash flow) are audited in close collaboration with external auditors. The internal audit team also carries out audits on specific subjects (application of ISO 14001 quality standards, reliability of computer tools, compliance with rules, etc.) at the request of the Board of Management or Audit Committee.

The Internal Audit Department consists of three people. The Department Manager has a specific auditing qualification. The other two are specialists in financial processes or experienced members of operational staff. The internal audit manager is answerable to the Chief Financial Officer of Center Parcs Europe. An audit schedule, approved by the Board of Management and the Supervisory Board, is drawn up at the beginning of the year. At the end of each audit assignment, audit reports are drawn up and submitted at the audited sites to General Management and to the external auditors. An action plan is drawn up in collaboration with the site managers concerned and follow-up assessments are performed within six months of the initial audit to ensure that the report's recommendations have been applied.

An audit committee, consisting of the members of the Center Parcs Europe Supervisory Board, meets twice a year to review with CPE management the audit plan and the comments of the external auditors. This committee conducts a full review of business and of the key questions concerning the interface between the main departments in order to optimise the general day-to-day conduct of business.

Reporting system

The operations monitoring and control process is built upon: medium-term business planning, budget planning, revisions to estimates, and the reporting cycle.

The four-year strategic business plan is produced in July and updated in January in order to ensure consistency between short and medium-term objectives. This plan takes into account the Group's strategic objectives and developments and includes projections based on future property developments and on reworks and renovations of assets, pricing trends and forecast occupancy rates. The first year of this business plan is used to define a budgetary framework for the next year.

The budgeting process is organised and supervised by the Operational Finance Department in coordination with the businesses and operating divisions. It has three phases:

- the pre-budget: estimates turnover per season and per brand based on changes in the offer and the sales strategy and operating expenses (advertising, personnel, rents, etc.) according to the assumptions on distribution policy, investment plans, salary policy, indices, etc.;
- the framework: refines the pre-budget assumptions through an operator validation of the sales targets, variable expenses, personnel structures and additional revenue streams on each site;
- the budget, finalised in September, consolidates all the assumptions validated site by site. Approved by Group Senior Management, it is broken down on a monthly basis to use as a reference for Group reporting and is sent to each of the operating units.

Budget estimates are revised for all businesses in February, May and August of each year, thereby allowing the annual budget to be updated according to results to date.

In addition to regular monitoring, the Operational Finance Department also provides tailor-made reporting solutions for each operating division that are analysed at regular intervals by operational managers and management control teams and transmitted to the Group Finance Department and General Management.

- Weekly reporting of holiday reservations data allows the shared sales competence centres to optimise the marketing policy and yield management while enabling the operators to adapt on-site organisation to projected occupancy rates;
- Site operating expense reports are compared each month with the budget and actual results recorded the previous year, and results are discussed with the Chief Operating Officers of the regions concerned. Marketing budgets and general expenses are also monitored on a monthly basis;
- Budgets for property development programmes are reviewed and revised each quarter with the relevant property programme manager;
- For the marketing of properties, the number of signed sales, advertising, marketing and sales expenses and general overheads are reviewed twice a month and examined in conjunction with the Head of Sales and the Head of Marketing.

Reporting data for each "business" are presented to Group Senior Management at meetings of the specialist committees set up for each business activity (Tourism Committee, Property Development Committee, Board of Management and Supervisory Board of Center Parcs Europe).

Report of the Statutory Auditors

YEAR ENDING 30 SEPTEMBER 2008

To the Shareholders,

In our capacity as Statutory Auditors for Pierre & Vacances SA and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby submit our report on the report drawn up by the Chairman of your company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the year ending 30 September 2008.

The Chairman is required to provide and submit for the approval of the Board of Directors a report, in particular, on the composition, preparation and organisation of the work of the Board and on the internal control and risk management procedures applied within the company.

We are required to comment as we see fit on the information contained in the Chairman's report concerning internal control procedures relating to the preparation and treatment of accounting and financial information, and to certify that this report contains the other information required under Article L. 225-37 of the French Commercial Code.

We have carried out our audit in accordance with the professional standards applicable in France. These standards require us to examine the sincerity of the information provided in the Chairman's report on the internal control procedures relating to the preparation and treatment of accounting and financial information. Our examination notably consists in:

- noting the internal control procedures relating to the preparation and treatment of the accounting and financial information underlying the information presented in the Chairman's report and the documentation provided;
- noting how this information and the documentation provided were prepared;
- establishing whether any major deficiencies in internal control relating to the preparation and treatment of accounting and financial information identified by us during the audit are appropriately referred to in the Chairman's report.

On the basis of our examination, we have no comments to make on the information provided on the company's internal control procedures relating to the preparation and treatment of accounting and financial information, as contained in the report of the Chairman of the Board of Directors, drawn up in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

We also certify that this report contains the other information required under Article L. 225-37 of the French Commercial Code.

Paris and Paris-La Défense, 22 January 2009

The Statutory Auditors

AACE ÎLE-DE-FRANCE	ERNST & YOUNG et Autres
Michel Riguelle	Bruno Bizet

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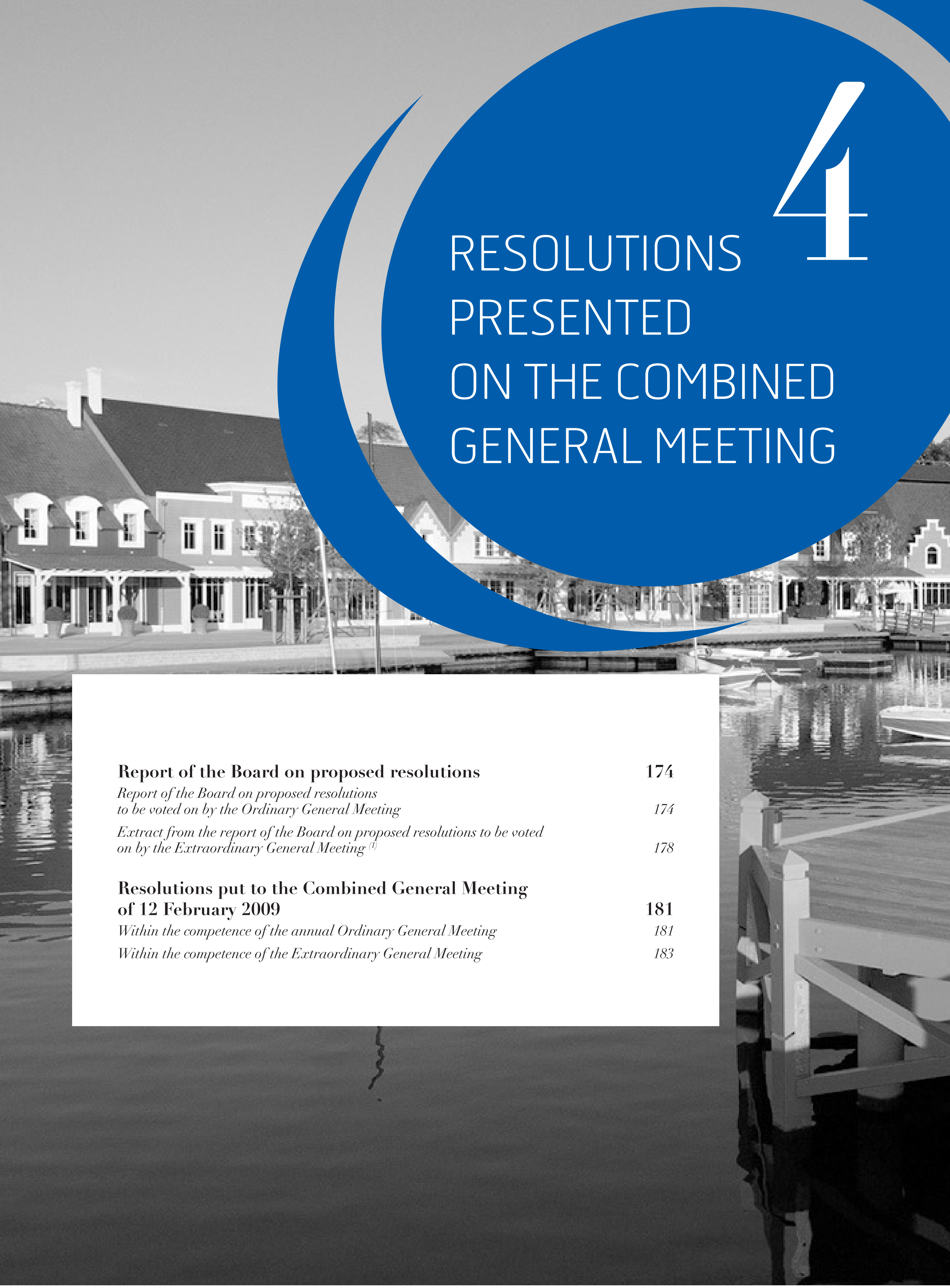

4 RESOLUTIONS PRESENTED ON THE COMBINED GENERAL MEETING

Report of the Board on proposed resolutions

REPORT OF THE BOARD ON PROPOSED RESOLUTIONS TO BE VOTED ON BY THE ORDINARY GENERAL MEETING

APPROVAL OF THE FINANCIAL STATEMENTS

The Meeting is asked to approve the consolidated and parent company financial statements for 2007/2008 as presented in this document and during the Annual General Meeting of 12 February 2009.

APPROPRIATION OF EARNINGS

Net of all charges, taxes and amortisation, the parent company financial statements show a net profit of €19,164,798.96.

It is proposed that this profit be appropriated as follows:

- Income for the year €19,164,798.96
- Plus retained earnings from the previous year €461,402,070.58
- Making a total of €480,566,869.53
- to shareholders in dividends €23,812,895.70
- to retained earnings €456,753,973.83

The dividend for the year is therefore €2.70 per share. The dividend will be payable on 12 March 2009.

Following this appropriation of earnings, shareholders' equity as at 30 September 2008 will break down as follows:

- share capital € 88,109,110.00
- additional paid-in capital € 8,648,595.43
- merger premiums € 55,912.36
- statutory reserve € 8,810,911.00
- other reserves € 2,308,431.46
- retained earnings € 456,753,973.83
- Making a total of € 564,686,934.08

DIVIDENDS PAID FOR PREVIOUS YEARS

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

Year	Number of shares [1]	Par value	Amount distributed	Net Dividend per share	Distribution eligible for reduction as in Article L. 158-3-2 of the CGI (General Tax Code)
2006/2007	8,712,863	€10	€23,524,730.10	€2.70	€23,524,730.10
2005/2006	8,706,207	€10	€21,765,517.50	€2.50	€21,765,517.50
2004/2005	8,723,020	€10	€13,084,530.00	€1.50	€13,084,530.00

(1) Number of shares eligible for Dividends for the year.

NON-TAX-DEDUCTIBLE EXPENSES

In accordance with the terms of Article 223 quater of the General Tax Code, the financial statements for the past year do not include any non-tax-deductible expenses with respect to Article 39-4 of that Code.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND EQUITY INVESTMENTS

The table of subsidiaries and equity investments is appended to the balance sheet.

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

Significant equity investments

During the past financial year, the Company has made the following investments:

ADAGIO HOLDING

On 12 March 2008, at the time of the creation of Adagio Holding S.A.S., Pierre & Vacances SA subscribed for 5,000 shares at a par value of €100, or 50% of the capital.

PIERRE & VACANCES MAROC S.A.S.

On 26 March 2008, at the time of the creation of Pierre & Vacances Maroc S.A.S., Pierre & Vacances SA subscribed for 2,999 shares at a par value of 100 dirhams, of the 3,000 shares making up the capital.

PIERRE & VACANCES IMMOBILIER HOLDING S.A.S.

On 30 June 2008, because of the early winding-up, without liquidation, of Pierre & Vacances Holding S.A.S., Pierre & Vacances SA took over 6,881,445 shares in Pierre & Vacances Immobilier Holding S.A.S.

PIERRE & VACANCES TOURISME EUROPE

On 30 June 2008, because of the early winding-up, without liquidation, of Pierre & Vacances Holding S.A.S., Pierre & Vacances SA took over 215,615 further shares in Pierre & Vacances Tourisme Europe.

PIERRE & VACANCES INVESTISSEMENT XXXIX

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXIX, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

PIERRE & VACANCES INVESTISSEMENT XXXX

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXX, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

PIERRE & VACANCES INVESTISSEMENT XXXXI

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXXI, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

PIERRE & VACANCES INVESTISSEMENT XXXXII

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXXII, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

PIERRE & VACANCES INVESTISSEMENT XXXXIII

On 25 September 2008, at the time of the creation of Pierre & Vacances Investissement XXXXIII, Pierre & Vacances SA subscribed for 3,812 shares at a par value of €10, or 100% of the capital.

Significant disposals

During the last financial year, the Company disposed of the following investments:

PIERRE & VACANCES INVESTISSEMENT XXX

On 6 November 2007, Pierre & Vacances SA sold 3,812 shares in Pierre & Vacances Investissement XXX SAS (or 100% of the capital) to Pierre & Vacances Investissement XXIX, for a total of €38,120.

CP PROG HOLDING S.A.S.

On 26 March 2008, Pierre & Vacances SA sold 25,000 shares in CP Prog Holding S.A.S. (or 100% of the capital) to Tourism Real Estate Property Holding SE, for a total of €250,000.

PV PROG HOLDING S.A.S.

On 26 March 2008, Pierre & Vacances SA sold 25,000 shares in PV Prog Holding S.A.S. (or 100% of the capital) to Tourism Real Estate Property Holding SE, for a total of €250,000.

NEWCITY APARTHOTELS S.A.S.

On 15 May 2008, Pierre & Vacances SA sold 5,000 shares in Newcity Aparthotels (or 50% of the capital) to Adagio Holding, for a total of €500,000.

PIERRE & VACANCES HOLDING S.A.S.

On 30 May 2008, Pierre & Vacances SA, the sole partner, decided on the early winding-up, without liquidation, of Pierre & Vacances Holding S.A.S. This operation was carried out on 30 June 2008.

Significant investments and disposals since the year-end

PIERRE & VACANCES DÉVELOPPEMENT S.A.S.

On 27 November 2008, Pierre & Vacances SA sold 100,000 shares in Pierre & Vacances Développement S.A.S. (or 100% of the capital) to Pierre & Vacances Promotion Immobilière, for a total of €1.

Attendance fees

The Meeting is asked to approve €180,000 in attendance fees to be paid to members of the Board of Directors for 2008/2009, the Board being free to distribute the attendance fees between its members.

Related-party agreements

AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

A new agreement, previously authorised, has been made during the past year. It appears in the report of the Statutory Auditors appended hereto.

AGREEMENTS GOVERNED BY ARTICLE L. 225-42 OF THE FRENCH COMMERCIAL CODE

None.

In accordance with the law, the list of agreements covered by Article L. 225-39 of the French Commercial Code and made during the past year is available to any shareholder upon request.

Ratification of the coopting of two directors

The Meeting is informed of the provisional appointment:

- by the Board of Directors at its meeting of 6 October 2008, as a Director, of Mr Andries Arij OLIJSLAGER, Rinia van Nautaweg 25, 9061 AA Giekerk, replacing Mr Eric DEBRY, who has resigned;
- by the Board of Directors at its meeting of 2 December 2008, as a Director, of Mrs Delphine BRÉMOND, 3 rue Pasteur, 94120 Fontenay-sous-Bois, replacing Mr Michel DUPONT, who has resigned.

In accordance with legal and statutory provisions, the Meeting is asked to ratify these appointments.

Share buy-back programme

Since the authorisation given by the General Meeting of 14 February 2008 is valid until 14 August 2009, it appears necessary to extend a new authorisation which will terminate, so far as the unused fraction is concerned, the authorisation given to the Company by the Combined General Meeting of 14 February 2008 to trade in its own shares.

The general regulation of the AMF, in its Articles 241-1 et seq., relating to the act of 26 July 2005, has removed the obligation to have the prospectuses relating to share buy-back programmes signed off.

The description of the share buy-back programme that will be submitted to the shareholders during the Combined General Meeting of 12 February 2009 is available for shareholders to examine at the Company's head office and on the group's financial website (http://groupe.pierreetvacances.com).

The main features of this new share buy-back programme are:

PORTION OF THE CAPITAL HELD BY THE COMPANY AND BREAKDOWN BY OBJECTIVES OF THE SHARES HELD BY THE COMPANY

As at 12 January 2009, the Company holds 135,894 of its own shares, or 1.54% of the capital:

- 5,440 shares as part of the AFEI liquidity agreement;
- 26,000 shares were allocated to the share purchase option plan of 26 September 2005;
- 11,500 shares were allocated to the share purchase option plan of 21 July 2006;
- 46,875 shares were allocated to the share purchase option plan of 9 January 2007;
- 38,375 shares were allocated to the share purchase option plan of 7 January 2008;
- 7,704 shares were allocated to the free shares allocation plan of 12 January 2009.

OBJECTIVES OF THE BUY-BACK PROGRAMME

The shares bought may be used (in descending order of priority) to:

1) give impetus to the market through a liquidity contract according to the Compliance Charter of the AFEI;

2) grant free shares and/or purchase options to officers of the Company and to employees, or to sell shares to employees in the context of sharing in the benefits of the Company's expansion, employee shareholding plans or company savings plans;

3) issue shares on the exercise of rights attached to securities giving access to the Company's capital by redemption, conversion, exchange, presentation of warrants or any other means;

4) issue shares as a means of payment or exchange in external growth transactions, in order to minimise the acquisition cost or, more generally, improve the terms of a transaction;

5) cancel shares, on condition that a specific resolution is voted on by the Extraordinary General Meeting.

MAXIMUM PROPORTION OF THE CAPITAL, MAXIMUM NUMBER AND DETAILS OF THE SHARES THAT THE COMPANY PROPOSES TO ACQUIRE AND MAXIMUM PURCHASE PRICE

Pierre & Vacances will be able to acquire 10% of its capital, or, as of 12 January 2009, 881,959 shares at a par value of €10 each. Given the 135,894 shares already held on 12 January 2009, the maximum number of shares that can be acquired under this buy-back programme is therefore 764,065, corresponding to a theoretical maximal investment of €59,685,200 based on the maximum purchase price of €80 stipulated in the 8th resolution to be voted on by the Annual General Meeting of 12 February 2009. However, it is to be noted that, as the main aim of the buy-back programme is to regulate the share price, this maximum investment should not be reached.

DURATION OF THE BUY-BACK PROGRAMME

Eighteen months from approval by the Combined General Meeting of 12 February 2009, that is until 12 August 2010.

TRANSACTIONS MADE TO BUY, SELL OR TRANSFER, AS PART OF THE PREVIOUS BUY-BACK PROGRAMME

Number of shares forming the issuer's capital at the beginning of the programme:	8,810,911
Capital owned directly or indirectly by the Company at the beginning of the programme (shares + percentage):	101,084 / 1.15%
Information gathered since the beginning of the programme to 12 January 2009:	
Number of shares purchased	54,737
Number of shares sold	3,917
Number of shares transferred	16,010
Number of shares cancelled	/
Shares bought back from people holding more than 10% of the capital or from directors	/
Number of shares cancelled during the past 24 months	/
Number of shares held on 12 January 2009 (shares + percentage):	135,894 / 1.54%
Book value of the portfolio on 12 January 2009	9,546,511
Market value of the portfolio on 12 January 2009	6,563,981

EXTRACT FROM THE REPORT OF THE BOARD ON PROPOSED RESOLUTIONS TO BE VOTED ON BY THE EXTRAORDINARY GENERAL MEETING (1)

AUTHORISATION FOR THE BOARD OF DIRECTORS TO CANCEL THE SHARES BOUGHT BACK UNDER THE SHARE BUY-BACK PROGRAMME

Through the 8th resolution described above, the General Meeting is being asked to authorise the Board of Directors, in application of Article L. 225-209 of the French Commercial Code, to buy shares in the Company up to 10% of the capital.

One of the objectives of this is, where necessary, to cancel the shares thus acquired. Consequently, your Board, through the 9th resolution, requests authorisation to reduce the share capital in order to cancel, up to the legal limit of 10% of the capital, some or all of the shares thus acquired by the Company as part of the abovementioned share buy-back programme. The requested authorisation, which will be for 18 months from the day of the General Meeting, would replace that of the same type granted by your General Meeting on 14 February 2008.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL

The Meeting is being asked to extend the authorisations to increase the share capital. By virtue of these authorisations, the Board of Directors will be able to decide quickly and flexibly on one or more capital increases and will have the powers necessary to increase the share capital by any means (excluding issues reserved for named persons) within an overall fixed limit, while leaving the Board the right to define the type of securities to be issued and the terms and conditions of each issue.

The Meeting is being asked to give an overall authorisation of a maximum par value of €44,000,000 while leaving preferential subscription rights in place. It is also proposed that the Meeting authorise the Board of Directors to increase the capital while cancelling preferential subscription rights for a maximum par value of €44,000,000 to be charged against the amount stipulated above.

The Board of Directors will be authorised to set the issue price in accordance with Article R. 225-119 of the French Commercial Code: the issue price will be at least equal to the weighted average of the three stock market sessions preceding its setting, if applicable less a maximum discount of 5%.

By virtue of this overall authorisation, the Board will therefore be able to increase the share capital by any means authorised by the regulations in force. This overall authorisation may not be for more than twenty-six months. The Board must report to the annual Ordinary General Meeting on the use it has made of this overall authorisation. This authorisation supersedes the previous unused authorisation given by the Combined General Meeting of 14 February 2008.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED WITH CAPITAL INCREASES RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN

We recommend that you authorise the Board of Directors to proceed with capital increases by issuing shares or securities giving access to the Company's capital exclusively to members of a Company savings plan set up by the Company and the companies or company combinations associated with it.

It is proposed that the discount be set at 20% of the Company's average quoted share price on Euronext Paris during the twenty stock market sessions preceding the day of the decision to set the date of opening the subscriptions and that the Board of Directors be authorised to reduce the abovementioned discount if it sees fit.

The maximum par value of the increase or increases that may be made by virtue of this authorisation may not exceed €850,000. The requested authorisation would be for 26 months and would supersede the authorisation of the same type granted by your General Meeting of 14 February 2008.

(1) The full version of the report of the Board on proposed resolutions to be voted on by the Extraordinary General Meeting has been sent to the shareholders owning nominal shares and to the shareholder owning nominal shares who have requested it.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO GRANT OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES

Reasons for opening a new plan of options to subscribe for or purchase shares

You are reminded that the Combined General Meeting of 14 February 2008, in its Extraordinary part, authorised the Board of Directors to grant, on one or more occasions, to the benefit of the corporate officers and members of staff, options giving entitlement to subscribe for new shares in the Company or to buy existing shares in the Company originating from the purchases made by it, up to a limit of 100,000 options.

The balance of options to be allocated to this plan is 95,000 options. However, the Board of Directors wishes to reserve the right to make other allocations and has decided to submit to the General Meeting the same kind of plan as preceding ones.

Method of setting the price

The Meeting is asked to approve a new plan of options to subscribe for or purchase shares covering 100,000 options and to authorise the Board of Directors to set the subscription or purchase price to correspond to the average of the market prices quoted in the 20 stock market sessions preceding the date of allocation to these beneficiaries by the Board.

This authorisation will mean that you renounce, to the benefit of the beneficiaries of the subscription options, the shareholders' preferential right to subscribe to the shares that are to be issued.

The maximum validity period for the options is set at ten years.

Your Board of Directors shall inform the General Meeting every year of the transactions made under this authorisation.

This authorisation shall supersede the previous authorisation given by the Extraordinary General Meeting of 14 February 2008, for the remainder of the unallocated options.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO ALLOCATE FREE SHARES

You are asked to authorise your Board of Directors, under Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code, to grant free shares that already exist or are to be issued to officers of the Company and to certain members of salaried personnel.

The total number of shares that may be granted free by virtue of this authorisation may not exceed 3% of the capital.

By virtue of this authorisation, the Board of Directors shall have all powers to determine the identity of the beneficiaries of these allocations and, where appropriate, to set the criteria for allocation.

It will be proposed that the minimum duration of:

- the period of acquisition, after which the rights resulting from the free allocations will be converted into shares registered in nominal form in the name of the beneficiaries, be at least two years, and
- the period for which the beneficiaries shall be obliged to retain the shares be set to at least two years from the end of the acquisition period.

The Board of Directors shall be able to increase the length of the acquisition period and the obligatory retention period.

This authorisation shall be valid for 38 months.

Your Board of Directors shall inform the General Meeting every year of the transactions made under this authorisation.

This authorisation shall supersede the previous authorisation given by the Extraordinary General Meeting of 14 February 2008.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARE SUBSCRIPTION WARRANTS RESERVED FOR A CATEGORY OF PEOPLE

You are asked to authorise your Board of Directors, under Articles L. 225-129-2, L. 225-138 and L. 228-91 of the French Commercial Code, to issue share subscription warrants, with cancellation of the preferential subscription rights for the benefit of officers or non-officers and for the employees of the Company and of companies affiliated thereto within the meaning of Article L. 233-16 of the French Commercial Code.

The total par value of the shares that can be issued by virtue of this authorisation may not exceed €25,000,000.

The subscription price for the shares to which the warrants give entitlement shall be equal to the average of the closing prices for the Company's shares in the 20 stock market sessions preceding the day on which the decision to issue the warrants is taken. This price is in line with the market.

The Board of Directors has no plans in this respect but wishes to be able to use this authorisation as a tool to motivate and increase the loyalty of managers and staff.

By virtue of this authorisation, the Board of Directors shall have all powers to determine the identity of the beneficiaries of these allocations.

This authorisation shall be valid for 18 months.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE BONDS WITH REIMBURSABLE SHARE SUBSCRIPTION AND/OR ACQUISITION WARRANTS (OBSAARS) RESERVED FOR A CATEGORY OF BENEFICIARIES

You are asked to authorise your Board of Directors, under Articles L. 228-91 et seq., L. 225-129 et seq. and L. 225-138 of the French Commercial Code, to issue bonds with reimbursable share subscription and/or acquisition warrants (OBSAARs), the bonds and the subscription and/or acquisition warrants (BSAARs) being detachable on issue of the OBSAARs.

The Meeting will be asked to cancel the shareholders' preferential subscription right for OBSAARs and to reserve the right to subscribe for the said OBSAARs to European banks.

The total par value of the OBSAARs that can be issued by virtue of this authorisation may not exceed €120,000,000.

The maximum par value of the increases in capital that can be carried out by virtue of this authorisation may not exceed €25,000,000.

The BSAARs detached from OBSAARs will be offered by banks subscribing for OBSAARs to a list of beneficiaries drawn up by the Board of Directors from among the employees of the Company or from any French or foreign subsidiary of the Company within the meaning of Article L. 233-3 of the French Commercial Code and/or from among officers of the Company also occupying positions as employees within the Company or any French or foreign subsidiary of the Company within the meaning of Article L. 233-3 of the French Commercial Code, in order to give the Board of Directors a tool to motivate and increase the loyalty of managers and staff.

The subscription or acquisition price of each Company share when BSAARs are exercised will be set by the Board of Directors such that it is at least equal to 115% of the weighted average of the last three stock market sessions immediately the day on which the decision to issue the OBSAARs was made by the Board of Directors. This price is in line with the market.

This authorisation shall be valid for 18 months.

CHANGES TO BE MADE TO THE COMPANY BY-LAWS

The Company's by-laws need to be harmonised with the requirements of act No. 2008-776 of 4 August 2008. Accordingly, two by-law modifications are proposed concerning the directors' obligation to hold shares in the Company and the holding of double voting rights in the event of transfer following a merger or a demerger of a shareholding company.

Resolutions put to the Combined General Meeting of 12 February 2009

WITHIN THE COMPETENCE OF THE ANNUAL ORDINARY GENERAL MEETING

(Voting on these resolutions is subject to the quorum and majority conditions specified for Ordinary General Meetings)

FIRST RESOLUTION

The General Meeting, having heard the reports of the Board of Directors and Statutory Auditors on the year ending 30 September 2008, approves the parent company financial statements for the year, 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 of their responsibility in respect of the performance of their duties during the past year.

SECOND RESOLUTION

The General Meeting resolves to appropriate the income for the year, reflecting the net profit of €19,164,798.96, plus retained earnings from the previous year to the value of €461,402,070.58, making a total of €480,566,869.53, as follows:

- to shareholders in dividends €23,812,895.70
- to retained earnings €456,753,973.83

The dividend to be distributed for the year is therefore €2.70 per share. This dividend will be payable on 12 March 2009.

The General Meeting agrees that, according to the terms of Article L. 225-210 of the French Commercial Code, the amount of dividend for the shares held by the Company on the date of payment will be reallocated to "Retained earnings".

The General Meeting notes that the dividends paid for each share for the three preceding years were as follows:

Year	Number of shares [1]	Par value	Amount distributed	Net Dividend per share	Distribution eligible for reduction as in Article L. 158-3-2 of the CGI (General Tax Code)
2006/2007	8,712,863	€10	€23,524,730.10	€2.70	€23,524,730.10
2005/2006	8,706,207	€10	€21,765,517.50	€2.50	€21,765,517.50
2004/2005	8,723,020	€10	€13,084,530.00	€1.50	€13,084,530.00

(1) Number of shares eligible for Dividends for the year.

THIRD RESOLUTION

The General Meeting, having heard the reports of the Board of Directors and Statutory Auditors on the consolidated financial statements for the year ending 30 September 2008, approves the consolidated financial statements for that year, as presented, together with the transactions reflected in these financial statements or described in these reports.

The said consolidated financial statements for the year ending 30 September 2008 show a consolidated turnover of €1,424.5 million and a net attributable consolidated profit of €73,434 thousand.

FOURTH RESOLUTION

The General Meeting sets the value of attendance fees to be distributed between the Directors for the current year at €180,000.

FIFTH RESOLUTION

The General Meeting, having heard the special report of the Statutory Auditors on the agreements specified in Articles L. 225-38 et seq. of the French Commercial Code, approves the conclusions of the said report and the agreements mentioned therein.

SIXTH RESOLUTION

The General Meeting ratifies the coopting of Mr Andries Arij Olijslager as a Director, provisionally carried out by the Board of Directors during its meeting of 6 October 2008, replacing Mr Eric Debry, for the remaining term of office of his predecessor, that is to say until the end of the Meeting ruling on the financial statements for the year ending 30 September 2009.

SEVENTH RESOLUTION

The General Meeting ratifies the coopting of Mrs Delphine Brémond as a Director, provisionally carried out by the Board of Directors during its meeting of 2 December 2008, replacing Mr Michel Dupont, for the remaining term of office of her predecessor, that is to say until the end of the Meeting ruling on the financial statements for the year ending 30 September 2009.

EIGHTH RESOLUTION

(Authorisation for the Company to buy back its own shares)

The General Meeting, having heard the report of the Board of Directors, authorises the Board of Directors, with the option to delegate this authority, to trade in the Company's shares provided that the legal and regulatory requirements applicable at the time of trading are observed, and particularly in compliance with the terms and obligations set out in Articles L. 225-209 et seq. of the French Commercial Code and in Articles 241-1 to 241-6 of the General Rules of the AMF (France's financial markets regulator).

The Company may buy its own shares on the market or off the market and sell some or all of the shares thus acquired within the following limits:

- the total number of shares held must not exceed 10% of the share capital;
- the unit purchase price may not exceed €80 per share (excluding purchase expenses).

As an indication, the maximum amount that the Company would be likely to pay if it purchased at the maximum price of €80, would be €58,770,160 based on the share capital at 31 December 2008, taking account of the Company's treasury stock held at that date.

These transactions must be carried out in line with the rules set out by the General Rules of the AMF concerning the conditions and periods of trading on the market.

This authorisation is designed to allow the Company (in decreasing priority order) to:

1) give impetus to the market through a liquidity contract according to the Compliance Charter of the AFEI;

2) grant free shares and/or purchase options to officers of the Company or to employees, or to sell shares to employees in the context of sharing in the benefits of the Company's expansion, employee shareholding plans or company savings plans,

3) issue shares on the exercise of rights attached to securities giving access to the Company's capital by redemption, conversion, exchange, presentation of warrants or any other means;

4) issue shares as a means of payment or exchange in external growth transactions, in order to minimise the acquisition cost or, more generally, improve the terms of a transaction;

5) cancel shares, on condition that a specific resolution is voted on by the Extraordinary General Meeting.

The General Meeting agrees that:

- the purchase of the shares and the retention, sale or transfer of the shares thus purchased may, depending on the case, be carried out in one or more transactions, at any time, where appropriate during the period of public offering, by any means on the market or over the counter, particularly by block purchase or sale, or by the use of derivatives (to the exclusion of put sales) and of warrants, in compliance with the applicable regulations;
- in the event of a capital increase by incorporating reserves and allocating free shares and in the case of either a division or a grouping of shares, the prices indicated above shall be adjusted by a multiplication factor equal to the ratio between the number of shares comprising the share capital before the transaction and that number after the transaction.

The General Meeting agrees to give all powers to the Board of Directors, with the option to subdelegate, in order to:

- use all means to purchase, sell or transfer these shares, including using optional transactions, or transactions on derivatives (to the exclusion of put sales);
- make any agreement with a view to maintaining the registers of share purchases and sales, make any declarations to the AMF and any other organisation, fulfil all formalities and, in general, do whatever is necessary.

This authorisation is valid for a maximum of eighteen months from this date and terminates, with immediate effect, for the unused fraction, the authorisation given by the Combined General Meeting of 14 February 2008.

WITHIN THE COMPETENCE OF THE EXTRAORDINARY GENERAL MEETING

(Voting on these resolutions is subject to the quorum and majority conditions specified for Extraordinary General Meetings)

NINTH RESOLUTION

(Granting authority to the Board of Directors to reduce the share capital by cancelling shares bought back under the share buy-back programme)

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors to cancel, at its own discretion, on one or more occasions, within the limit of 10% of the share capital, the shares that the Company may hold as a result of the buy-backs carried out in application of the eighth resolution of this Meeting, and of the buy-backs made to date where appropriate and to reduce the share capital accordingly, in compliance with the applicable legal and regulatory requirements;
- sets the validity of this authorisation to eighteen months from this Meeting;
- gives the Board of Directors the option of delegating all powers to carry out the transactions necessary for such cancellations and related reductions of the share capital, to modify the by-laws of the Company in consequence and carry out all the required formalities.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting of 14 February 2008 which was not used and which is thereby replaced.

TENTH RESOLUTION

(Granting authority to the Board of Directors to increase the capital, with maintenance of preferential subscription rights – Renewal of the previous authorisation of the same type given by the Extraordinary General Meeting of 14 February 2008 which was not used and which is replaced by the present authorisation)

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the terms of the French Commercial Code and particularly Article L. 225-129:

- agrees to grant the Board of Directors the authority to decide, on one or more occasions, in the proportions and at the times it sees fit, whether in France or abroad, to issue, either in euros or in foreign currency or in any other monetary unit established with reference to a basket of currencies, with maintenance of shareholders' preferential subscription rights, shares in the Company and any other securities giving immediate or deferred access to the capital of the Company. These securities may take any form that is not incompatible with the applicable laws;
- sets the validity of this authority to twenty-six months from the present Meeting;
- agrees that the par value of the capital increases likely to be made immediately and/or in future by virtue of this authority may not, in any case and with no account being taken of the adjustments likely to be applied according to law, exceed €44,000,000 or its equivalent in foreign currencies on the day of issue. To this total amount shall be added, where appropriate, the par value of the additional shares to be issued, according to law, to preserve the rights of holders of securities giving the right to subscribe for shares in the Company;
- also agrees that the par value of the securities representing credits giving access to the capital likely to be issued by virtue of this authority may not exceed €400,000,000 or its equivalent in foreign currencies on the day of issue;
- notes that, where appropriate, this authority carries forthwith, to the benefit of the holders of securities providing access to the capital of the Company, express renunciation by the shareholders of their preferential rights to subscribe for the shares to which these securities give entitlement;
- agrees that the shareholders may exercise, within the terms provided by law, their preferential subscription right on an irrevocable basis. In addition, the Board of Directors will be able to grant shareholders revocable subscription rights to be exercised proportionally to their rights and within the limit of their requirements;
- agrees that, if irrevocable and, where appropriate, revocable subscriptions do not fully absorb the issue of shares or securities, the Board of Directors may use one and/or other of the following options, in the order it deems fit:
  - limit the issue to the amount of subscriptions obtained provided that the amount is at least three-quarters of the approved issue,
  - freely distribute some or all of the unsubscribed shares,
  - offer some or all of the unsubscribed shares to the public;
- grants the Board of Directors and, by delegation, the Chief Executive, under the terms provided by law, all powers to, in particular:
  - set the amounts to be issued, determine the dates and terms of issue and the form of the securities to be created and, generally, take all necessary steps and make all agreements to ensure the successful completion of the planned issues, all in compliance with the applicable laws and regulations,
  - note the completion of such issues and make the appropriate amendments to the by-laws,
  - and in general make all agreements, take all measures and complete all formalities necessary to the transactions.

Furthermore, the Extraordinary General Meeting grants the Board of Directors the power, at its sole discretion, to charge the fees relating to the capital increases against the additional paid-in capital and to deduct from this amount the sums needed to ensure that the statutory reserve remains equal to one tenth of the new capital after each increase.

In the event of a capital increase, merger or demerger, as with other financial transactions involving a preferential subscription right or reserving a priority subscription right to the benefit of shareholders, the Board of Directors may suspend the exercise of the rights attached to the aforementioned securities for a period of no more than three months.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 14 February 2008 which was not used.

ELEVENTH RESOLUTION

(Granting authority to the Board of Directors to increase the share capital, without preferential subscription rights – Renewal of the previous authorisation of the same type given by the Extraordinary General Meeting of 14 February 2008 which was not used and which is replaced by the present authorisation)

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the terms of the French Commercial Code and particularly Article L. 225-129 thereof:

- agrees to grant the Board of Directors the authority to decide, on one or more occasions, in the proportions and at the times it sees fit, whether in France or abroad, to issue, either in euros or in foreign currency or in any other monetary unit established with reference to a basket of currencies, shares in the Company and any other securities giving immediate or deferred access to the capital of the Company. The Extraordinary General Meeting agrees to remove the preferential subscription rights of shareholders to the securities to be issued, it being understood that the Board of Directors may, in accordance with the terms of Article L. 225-135 of the French Commercial Code, grant the shareholders priority subscription rights to some or all of the issue, during the time frame and on the terms that it shall set. This subscription priority shall not give rise to the creation of negotiable rights, but may, if the Board deems fit, be exercised both irrevocably and revocably. These securities may take any form that is not incompatible with the applicable laws;
- sets the validity of this authority to twenty-six months from the present Meeting;
- agrees that the par value of the capital increases likely to be made immediately and/or in future by virtue of this authority may not, in any case and with no account being taken of the adjustments likely to be applied according to law, exceed €44,000,000 or its equivalent in foreign currencies on the day of issue. To this total amount shall be added, where appropriate, the par value of the additional shares to be issued, according to law, to preserve the rights of holders of securities giving the right to subscribe for shares in the Company. The maximum par value of the capital increases likely to be made by virtue of this authority may be applied against the overall share capital increase ceiling of €44,000,000 set by the tenth resolution of this Extraordinary General Meeting;
- also agrees that the par value of the securities representing credits giving access to the capital likely to be issued by virtue of this authority may not exceed €400,000,000 or its equivalent in foreign currencies on the day of issue, it being specified that this maximum par value shall be applied against the par value of €400,000,000 set by the tenth resolution of this Extraordinary General Meeting;
- notes that, where appropriate, this authority carries forthwith, to the benefit of the holders of securities providing access to the capital of the Company, express renunciation by the shareholders of their preferential rights to subscribe for the shares to which these securities give entitlement;
- agrees that the amount collected or due to be collected by the Company for each of the shares issued under this authority, after taking account, for an issue of share warrants, of the issue price of the said warrants, shall be set in accordance with the legal or regulatory terms applicable at the time of issue;
- grants the Board of Directors and, by delegation, the Chairman and Chief Executive Officer the same powers as those defined in the tenth resolution above.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 14 February 2008 which was not used.

TWELFTH RESOLUTION

(Increase in issues, with or without preferential subscription rights, of securities providing access to the share capital – Renewal of the previous authorisation of the same type given by the Extraordinary General Meeting of 14 February 2008 which was not used and which is replaced by the present authorisation)

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the terms of Article L. 225-135-1 of the French Commercial Code:

- Grants the Board of Directors and, by delegation, the Chairman and Chief Executive Officer, authority to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights, as specified in the tenth and eleventh resolutions, up to the limit of 15% of the number of shares in the initial issue, according to the legal and regulatory requirements applicable at the time of issue.

The par value of the issue increase agreed by virtue of this resolution will be charged, where appropriate, to the maximum par values defined in the fourth paragraph of the tenth and eleventh resolutions.

This authorisation is valid for the same duration as that of the tenth and eleventh resolutions, that is for a maximum of twenty-six months from this date.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 14 February 2008 which was not used.

THIRTEENTH RESOLUTION

(Issue in payment for shares received up to the limit of 10% of the share capital – Renewal of the previous authorisation of the same type given by the Extraordinary General Meeting of 14 February 2008 which was not used and which is replaced by the present authorisation)

The Extraordinary General Meeting, having heard the report of the Board of Directors and in accordance with the terms of Article L. 225-147 paragraph 5 of the French Commercial Code, grants the Board of Directors the powers necessary to proceed with a capital increase, on one or more occasions, up to the limit of 10% of the share capital, in order to pay company benefits in kind in the form of shares in the capital or of securities providing access to the share capital not traded on the regulated market.

The General Meeting grants all powers to the Board of Directors to approve the valuation of the benefits, note the completion thereof, charge where appropriate to the share premium all fees and rights occasioned by the capital increase, deduct from the share premium the sums necessary for the full allocation to the statutory reserve and make the changes in the by-laws.

This authorisation is valid for a maximum of twenty-six months from this date.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 14 February 2008 which was not used.

FOURTEENTH RESOLUTION

(Capital increase reserved for the employees of companies or company combinations who are members of the Group's company savings plan – Renewal of the previous authorisation of the same type given by the Extraordinary General Meeting of 14 February 2008 which was not used and which is replaced by the present authorisation)

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory auditors, in accordance, on the one hand, with the provisions of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and, on the other, with those of Articles L. 3332-1 et seq. of the French Employment Code:

- grants the Board of Directors the authority necessary to increase the share capital on one or more occasions at its sole discretion by issuing shares or other securities providing access to the capital of the Company, reserved for employees of the companies or company combinations who are members of the Group's company savings plan (or any mutual investment fund present or future to which these employees are subscribers);
- removes in favour of these beneficiaries the preferential subscription right to shares or other securities providing access to the capital of the Company, which may be issued by virtue of this authorisation;
- sets the validity of this authorisation to twenty-six months from the present Meeting;
- limits the maximum par value of the increase or increases that may be made pursuant to this authorisation to €850,000;
- agrees to set the discount at 20% of the Company's average quoted share price on Euronext Paris during the twenty stock market sessions preceding the day of the decision to set the date of opening the subscriptions. However, the Meeting expressly authorises the Board of Directors to reduce the abovementioned discount if it deems fit. The Board of Directors may also replace some or all of the discount with freely allocated shares or other securities in application of the following terms;
- decides that the Board of Directors may provide for the allocation, free of charge, of shares or other securities providing access to the capital of the Company, it being understood that the total benefit resulting from this allocation may not exceed the legal or regulatory limits. The General Meeting also agrees that the features of the other securities providing access to the capital of the Company shall be decided by the Board of Directors under the terms required by law;
- grants the Board of Directors and, by delegation, the Chairman and Chief Executive Officer, as prescribed by law, the authority to:
  - set the amounts to be issued, determine the dates and terms of issue and the form of the short-term investments to be created and, generally, take all necessary steps and make all agreements to ensure the successful completion of the planned issues, all in compliance with the applicable laws and regulations,
  - note the completion of such issues and make the appropriate amendments to the by-laws,
  - and in general make all agreements, take all measures and complete all formalities necessary to the transactions.

Furthermore, the Extraordinary General Meeting grants the Board of Directors the power, at its sole discretion, to charge the fees relating to the capital increases against the additional paid-in capital and to deduct from this amount the sums needed to ensure that the statutory reserve remains equal to one tenth of the new capital after each increase.

According to the requirements of act No. 1770-2006 of 30 December 2006 on developing profit-sharing and employee shareholding, the transactions envisaged as part of this resolution may also take the form of selling shares to members of the Company Savings Plan of the Pierre & Vacances Group under the terms required by law.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 14 February 2008 which was not used.

FIFTEENTH RESOLUTION

(Authorisation to grant managers of the Company and certain members of staff options to subscribe for or purchase shares)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having heard the report of the Board of Directors and the special report of the Statutory Auditors authorises the Board of Directors to grant, on one or more occasions, to the benefit of the directors of the Company and members of staff – or of some of them – options giving entitlement to subscribe for new shares in the Company or to purchase existing shares in the Company arising from purchases made by it.

By virtue of the present authorisation, and subject to the conditions laid down in Article L. 225-186-1 of the French Commercial Code, the Board of Directors will be able to grant the said options:

- either to the directors of the Company;
- or to members of salaried personnel of the companies or economic interest groups of which at least 10% of the capital or the voting rights are held directly or indirectly by the Company;
- or to members of salaried personnel of the companies or economic interest groups holding, directly or indirectly, at least 10% of the capital or voting rights of the Company;
- or to members of salaried personnel of the companies or economic interest groups of which at least 50% of the capital or voting rights is held, directly or indirectly, by a company itself holding, directly or indirectly, at least 50% of the capital of the Company.

The Board of Directors may make use of this authorisation, on one or more occasions, during a period of 38 months starting from this Meeting.

The total number of options granted by virtue of the present authorisation may not give entitlement to subscribe for or purchase more than 100,000 shares.

The deadline for exercising the options may not exceed ten years from the date of allocation of the options by the Board of Directors. This decision comprises, for the benefit of the beneficiaries of subscription options, express renunciation by the shareholders of their preferential right to subscribe for the shares that will be issued as and when the options are exercised.

The Extraordinary General Meeting agrees:

- that, if subscription options are granted, the price of shares subscribed for by beneficiaries will be determined on the day on which the options are granted by the Board of Directors and will be the average of the prices quoted during the twenty stock market sessions preceding this date;
- that, if purchase options are granted, the price of shares bought by beneficiaries will be set by the Board of Directors on the day on which the options are granted; this price will be the average of the prices quoted during the twenty stock market sessions preceding this date and may be no less than 80% of the average purchase price of shares held by the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code.

The price may be modified only if the Company carries out a financial transaction during the period of exercise of the options. In this case, the Company shall make an adjustment to the number and price of the options within the terms prescribed by the law.

All powers are given to the Board of Directors acting under the above conditions to grant the abovementioned options to subscribe for or purchase shares, to set the terms and modalities according to the law, to designate the beneficiaries thereof and for this purpose to carry out all the necessary formalities.

All powers are given to the Board of Directors to implement these purchase or subscription options, according to the law and, in general, to decide and carry out all the necessary transactions and formalities.

This authorisation supersedes the preceding authorisation given by the Extraordinary General Meeting of 14 February 2008 for the remainder of the unallocated options.

SIXTEENTH RESOLUTION

(Allocation of free shares)

The Extraordinary General Meeting, after having heard the report of the Board of Directors and the special report of the Statutory Auditors, authorises the Board of Directors to allocate free shares, existing or to be issued, to the officers of the Company and certain members of salaried personnel, according to Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code.

The total number of shares that can be allocated free by virtue of this authorisation may not exceed 3% of the total number of shares forming the share capital.

By virtue of the present authorisation, and subject to the conditions laid down in Article L. 225-197-6 of the French Commercial Code, the Board of Directors will be able to allocate the said shares free of charge:

- to the officers of the Company;
- or to members of salaried personnel of the companies or economic interest groups of which at least 10% of the capital or the voting rights are held directly or indirectly by the Company;
- or to members of salaried personnel of the companies or economic interest groups holding, directly or indirectly, at least 10% of the capital or voting rights of the Company;

- or to members of salaried personnel of the companies or economic interest groups of which at least 50% of the capital or voting rights is held, directly or indirectly, by a company itself holding, directly or indirectly, at least 50% of the capital of the Company.

The Extraordinary General Meeting agrees that:

- the period of acquisition, after which the rights resulting from the free allocations will be converted into shares registered in nominal form in the name of the beneficiaries, shall be at least two years;
- the period for which the beneficiaries shall be obliged to retain the shares shall be set to at least two years from the end of the acquisition period;
- the Board of Directors shall be able to increase the length of the acquisition period and the obligatory retention period.

The allocated free shares may consist of existing shares or new shares. In the latter case, the share capital shall be increased proportionally by incorporation of reserves, profits or additional paid-in capital.

Since the decision to allocate free shares lies with the Board of Directors, the latter shall determine the identity of the beneficiaries of the share allocations, shall set the terms, and, where appropriate, the criteria for allocation of shares and the conditions of presence on expiry of the acquisition period.

The Board of Directors may make use of this authorisation, on one or more occasions, during a period of thirty-eight months starting from this Meeting.

The Extraordinary General Meeting confers all powers on the Board of Directors, with the authority to subdelegate according to law, in order to apply the present authorisation and in particular:

- to determine whether the free shares are shares to be issued or are existing shares;
- to determine the identity of the beneficiaries of the share allocations;
- to increase, as appropriate, the capital by the incorporation of reserves, profits or additional paid-in capital in order to issue free shares;
- to set the terms and, as appropriate, the criteria for allocation of the shares;
- for free shares granted to the officers of the Company, either to decide that the free shares may not be transferred by the recipients before the cessation of their term of office, or to set the quantity of free shares that they must retain in nominal form until the end of their term of office;
- as appropriate, in order to preserve the rights of the beneficiaries, to adjust the number of free shares in line with any transactions made in the capital of the Company;
- and more generally, to conclude all agreements, produce all documents, make capital increases following final allocations, modify as appropriate the by-laws as a consequence, request the admission of the new shares to trading on the Eurolist market of Euronext or any other regulated market, carry out all formalities and make all declarations to all organisations and, more generally, do all that is necessary.

The General Meeting takes formal note that this authorisation forthwith involves renunciation by the shareholders of the portion of the profits, reserves and premiums which, if necessary, might be used for the issue of new shares.

This authorisation supersedes the preceding authorisation given by the Extraordinary General Meeting of 14 February 2008 for the remainder of the unallocated options.

SEVENTEENTH RESOLUTION

(Authority for the Board of Directors to issue share subscription warrants reserved for a category of people – Renewal of the previous authorisation of the same type given by the Extraordinary General Meeting of 14 February 2008 which was not used and which is replaced by the present authorisation)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, after having heard the report of the Board of Directors and the special report of the Statutory Auditors, and according to the requirements of Articles L. 225-129-2, L. 225-138 and L. 228-91 of the French Commercial Code:

- delegates to the Board of Directors the necessary power to, on one or more occasions, in the proportions and at the times that it deems fit, in France or abroad, issue share subscription warrants (BSA) with cancellation of preferential subscription rights to a category of people defined below;
- sets at eighteen months the period of validity of this delegation, beginning from the day of this meeting;
- decides that the total par value of the shares able to be issued by virtue of this delegation may not exceed €25,000,000 and shall not be applied against the maximum par values specified in the 4th paragraph of the tenth and eleventh resolutions;
- decides that the subscription price for the shares to which the warrants give entitlement shall be equal to the average of the closing prices for the Company's shares in the 20 stock market sessions preceding the day on which the decision to issue the warrants is taken;
- decides to remove the preferential subscription rights of the shareholders to the BSAs to be issued, for the benefit of the following category of people: the directors, whether or not officers, and the employees of the Company and of the companies affiliated to it under the meaning of Article L. 233-16 of the French Commercial Code;
- notes that, pursuant to Article L. 225-138 of the French Commercial Code, members of the category of beneficiaries of share subscription warrants (BSAs) do not take part in the vote on this resolution;

- notes that this delegation involves renunciation by the shareholders of their preferential rights to subscribe for the Company's shares that are able to be issued on exercise of the warrants for the benefit of the BSA holders;
- decides that the Board of Directors shall have all the necessary powers, under the terms set by law and specified below, to issue BSAs and in particular:

- to set the precise list of beneficiaries within the category of people defined above, the number of warrants to be allocated to each of them, the number of shares to which each warrant shall give entitlement, the issue price of the warrants and of the shares to which the warrants give entitlement under the terms provided above, the terms and deadlines for subscription and exercise of the warrants, their modalities of adjustment, and more generally all the conditions and modalities of the issue;
- to establish an additional report describing the final terms of the transaction;
- to decide on the capital increase that may arise from the exercise of the BSAs and make the appropriate modification to the by-laws;
- on its own initiative, to charge the expenses of the capital increases to the premiums relating thereto and deduct from this amount the sums necessary to take the legal reserve to a tenth of the new capital after each increase;
- to itself grant the Chairman and Chief Executive Officer the necessary powers to carry out the capital increase, and defer the latter within the limits and according to the modalities that the Board of Directors may set in advance;
- and more generally to do all that is necessary to implement this resolution.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 14 February 2008 which was not used.

EIGHTEENTH RESOLUTION

(Authorisation for the Board of Directors to issue bonds with reimbursable share subscription and/or acquisition warrants (OBSAARs) with cancellation of preferential shareholder subscription rights to a category of beneficiaries)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, after having heard the report of the Board of Directors and the special report of the Statutory Auditors, and according to the requirements of Articles L. 228-91 et seq., L. 225-129 et seq. and L. 225-138 of the French Commercial Code, and subject to the passing of the nineteenth resolution:

1. Delegates to the Board of Directors, with a right of subdelegation within legal and regulatory conditions, authority to decide to increase share capital by issuing, on one or more occasions, bonds with reimbursable share subscription and/or acquisition warrants (OBSAARs), the bonds and the subscription and/or acquisition warrants (BSAARs) being detachable on issue of the OBSAARs.
2. Decides that the par value of the OBSAARs that can be issued by virtue of this authorisation may not exceed €120,000,000, this value not being applied and being independent and separate from the maximum par values specified, for securities representing credits giving access to capital, in the tenth and eleventh resolutions as proposed to this General Meeting.
3. Decides that the maximum par value of capital increases that may be made by virtue of this authority may not exceed €25,000,000, this limit being increased by the value of further shares that will need to be issued by way of adjustments that may be made in accordance with applicable legislative and regulatory provisions and, if applicable, with contractual stipulations providing for other cases of adjustment, to preserve the rights of bearers of securities giving access to Company capital. The value of capital increases made by virtue of this resolution will be applied to the maximum par value of capital increases that may be made under the tenth and eleventh resolutions as proposed to this General Meeting.
4. Decides, in accordance with Article L. 225-138 of the French Commercial Code, to cancel the shareholders' preferential subscription right for OBSAARs and to reserve the right to subscribe for the said OBSAARs to European banks.
5. Notes (i) that BSAARs will be sold by banks subscribing for OBSAARs, under identical terms, to one or more categories of beneficiaries in the category defined in the nineteenth resolution of this Meeting ("the Beneficiaries"), (ii) that this sale is subject to the suspensive condition of the passing of the nineteenth resolution of this Meeting, and (iii) that, if the Beneficiaries are already shareholders in the Company, they will not be able to take part in the vote on the resolutions concerning them. The Board of Directors, or the Chief Executive on delegation of the Board of Directors, will draw up the full list of Beneficiaries, will also decide on the number of BSAARs that may be offered by the said subscribing banks to the Beneficiaries and will agree with the said banks the unit price of the BSAARs sold by the latter. It also notes that, if not all of the BSAARs are sold by the subscribing banks under the above conditions, the Company will be entitled to acquire them in order to cancel them.
6. Notes that the decision to issue OBSAARs automatically relieves shareholders of their preferential subscription rights for shares issued when BSAARs are exercised, in favour of holders of these BSAARs, pursuant to the last paragraph of Article L. 225-132 of the French Commercial Code.
7. Decides that the subscription or acquisition price of each Company share when BSAARs are exercised will be set by the Board of Directors such that it is at least equal to 115% of the weighted average of the three stock market sessions immediately preceding the day on which the decision to issue the OBSAARs was made by the Board of Directors.
8. Gives all powers to the Board of Directors, with the right of subdelegation within legal and regulatory conditions, to:

- decide, when it sees fit, to issue OBSAARs in accordance with this resolution;
- draw up a full list of subscribing banks, in the category of banks mentioned under point 4 above in favour of which preferential subscription rights have been cancelled, and set the number of OBSAARs that will be reserved to each one;

- determine the characteristics and terms of the issue of OBSAARs, in particular their issue price, their terms of amortisation, their repayment price and their duration;
- determine the number of BSAARs attached to each bond, the terms for exercising them, the duration, the terms of repayment of BSAARs, the price or prices for the exercising of these BSAARs, the date from which interest begins, even retrospectively, for shares issued as part of capital increases resulting from the exercising of BSAARs;
- determine the terms of adjustment of the bases of exercising BSAARs set at the outset in order to preserve the rights of holders of BSAARs exercising their rights, in the event that the Company, where valid BSAARs exist, issues, with preferential subscription rights in favour of shareholders, shares paid for in cash or securities giving direct or indirect access to capital, such as in the event of a capital increase through incorporation in the said capital of profits, reserves or additional paid-in capital and the free allocation of shares, or, finally, distribution of reserves in cash or portfolio securities;
- take all provisions stipulated in the applicable regulations to ensure protection of holders of BSAARs and inform them when rights exercised form odd lots or in the event of a suspension of the exercising of subscription rights;
- note the number and value of shares issued following the exercising of BSAARs;
- carry out the formalities resulting from the corresponding capital increases and make corresponding changes to the by-laws;
- charge the expenses of capital increases to the premiums relating to these increases and deduct from these premiums the sums necessary to take the legal reserve to a tenth of the new capital after each increase;
- sign any agreements with any banks to carry out the operation and, generally speaking, take any steps and decisions and carry out any useful formalities to implement this authorisation.

The authorisation thus conferred on the Board of Directors is valid for a period of 18 months from this General Meeting.

NINETEENTH RESOLUTION

(Determining a category of Beneficiaries of share subscription and/or acquisition warrants detached from the OBSAARs referred to in the previous resolution)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, after having heard the report of the Board of Directors, and subject to the passing of the eighteenth resolution concerning the issue of OBSAARs reserved for a category of beneficiaries:

1. Decides that, on issue of the OBSAARs, the BSAARs will be detached from the OBSAARs and that banks subscribing for OBSAARs will offer BSAARs to a list of Beneficiaries drawn up by the Board of Directors, or by the Chief Executive on delegation of the Board of Directors, from among the employees of the Company or from any French or foreign subsidiary of the Company within the meaning of Article L. 233-3 of the French Commercial Code and/or from among officers of the Company also occupying positions as employees within the Company or any French or foreign subsidiary of the Company within the meaning of Article L. 233-3 of the French Commercial Code.
2. Notes that the Beneficiaries, if they are already shareholders in the Company, do not take part in the vote on this resolution.
3. Notes that the decision to reserve BSAARs to Beneficiaries automatically relieves shareholders of their preferential subscription rights for shares issued when BSAARs are exercised, in favour of holders of these BSAARs, pursuant to the last paragraph of Article L. 225-132 of the French Commercial Code.
4. Gives all powers to the Board of Directors, with the right of subdelegation within legal and regulatory conditions, to:

- draw up, within the category specified under point 1 above, the list of beneficiaries of BSAARs and the number of BSAARs sold to each one by banks subscribing for OBSAARs;
- implement this resolution, fulfill all formalities and carry out all necessary acts and operations.

This resolution is valid for a period of 18 months from this General Meeting.

TWENTIETH RESOLUTION

(Modification of Article 10 of the by-laws "Board of Directors – Composition", on the directors' obligation to hold shares in the Company)

The Extraordinary General Meeting, having heard the report of the Board of Directors, decides to modify Article 10 of the by-laws to cancel the directors' obligation to hold shares in the Company.

As a result, the Extraordinary General Meeting decides simply to cancel paragraphs 10 and 11 of Article 10 of the by-laws.

The rest of the article remains unchanged.

TWENTY-FIRST RESOLUTION

(Modification of Article 16 of the by-laws: moving into line with act No. 2008-776 of 4 August 2008)

The Extraordinary General Meeting, having heard the report of the Board of Directors, decides to modify the last paragraph of Article 16.5 of the by-laws so that it reads as follows:

"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. The same applies in the event of transfer as a result of a merger or demerger of a shareholding company."

The rest of the article remains unchanged.

TWENTY-SECOND RESOLUTION

(Powers for the formalities)

The General Meeting grants all powers to the bearer of an original, an extract or a copy of the minutes of this meeting to accomplish all the formalities provided by law.

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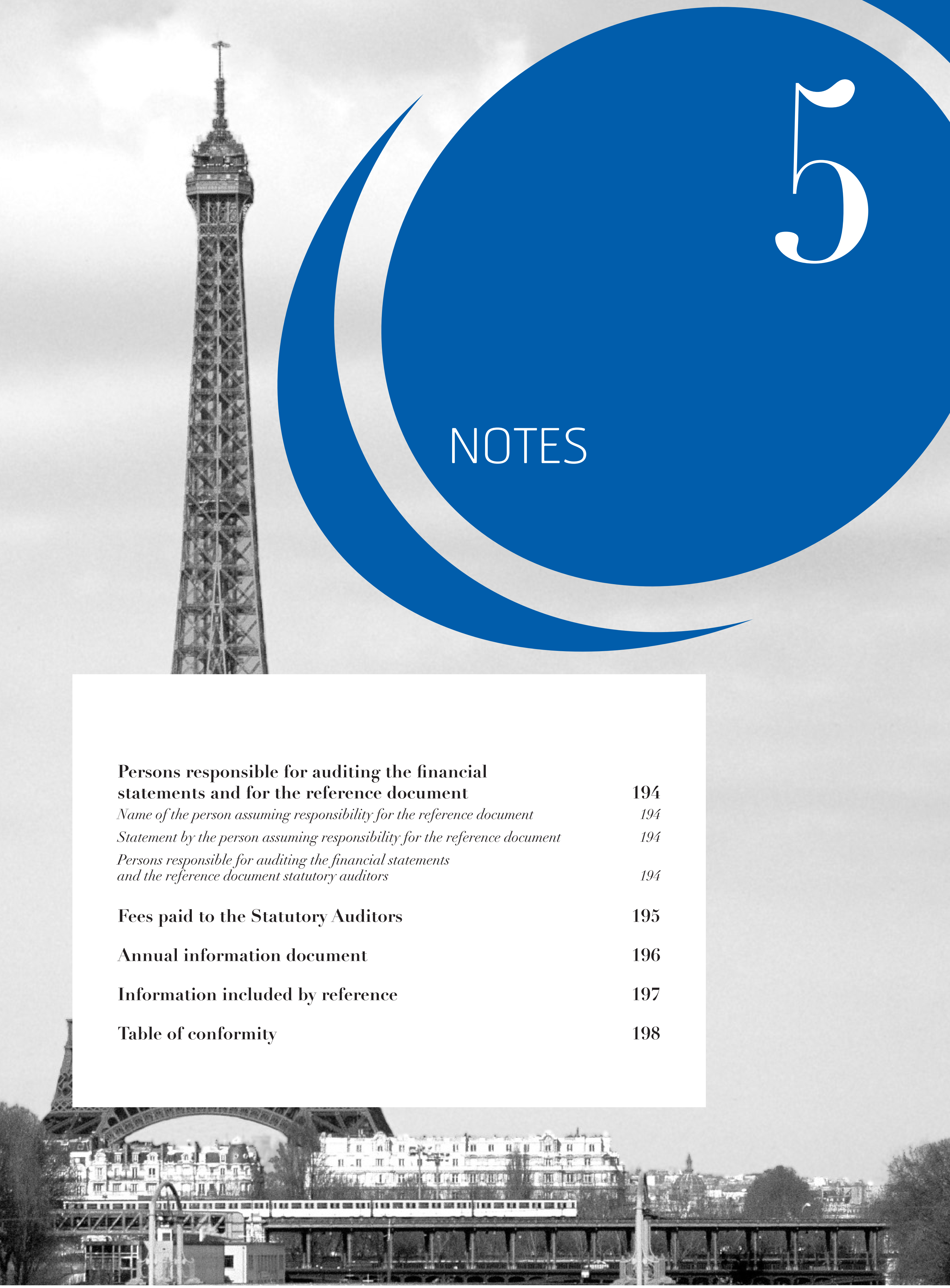

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NOTES

Persons responsible for auditing the financial statements and for the reference document

NAME OF THE PERSON ASSUMING RESPONSIBILITY FOR THE REFERENCE DOCUMENT

Gérard BRÉMOND, Chief Executive Officer.

This information is provided under the sole responsibility of the Directors of the Company.

STATEMENT BY THE PERSON ASSUMING RESPONSIBILITY FOR THE REFERENCE DOCUMENT

After having taken all reasonable measures appropriate, I confirm that the information contained in this reference document is, to my knowledge, a fair reflection of the true situation and is not subject to any omission likely to impair the meaning thereof.

I hereby confirm, to my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a true picture of the assets, the financial position and the income of the Company and all companies in the group, and that the management report given on pages 4 et seq. contains an accurate table of changes in the business, income and financial position of the Company and all companies in the group and a description of the main risks and uncertainties they face.

Pierre & Vacances has obtained from its Statutory Auditors a letter of completion, in which they indicate that they have verified the information relating to the financial situation and financial statements given in this document and have read the whole of this document.

Paris, 29 January 2009,

Gérard BRÉMOND,

Chief Executive Officer

PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS AND THE REFERENCE DOCUMENT STATUTORY AUDITORS

Principal Auditors:

ERNST & YOUNG et Autres

Bruno BIZET

41, rue Ybry – 92576 NEUILLY-SUR-SEINE

First appointed by the General Meeting of 29 May 1990

Reappointed for six years by the General Meeting of 11 March 2004

AACE – ÎLE-DE-FRANCE

Michel RIGUELLE

10, rue de Florence – 75008 PARIS

First appointed by the General Meeting of 3 October 1988

Reappointed for six years by the General Meeting of 11 March 2004

Deputy Auditors:

Pascal MACIOCE

41, rue Ybry – 92576 NEUILLY-SUR-SEINE

First appointed by the General Meeting of 11 March 2004

Jean-Baptiste PONCET

10, rue de Florence – 75008 PARIS

First appointed by the General Meeting of 11 March 2004

Fees paid to the Statutory Auditors

The table below shows the fees paid to the Statutory Auditors responsible for certifying the parent company and consolidated financial statements of Pierre & Vacances. The fees relating to statutory auditors were included in the accounts for 2007/2008 and 2006/2007 for services actually carried out on 30 September. The fees listed in 2006/2007 did not include the audit of accounts on 30 September 2007, which had not yet been carried out.

	Ernst & Young				AACE – Île-de-France			
	Amount		%		Amount		%	
(in thousands of euros)	2007/2008	2006/2007	2007/2008	2006/2007	2007/2008	2006/2007	2007/2008	2006/2007
Audit								
Statutory Auditors services, certifications, examination of individual and consolidated financial statements	1,157	388	87%	85%	355	125	100%	100%
Issuer	291	81	22%	18%	32	11	9%	9%
Fully integrated subsidiaries	866	307	65%	67%	323	114	91%	91%
Other examinations and services directly associated with the task of the Statutory Auditor	-	-	-	-	-	-	-	-
Issuer	-	-	-	-	-	-	-	-
Fully integrated subsidiaries	-	-	-	-	-	-	-	-
SUB-TOTAL	**1,157**	**388**	**87%**	**85%**	**355**	**125**	**100%**	**100%**
Other services provided by networks to fully integrated subsidiaries								
Legal, fiscal, social	159	68	12%	15%	-	-	-	-
Others (to be specified if > 10% of the audit fees)	16	-	1%	-	-	-	-	-
SUB-TOTAL	**175**	**68**	**13%**	**15%**	**-**	**-**	**-**	**-**
TOTAL	**1,332**	**456**	**100%**	**100%**	**355**	**125**	**100%**	**100%**

The annual and consolidated financial statements of the Center Parcs Europe subgroup for 2007/2008 and 2006/2007 have been audited by the auditors of the Ernst & Young network in the Netherlands, Germany and Belgium and by Ernst & Young et Autres in France.

Furthermore, the fees for the tax services cover the work done in 2007/2008 and 2006/2007 by the members of the Ernst & Young network in the Netherlands, Germany and Belgium as part of the legal restructuring in the Center Parcs Europe subgroup.

Annual information document

The list of information[1] that has been published or made available to the public by the Pierre & Vacances group over the last twelve months, in accordance with Article L. 451-1-1 of the French Monetary and Financial Code and Article 222-7 of the General Rules of the *AMF* (France's financial markets regulator), is as follows:

- Notice of invitation to the Combined General Meeting of 14 February 2008, published in the *Bulletin des Annonces Légales Obligatoires* of 9 January 2008;
- Correction of the notice of invitation to the Combined General Meeting of 14 February 2008, published in the *Bulletin des Annonces Légales Obligatoires* of 16 January 2008;
- Financial information – 1st quarter of 2007/2008, published on 17 January 2008;
- Correction of the notice of invitation to the Combined General Meeting of 14 February 2008, published in the *Bulletin des Annonces Légales Obligatoires* of 25 January 2008;
- 2006/2007 reference document filed with the *AMF* on 28 January 2008 under No. 08-036;
- Terms of provision of the 2006/2007 reference document, published on 29 January 2008;
- Description of the share buy-back programme proposed at the General Meeting of 14 February 2008, published on 29 January 2008;
- Terms of provision of the preparatory documents at the Combined General Meeting of 14 February 2008, published on 29 January 2008;
- Half-yearly balance sheet of the Pierre & Vacances Group liquidity agreement, published on 31 January 2008;
- Annual financial statements – Consolidated annual financial statements at 30 September 2007, published in the *Bulletin des Annonces Légales Obligatoires* of 1 February 2008;
- Parent company financial statements at 30 September 2007, published in the *Bulletin des Annonces Légales Obligatoires* of 6 February 2008;
- Turnover and quarterly positions, published in the *Bulletin des Annonces Légales Obligatoires* of 8 February 2008;
- Annual financial statements – Certifications of the statutory auditors on the annual financial statements and the consolidated financial statements to 30 September 2007, published in the *Bulletin des Annonces Légales Obligatoires* of 12 March 2008 under No. 31;
- Financial information – 2nd quarter of 2007/2008, published on 17 April 2008;
- Press release relating to developments in Morocco, published on 21 April 2008;
- Income for the 1st half of 2007/2008, published on 29 May 2008;
- 2007/2008 Half-Yearly Financial Report, published on 30 May 2008;
- Interim financial statements – Condensed consolidated half-yearly financial statements at 31 March 2008, published in the *Bulletin des Annonces Légales Obligatoires* of 20 June 2008 under No. 75;
- Half-yearly balance sheet at 30 June 2008 for the liquidity agreement, published on 7 July 2008;
- Additional contribution to the liquidity agreement, published on 11 July 2008;
- Financial information – 3rd quarter of 2007/2008, published on 17 July 2008;
- Press release on the reorganisation of the Group's tourism activities, published on 1 September 2008;
- 2007/2008 annual turnover, published on 16 October 2008;
- 2007/2008 annual income, published on 4 December 2008;
- AFEP/MEDEF recommendation on the remuneration of officers of the Company, published on 23 December 2008;
- Weekly declarations of treasury stock transactions published on 1 February, 8 February, 13 March, 9 June, 16 June, 23 June, 30 June, 7 July, 10 July, 29 July, 8 August, 14 August, 12 September and 19 September 2008;
- Monthly declaration of the number of shares and rights on 31 December 2007 and on 31 January, 29 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September and 31 December 2008.

(1) Informations available on the Pierre /& Vacances website at http://groupe.pierreetvacances.com/ and in the Bulletin des Annonces Légales Obligatoires (BALO).

Information included by reference

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004, the following information is included by reference in the present reference document:

- the consolidated financial statements and corresponding audit reports shown on pages 31 to 118 (financial report) of the 2005/2006 reference document registered with the *AMF* on 31 January 2007 under number D 07-068;
- the consolidated financial statements and corresponding audit reports shown on pages 31 to 112 (financial report) of the 2006/2007 reference document registered with the *AMF* on 28 January 2008 under number D 08-036;
- the group management report shown on pages 3 to 29 (financial report) of the 2005/2006 reference document registered with the *AMF* on 31 January 2007 under number D 07-068;
- the group management report shown on pages 3 to 30 (financial report) of the 2006/2007 reference document registered with the *AMF* on 28 January 2008 under number D 08-036.

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Design and realization: Labrador 00 33 1 53 06 30 80

Photo credits: Pierre & Vacances, Center Parcs, Photoalto / I. Rozembaum / F. Cirou,
E. Bergoend, F. Canus, S. Lerendu, J. Pesendorfer.
Paper from forests managed in a sustainable way.

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Creation and design: SEQUOIA - Photo credits: F. Canus

GROUPE
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