Groupe

Pierre & Vacances

Center Parcs

Naturally Closer

Annual Financial Report
2009 - 2010

PIERRE & VACANCES CENTER PARCS GROUP

Annual Financial Report 2009 / 2010

The following document named « Annual Financial Report 2009/2010 » completed with the « Business Report 2009/2010 » make up the whole reference document submitted (in its original French version) to the Autorité des Marchés Financiers* on January 24, 2011 in compliance with the article 212-13 of its general regulation. It may used in connection with a financial transaction if completed by a prospectus approved by the Autorité des Marchés Financiers*. This document was made out by the issuer and commits the responsibility of the signatory.

* *French market regulator*

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The Pierre & Vacances - Center Parcs Group

GROUP MANAGEMENT REPORT

European leader in holiday residences, the Pierre & Vacances - Center Parcs Group operates some 51,150 apartments and homes, or 236,590 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 - Center Parcs Group has two complementary businesses, namely the operating and marketing of holidays in holiday residences (82% of 2009/2010 turnover) and property development (18% of 2009/2010 turnover).

Group businesses and performances in 2009/2010

Main events

Shareholding structure

On 29 January 2010, the controlling holding company belonging to Gérard Brémond, Société d'Investissement Touristique et Immobilier (SITI), announced it had sold 5.9% of Pierre & Vacances SA on the market and now owns 44.3% of shares and 61.2% of voting rights. This disposal was made purely under the framework of the holding company's portfolio management and Gérard Brémond remains more than ever implicated in the group, particularly for its development in France and outside France.

On 2 February 2010, the Columbia Wanger Asset Management, L.P., acting on behalf of funds it manages, fell below the 5% company capital threshold and held, on behalf of the said funds, 426,244 Pierre & Vacances shares representing 4.83% of the capital and 3.34% of voting rights.

On 13 September 2010, the Financière de l'Échiquier, acting on behalf of funds it manages, overstepped the 5% capital threshold in Pierre & Vacances SA and held, on behalf of the said funds, 450,376 shares representing 5.11% of the capital and 3.53% of voting rights.

Governance

Sven Boinet was named CEO of the Pierre & Vacances - Center Parcs Group on 16 November 2009. Gérard Brémond continues his functions as Chairman of the Board and focuses more specifically on the group's property businesses both in and outside France.

Transformation and development plan

Faced with a backdrop of decline in the European tourism market for more than two years now, the group has undertaken a project to transform its organisation and develop its businesses in order to both grow revenues and reduce costs. This project is focused on several actions:

- pooling the organisation of Pierre & Vacances Tourisme Europe and Center Parcs Europe in order to optimise the portfolio of brands and synergies between the businesses ;
- pooling of transversal functions and sales tools ;
- growth in turnover and improving profitability.

The synergies unlocked between Pierre & Vacances Tourisme Europe and Center Parcs Europe helped generate almost €10 million in savings per year in 2008/2009 and 2009/2010.

The three-year cost-cutting target totals €50 million for operating and structural costs and €15 million for rents. Over the same period, the plan should generate around €100 million in additional turnover.

The group's strategy is also based on further expansion in the core businesses, with a five-year target to increase the tourism portfolio by 30%, or more than 15,000 additional apartments and homes in France, Germany, Spain, Morocco and major European cities. Potential turnover on projects currently being finalised or studied totals €1.5 billion over the next five years, particularly at Center Parcs in France and Villages Nature.

Partnerships for managing catering at the Center Parcs and Sunparks domains

On 4 March 2010, the group announced a partnership project for management of the restaurants and food stores at the Center Parcs and Sunparks domains with Elior in France and Germany, and with Albron in the Netherlands and Belgium. These partnerships involve investments of around €38 million by the two specialised groups and started in June with Albron in the Dutch domains. Management of the restaurants and food stores at the Belgian Center Parcs domains was taken over by Albron in October and that of the French and German Center Parcs villages by Elior during the first quarter of fiscal year 2010/2011.

Development of tourism offering

Acquisitions/disposals

In 2009/2010, the tourism offering was extended notably by the operation of the mountain residences taken over from Intrawest at Arc 1950 (655 apartments) and at Flaine-Montsoleil (138 apartments), the delivery of seven new Adagio residences and three sites in Spain. In addition, the group sold three Hôtels Latitudes businesses at Val d'Isère, Arc 1800 and Menuires to Algonquin subsidiary, Hotello.

Opening of a Center Parcs in Moselle-Lorraine

On 22 May 2010, the group opened its fourth Center Parcs in France, the Domaine des Trois Forêts, located in Moselle-Lorraine. Set in the heart of one of the most stunning forests in the Lorraine region, the new domain spans 435 hectares. Housed in wooden eco-cottages, holiday makers are offered the new Aqua Mundo, a huge pedagogical farm, more than 36 sports activities or indoor and outdoor leisure activities as well as a wide range of services. Over the summer, this new Center Parcs enjoyed an average occupancy rate of more than 95%.

Renovation of Center Parcs in France

On 8 October 2010, the group signed an agreement with Eurosic, owner of the Center Parcs Domaine des Bois Francs (Normandy) and the Domaine des Hauts de Bruyères (Sologne) concerning:

- the acquisition of 386 cottages, which were subject to a property renovation programme during Q1 2010/2011;
- new 10-year leases for the central equipment and the 967 remaining cottages, the renovation of which is to be financed by Eurosic for €27 million.

After the recent opening of the Center Parcs du Domaine des Trois Forêts (Moselle) in 2010 and the Domaine du Lac d'Ailette in 2007, the renovation of the two historical Center Parcs in France should enable the group to provide a high quality offering to clients.

Center Parcs project in Isère

The building permit for the construction of the Center Parcs Domaine de la Forêt de Chambaran at Roybon in Isère was delivered on 27 July 2010. Note however, that an association opposing the project lodged a formal complaint against the permit at the Roybon town hall on 22 September 2010. This complaint became a legal dispute on 4 January 2011, leading to a temporary delay in the project.

The site should house 1,021 cottages for an opening initially planned for spring 2013.

Center Parcs project in the Vienne

The group aims to open a sixth Center Parcs in France in the Vienne region in spring 2015. The site should house 800 eco-cottages on 264 hectares of land belonging to the forestry subsidiary of the Caisse des Dépôts, in a forest located on the outskirts of Trois-Moutiers and Morton, near Loudun.

The project represents an investment of €300 million. French territorial authorities and the state are to invest €30 million, €23 million of which for the acquisition of collective equipment, which is to be rented to the group on guaranteed rents, and €7 million for help with tourism accommodation, training and recruitment of professionals, tourism promotion and sustainable development. The cottages are to be sold to individuals who should therefore benefit from the tax exemption provided by investments in tourism residences.

The project is set to create between 500 and 1,000 indirect jobs during the construction phase planned for January 2013 to January 2015, and then 600 direct jobs.

Center Parcs project in Germany (Bostalsee)

Another step forward was made in the creation project for the Center Parcs at Bostalsee in Germany with the signing of a Memorandum of Understanding with state and local authorities in the Saar region on 22 December 2010. This project of 500 cottages, scheduled to be delivered in 2013, represents an investment of €130 million to be financed by third parties.

Villages Nature project

The Villages Nature project between the group and Euro Disney reached a new stage on Tuesday 14 September 2010 with the signing of the development agreement for Villages Nature with state authorities. Villages Nature is a project for a new European-wide tourism destination based on a new sustainable development model of harmony between man and nature. Villages Nature is to be built in several phases, depending on market conditions, the first for an opening planned in 2015 and 2016. The overall investment is set to total €1.8 billion and this is to be financed by individual and/or institutional investors in application of the group's business model. The investment for the first phase amounts to €700 million, of which €17 million for the group spread over three years.

Property development

The extension of the Scellier tax incentives to tourism residences (Censi-Bouvard amendment) adopted as part of the 2009 finance law rectification stimulates the group's property development businesses by providing buyers a reduction to income tax of 25% of the price paid – capped at €300,000 – for investments signed in 2010. Property reservations therefore reached a record level of €614 million in 2009/2010. The French finance law for 2011 maintains the tax reduction for properties acquired until 31 December 2012 (with a 10% cut in the tax reduction rates, i.e. 18% for 2011 and 2012).

Financial structure

On 10 May 2010, the Pierre & Vacances - Center Parcs Group signed an agreement with its banks defining the major terms of the syndicated loan of €200 million destined to refinance the group's corporate debt and finance the group's general requirements. This loan breaks down as follows:

- a loan of €100 million to be amortised on a straight-line basis over five years (by refinancing the existing loan of €37 million);
- a confirmed credit line of €100 million over five years, in replacement of the revolving credit line of €90 million.

The loan documents were signed in June 2010.

This refinancing has helped increase the group's liquidity and extend the maturity of its debt.

Group turnover

Over the full year running from 1 October 2009 to 30 September 2010, the group's turnover totalled €1,427.2 million.

(in millions of euros)	2009/2010	2008/2009	Current structure	Like-for-like data(*)
Tourism	**1,163.7**	**1,148.0**	**+1.4%**	**+3.1%**
o/w accommodation turnover	*640.8*	*616.6*	*+3.9%*	*+3.9%*
Pierre & Vacances Tourisme Europe(1)	564.1	536.8	+5.1%	+5.1%
Center Parcs Europe(2)	599.6	611.2	-1.9%	+1.3%
Property development	**263.5**	**303.3**	**-13.1%**	**-13.1%**
TOTAL FULL-YEAR	**1,427.2**	**1,451.3**	**-1.7%**	**-0.3%**

(*) Like-for-like turnover has been adjusted for the impact of outsourcing catering in the Netherlands (€19.3 million).
(1) Pierre & Vacances Europe houses the Pierre & Vacances, Adagio City Aparthotel, Citéa, Maeva and Latitudes Hôtels brands.
(2) Center Parcs Europe houses the Center Parcs and Sunparks brands.

The **tourism businesses** generated turnover of €1,163.7 million, up 3.1% like-for-like (including accommodation turnover of €640.8 million, up 3.9% like-for-like):

Turnover from Pierre & Vacances Tourisme Europe rose 5.1% to €564.1 million including accommodation turnover of €341.0 million, up 4.8%, and was primarily driven by the wider offering with the delivery of seven new Adagio residences, the operation of mountain residences acquired from Intrawest (Arc 1950 and Flaine Montsoleil), the opening of three new sites in Spain and restored direct management of a site in Italy. Adjusted for this impact, accommodation turnover fell by 2%. The average occupancy rate rose slightly to 62.1% while average letting prices dropped 1.3%. Direct sales accounted for 75% of full-year turnover (including 23% *via* Internet vs. 21% in the year-earlier period).

Turnover at Center Parcs Europe rose 1.3% like-for-like to €599.6 million including accommodation turnover of €299.8 million, up 3%. Growth was primarily driven by the opening on 22 May of the Domaine des Trois Forêts, where occupancy rates exceeded 95% over the summer. Excluding the Domaine des Trois Forêts, accommodation turnover dropped by 1.1% due to the winter season (decline in frequency rate for Dutch holidaymakers), given that the summer season showed growth in turnover, particularly with French and German clients. Direct sales accounted for 91% of turnover vs. 90% in the previous year (including 50% *via* Internet vs. 48% in the previous year) while average letting rates rose 2.3%. The average occupancy rate stood at 73.7% over the year.

Turnover from **property development** totalled €263.5 million compared with €303.3 million in the year-earlier period, with the decline stemming from the phasing of building works as well as the €127 million booked in 2008/2009 for the Center Parcs Domaine des Trois Forêts vs. €88 million in 2009/2010. Turnover from property development stemmed for 78% from new residences (Center Parcs Moselle, Pont Royal, extensions at Avoriaz and Belle Dune…) and 22% from renovations (Belle Plagne Gémeaux, Tania Christiania…).

Turnover from reservations reached a record level of €614 million (including VAT) for 2,193 units over 2009/2010 vs. €395.3 million (including VAT) for 1,526 units in 2008/2009.

Tourism businesses

Key indicators

(in millions of euros)	2009/2010	2008/2009	Current structure	Like-for-like(*)
Turnover	**1,163.7**	**1,148.0**	**+1.4%**	**+3.1%**
o/w accommodation	640.8	616.6	+3.9%	+3.9%
o/w services activities(1)	522.9	531.4	-1.6%	+2.1%
Net average letting rates(2) *(in euros)*	**592**	**589**	**+0.4%**	
No. of weeks sold	**1,083,293**	**1,046,260**	**+3.5%**	
Occupancy rate	**66.4%**	**67.1%**	**-1.0%**	

(*) Like-for-like turnover has been adjusted for the impact of outsourcing catering in the Netherlands.
(1) Catering, events, mini market, stores, marketing,…
(2) Average Letting Rates per week of accommodation net of distribution costs.

Tourism accommodation turnover (€640.8 million) rose by 3.9% driven by:

- a 3.5% increase in the number of weeks sold thanks to healthy performances by the new offering (Center Parcs du Domaine des Trois Forêts, Arc 1950 and Flaine Montsoleil, Adagio and Spain);
- a 2.3% increase in average letting rates at Center Parcs Europe, which offset the 1.3% decline in average letting rates at Pierre & Vacances Tourisme Europe;
- in contrast, average occupancy rates fell by 1% due to the 2.6% fall in occupancy rates at Center Parcs Europe, while those at Pierre & Vacances Tourisme Europe rose slightly.

The European tourism sector has a seasonal nature with considerable changes in business depending on the period (school holidays) and the destination (better mountain business in winter and seaside business in summer). The group's tourism business was historically solely based in France and in residences primarily located at seaside and mountain resorts which have a clear seasonal nature. This seasonal aspect has been cushioned by the development of products that are open throughout the year, such as Center Parcs and the city residences (Adagio).

Breakdown of group accommodation turnover by client origin

	Pierre & Vacances Tourisme Europe		Center Parcs Europe		Total	
	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009
France	66.9%	70.6%	28.6%	27.3%	49.0%	50.2%
The Netherlands	3.3%	3.4%	33.0%	35.7%	17.2%	18.7%
Germany	3.1%	3.1%	22.5%	21.3%	12.2%	11.7%
Belgium	4.0%	3.7%	12.2%	12.5%	7.8%	7.8%
UK	6.1%	6.0%	1.4%	1.3%	3.9%	3.8%
Others	16.6%	13.2%	2.3%	1.9%	9.9%	7.8%

The group's 2009/2010 accommodation turnover stemmed for 51% from foreign clients and 49% from French clients. Foreign clients are therefore becoming the majority and primarily concern Dutch and German holidaymakers (17.2% and 12.2%, respectively) given the presence of Center Parcs Europe in the Netherlands (8 villages) and in Germany (4 villages). Note also the growth seen in Spanish and Russian clients at Pierre & Vacances Tourisme Europe to account for 2.3% and 2.1% respectively of 2009/2010 accommodation turnover in the division vs. 1.5% and 1.6% in 2008/2009.

Characteristics of tourism residence portfolio on 30 September 2010

Breakdown of tourism residence portfolio by brand/label

	Pierre & Vacances(1)	Maeva(2)	PV Premium(3)	Hôtels Latitudes	Adagio	Citéa(4)	Center Parcs	Sunparks	Total
Residences/Villages	91	83	20	9	30	55	14	8	310
Apartments/homes	17,223	7,840	2,177	588	3,959	5,381	10,252	3,734	51,154
Beds	89,579	35,884	12,612	1,389	12,462	13,905	51,659	19,102	236,592

(1) 17,368 apartments and 90,304 beds including the marketing business.
(2) 13,193 apartments and 62,649 beds including the marketing business.
(3) PV Premium is a Pierre & Vacances label.
(4) The group owns 50% of Citéa, which is co-owned with the Lamy group, which manages under mandate all of the 2-star city residence offering.

In all, the group's tourism portfolio increased by 2,314 apartments/homes and 8,675 beds. This increase primarily stemmed from the opening of seven new city residences under the Adagio brands and three new residences in Spain and the Center Parcs Domaine des Trois Forêts (800 cottages).

Geographic breakdown of tourism residence portfolio (number of apartments/homes)

	Pierre & Vacances Europe	Center Parcs Europe	Total
Mainland France	34,086	3,286	37,372
French West Indies	851	-	851
The Netherlands	-	5,263	5,263
Belgium	140	3,124	3,264
Germany	133	2,313	2,446
Switzerland	77	-	77
Italy	484	-	484
Spain	1,273	-	1,273
Austria	124	-	124
TOTAL	**37,168**	**13,986**	**51,154**

At end-September 2010, the Pierre & Vacances - Center Parcs Group operated 74.7% of its sites in France, where it offers a large number of destinations including the northern Alps, the Pyrenees, the French Riviera, the Atlantic and Channel coasts, the French provinces, cities and the French West Indies. In Europe, the group is also present in the Netherlands (10.3% of the portfolio), Belgium (6.4%) and Germany (4.8%) *via* the Center Parcs and Sunparks villages.

Operating of tourism residence portfolio (number of apartments/homes)

	Pierre & Vacances Tourisme Europe	%	Center Parcs Europe	%	Total	%
Individual investors	33,014	88.8%	1,974	14.1%	34,988	68.4%
Leases	*27,460*		*1,974*		*29,434*	
Mandates	*5,554*		*0*		*5,554*	
Institutional investors	3,978	10.7%	12,012	85.9%	15,990	31.3%
Leases	*3,285*		*12,012*		*15,297*	
Mandates	*693*		*0*		*693*	
Group portfolio	176	0.5%	0	0,0%	176	0.3%
TOTAL	**37,168**	**100%**	**13,986**	**100%**	**51,154**	**100%**

The tourism portfolio is operated in two ways, either *via* lease or mandate agreements.

- under lease agreements, the lessee (a Pierre & Vacances - Center Parcs Group company) 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 the group ;
- under management agreements, the agent (a Pierre & Vacances - Center Parcs 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, the group guarantees the owner a minimum income, and surplus profits relative to this minimum amount are shared between the two parties.

On 30 September 2010, 68.4% of apartments operated were owned by individual investors, 31.3% by institutional investors and the remaining 0.3% by the group.

At Pierre & Vacances Tourisme Europe where the majority of the tourism residence portfolio is located in France, 88.8% of the apartments belong to individual investors and 10.7% to institutional investors, while just 0.5% is currently owned by the group (Manilva site in Spain).

At Center Parcs Europe, 85.9% of the portfolio belongs to institutional investors. Apartments owned by individual investors correspond primarily to the 870 cottages at the Center Parcs Domaine du Lac d'Ailette, the 800 cottages at the Center Parcs Domaine des Trois Forêts, and the 203 cottages at the Domaine des Bois Francs delivered in 2007.

Pierre & Vacances Tourisme Europe

2009/2010 turnover rose by 5.1% to €564.1 million.

Accommodation turnover rose by 4.8% on a current-structure basis to €341.0 million.

Turnover growth broke down as follows:

- a 4.7% increase in the number of nights offered, primarily following the opening of seven new city residences, three new residences in Spain, the acquisition of mountain residences at Arc 1950 and at Flaine-Montsoleil and the recovery of direct management of a site in Italy. This positive impact was offset by the disposal of three Hôtel Latitudes businesses in Val d'Isère, Arc 1800 and the Menuires;
- slight growth in the occupancy rate over the year (+0.4%). The occupancy rate for all the brands stood at 62.1% vs. 61.9% in 2008/2009;
- a 1.3% fall in average letting rates to €579 per week of rental in view of a more robust price and marketing policy.

Direct sales (Internet, call center, on-site sales, seminars and corporate works councils) rose by 5.1% over the year to stand at 75.1% of accommodation turnover in 2009/2010. Internet sales rose 12.2% and accounted for 23% of sales over the year.

Turnover generated by French clients was fairly stable relative to the previous year, accounting for 67% of the total while turnover generated with foreign clients increased by 18.3% thanks to healthy performances at Adagio and high growth in the Spanish (+61.2%) and Russian (+36.7%) markets.

By destination, 2009/2010 accommodation turnover broke down as follows:

Seaside resorts

Turnover from seaside resorts dropped 3.7% due to a 2.8% fall in average letting rates and a 0.9% decline in the number of nights sold.

The year was marked by restored direct management of the Cala Rossa site in Italy and the opening of three sites in Spain (Altea Hills, Benalmadena, Empuriabrava).

Mountain resorts

Turnover at mountain resorts rose 10.6% on the back of a 3.2% rise in average letting rates and a 7.2% rise in the number of nights sold while the offering increased by 3.1%.

Substantial changes to the mountain destination offering were made with the acquisition of Arcs 1950 and Flaine Montsoleil as well as the withdrawal from the hotel at Val d'Isère (as of the start of the winter season), the Hôtel du Golf at Arcs 1800 and the Hôtel des Menuires at the end of the winter season.

City residences

Turnover from city residences rose by 17.5% on the back of a 26.7% increase in the number of nights sold and a 7.3% decline in average letting rates. These changes stemmed partly from the opening of seven new Adagio residences in Berlin, Brussels, Grenoble, Marseilles, Nantes, Saint Etienne and Vienne. The annualisation of the Strasbourg and Toulouse sites rounded out this growth in the offering.

Apart from the contribution from these seven new residences, turnover rose by 6.9%.

French West Indies

The 23.9% increase in turnover from the French West Indies stemmed from a wider offering compared with the year-earlier period when the Sainte Anne site in Guadeloupe was closed entirely from 12 February to June 2009.

Turnover at the destination rose on the back of a 20.8% surge in the number of nights sold and a 2.6% rise in average letting rates.

Number of apartments by destination

	2009/2010	2008/2009	Change
Seaside	18,123	17,717	+406
Mountain	8,854	8,933	-79
City	9,340	8,153	+1,187
French West Indies	851	851	0
TOTAL	**37,168**	**35,654**	**1,514**

Accommodation turnover by destination

(in millions of euros)	2009/2010	2008/2009	Change
Seaside	162.9	169.2	- 3.7%
Mountain	99.1	89.6	+10.6%
City	67.9	57.8	+17.5%
French West Indies	11.1	8.9	+23.9%
TOTAL	**341.0**	**325.5**	**+ 4.8%**

Average Letting Rates (for one week of rent)

(in euros before VAT)	2009/2010	2008/2009	Change
Seaside	533	549	-2.8%
Mountain	640	620	+3.2%
City	624	673	-7.3%
French West Indies	554	540	+2.6%
AVERAGE	**579**	**586**	**-1.3%**

Number of weeks sold and occupancy rates

	Number of weeks sold			Occupancy rate		
	2009/2010	2008/2009	Change	2009/2010	2008/2009	Change
Seaside	305,709	308,466	-0.9%	55.8%	57.5%	-2.9%
Mountain	155,037	144,689	+7.2%	75.6%	73.0%	+3.6%
City	108,750	85,826	+26.7%	69.7%	63.3%	+10.0%
French West Indies	19,999	16,559	+20.8%	55.9%	64.3%	-13.1%
TOTAL	**589,495**	**555,540**	**+6.1%**	**62.1%**	**61.9%**	**+0.4%**

Center Parcs Europe

In a still difficult economic backdrop, 2009/2010 turnover at Center Parcs Europe resisted well and grew by 1.3% to €599.6 million barring outsourcing of catering in the Netherlands. As of 18 June 2010, the group outsourced management of catering and food shops at the Dutch domains to Albron. This outsourcing has no impact on margins, which are paid back to the group as commissions by the services provider.

Growth in 2009/2010 turnover at Center Parcs Europe was primarily driven by the French sites with the opening on 22 May 2010 of the new Domaine des Trois Forêts in Moselle-Lorraine, which contributed turnover of €17.1 million.

Accommodation turnover rose by 3% to €299.8 million. In France, the Domaine des Trois Forêts boasted high occupancy rates in its first weeks. Accommodation turnover generated by the French villages rose by 16.2% overall. The German villages enjoyed a healthy recovery posting growth of 2.8% while performances at the Dutch and Belgian villages (-3.4% and -2.8% respectively) were lower than last year.

Despite growth in the offering prompted by the 800 additional cottages at the Domaine des Trois Forêts, the performances by the French villages remained excellent with a stable occupancy rate of 83.7% and growth of 2.2% in average letting rates to €793 a week.

The 3% growth in accommodation turnover broke down as follows:

- a 3.3% rise in the number of nights offered, primarily owing to the Domaine des Trois forêts (800 cottages);
- a 2.3% increase in average letting rates to €607 a week, driven by the success of sales in France (Domaine du Lac d'Ailette and Domaine des Trois Forêts);
- occupancy rates under pressure in all countries except in Belgium. Indeed, the Belgian Sunparks villages posted growth of 5.7% in their occupancy rate. The overall occupancy rate nevertheless remained at a high level of 73.7% (73.9% in the Netherlands, 83.7% in France, 69.1% in Germany and 67.6% in Belgium).

In 2009/2010, the share of direct sales (Internet, call-center, seminars, corporate works councils and on-site sales) increased by 3.9% to stand at 90.8% of accommodation turnover compared with 90% in 2008/2009 thanks to growth of 5.9% in Internet sales, which accounted for 50% of accommodation turnover (vs. 48% in 2008/2009).

Accommodation turnover fell by 4.8% for Dutch clients, primarily for the winter season, whereas that stemming from Belgian, French and German clients rose by 0.6%, 8.1% and 8.5%, respectively.

Turnover generated by services activities (catering, sports and leisure, shops, childrens' clubs, etc.) fell by 0.3% like-for-like, in line with the decline in the number of clients over the year.

By destination, 2009/2010 accommodation turnover broked down as follows:

The Netherlands

In a difficult backdrop, accommodation turnover fell by 3.4% to €111.4 million. Turnover suffered from the decline in the number of Dutch clients, primarily during the winter season.

In a highly competitive market with sharp pressure on prices, average letting rates remained stable (+0.1% to €571 per week). Despite dropping 5.2%, occupancy rates remained at a high level of 73.9%.

Growth in Internet sales helped increase the portion of direct sales from 87.9% in 2008/2009 to 88.4% in 2009/2010. The share of sales generated *via* the Internet now stands at 50% of turnover vs. 48% in 2008/2009.

France

In 2009/2010, France benefited from the opening of the Domaine des Trois Forêts such that overall growth in turnover stood at 16.2% to €94.2 million. Excluding the Domaine des Trois Forêts, accommodation turnover at the French villages rose 1.6%.

Accommodation turnover at the Domaine des Trois Forêts stemmed for 39% from French clients, 23% from German clients, 15% from Dutch clients and 11% from Belgian clients.

The number of nights offered rose by 13.9% thanks to the opening of the Domaine des Trois Forêts. Despite this growth in the offering, occupancy rates remained at the high level of 83.7%.

Growth of 2.2% in average letting rates (€793 a week) stemmed on the one hand from changes in the product mix and on the other hand from the price policy and changes in the distribution mix.

The share of direct sales increased to 97.7% of sales thanks to growth of 22.3% in Internet sales which accounted for 45% of 2009/2010 sales vs. 43% in 2008/2009.

Belgium

The 2.8% fall in accommodation turnover at the Belgian villages was due to the 4.7% decline in average letting rates, partly offset by growth of 2% in the number of weeks sold.

Direct sales totalled 90.6% of accommodation turnover at the Belgian villages vs. 89.2% in 2008/2009. The share of Internet sales totalled 59%.

Germany

Accommodation turnover at the German villages rose by 2.8% on the back of marketing and sales campaigns undertaken during the year.

Turnover benefited from growth of 10.6% in average letting rates (€492 per week) offset partly by the 6.1% fall in occupancy rates.

The portion of direct sales totalled 81.3% vs. 81.6% in 2008/2009 with the share of Internet sales totalling 48% vs. 50% in 2008/2009.

Number of apartments by destination

	2009/2010	2008/2009	Change
The Netherlands	5,263	5,263	0
France	3,286	2,486	+800
Belgium	3,124	3,124	0
Germany	2,313	2,313	0
TOTAL	**13,986**	**13,186**	**+800**

Accommodation turnover by destination

(in millions of euros)	2009/2010	2008/2009	Change
The Netherlands	111.4	115.4	-3.4%
France	94.2	81.0	+16.2%
Belgium	55.2	56.8	-2.8%
Germany	39.0	37.9	+2.8%
TOTAL	**299.8**	**291.1**	**+3.0%**

Average Letting Rates (one week's rental)

(in euros before VAT)	2009/2010	2008/2009	Change
The Netherlands	571	571	0.1%
France	793	776	+2.2%
Belgium	547	574	-4.7%
Germany	492	445	+10.6%
AVERAGE	**607**	**593**	**+2.3%**

Number of weeks sold and Occupancy rate

	Number of weeks sold			Occupancy rate		
	2009/2010	2008/2009	Change	2009/2010	2008/2009	Change
The Netherlands	194,969	202,160	-3.6%	73.9%	77.9%	-5.2%
France	118,691	104,320	+13.8%	83.7%	83.8%	-0.1%
Belgium	100,869	98,922	+2.0%	67.6%	66.7%	+1.3%
Germany	79,271	85,318	-7.1%	69.1%	73.5%	-6.1%
TOTAL	**493,800**	**490,720**	**+0.6%**	**73.7%**	**75.7%**	**-2.6%**

Property development

Property development turnover fell from €303.3 million in 2008/2009 to €263.5 million primarily due to the phasing of construction works.

Breakdown of 2009/2010 property development turnover by programme

(in millions of euros)

New	**163.3**
CP Moselle – Lorraine	87.7
Avoriaz	29.9
Pont Royal	21.4
Belle Dune île aux Oiseaux 2	13.2
Nantes Russeil	3.5
Other	7.6

Renovation	**40.2**
Paris Bastille	16.1
Belle Plagne Gémeaux	7.4
La Tania Christiania	5.8
Paris La Défense	4.8
Other renovations	6.1

New Les Senioriales	**43.4**
Jonquières Saint Vincent	7.4
Grasse	5.5
Paradou	5.4
Ruoms	4.3
Salles sur mer	4.2
Lombez	3.8
Saint Privat des Vieux	3.4
Other	9.4

Other	**16.6**

Turnover from new programmes (including Les Senioriales) stood at €206.7 million vs. €227.2 million in 2008/2009. The following programmes contributed primarily to this performance:

- Center Parcs Domaine du Bois des Harcholins in Moselle with 870[(1)] cottages which opened in spring 2010 by becoming the Domaine des Trois Forêts.
- the Avoriaz programme (475 units), the delivery of which is due for December 2011 and 2012;
- the extension of Hameau de Pont Royal (115 units), the delivery of which is expected in 2011;
- the extension of Belle Dune (51 units) delivered over the year;
- the “Les Senioriales” programmes, four of which were delivered over the year (Salles sur Mer, Ruoms, Lombez, Jonquières Saint Vincent).

Renovation turnover (including “other” turnover) represented 21.6% of property turnover in 2009/2010 compared with 25.1% in 2008/2009.

The main contributions to renovation turnover during the year were:

- the Paris Bastille sites (138 units) and La Défense (99 units) delivered during the year;
- the Belle Plagne Gémeaux sites (65 units) and La Tania Christiania (44 units), delivered in December 2010.

Other turnover totalled €16.6 million during 2009/2010 compared with €20 million in 2008/2009 and was primarily made up of non-group marketing fees and the write-back of support funds from property programmes already delivered.

(1) i.e. 800 cottages at the operation stage.

Deliveries in 2009/2010

	New/Renovation	No. of housing units 2009/2010	No. of housing units 2008/2009
Belle Dune Île aux Oiseaux 2	N	51	
Houlgate	N	126	
Total Channel		**177**	**193**
Total Atlantic		**0**	**6**
Total French Riviera		**0**	**47**
Total Seaside		**177**	**246**
Total Countryside		**0**	**50**
Total Mountain		**0**	**70**
CP Moselle – Lorraine	N	870	
Total Center Parcs		**870**	**52**
Paris Bastille	R	138	
Paris La Défense	R	99	
Total Cities		**237**	**0**
Total Spain		**0**	**328**
Jonquières Saint Vincent	N	75	
Ruoms	N	65	
Lombez	N	53	
Salles sur Mer	N	41	
Total Les Senioriales		**234**	**226**
TOTAL		**1,518**	**972**

Property reservations including VAT

Group and non-group property development turnover (amount of reservations including VAT signed over the year, net of cancellations during the same period) reached the record level of €613.9 million, corresponding to 2,193 reservations. Excluding Les Senioriales, reservations totalled €529.1 million (including €37.7 million in resales) corresponding to 1,821 reservations compared with €333.3 million in 2008/2009 for 1,272 reservations (including €31.8 million in resales).

Reservation contracts enable buyers to reserve a property asset currently being built or renovated from a seller in return for payment of a deposit.

	2009/2010	2008/2009	Change
New			
Reservations *(in millions of euros)*	491.4	301.5	63.0%
Number of apartments	1,570	1,068	47.0%
Average price *(in euros)*	312,994	282,303	10.9%
Resales			
Reservations *(in millions of euros)*	37.7	31.8	18.6%
Number of apartments	251	204	23.0%
Average price *(in euros)*	150,199	155,882	-3.6%
Senioriales			
Reservations *(in millions of euros)*	84.8	62.0	36.8%
Number of apartments	372	254	46.5%
Average price *(in euros)*	227,957	244,094	-6.6%
Total			
RESERVATIONS *(in millions of euros)*	**613.9**	**395.3**	**55.3%**
NUMBER OF APARTMENTS	**2,193**	**1,526**	**43.7%**
AVERAGE PRICE *(in euros)*	**279,936**	**259,043**	**8.1%**

Note that the rise in reservation turnover was driven by both a 43.7% increase in volumes and an 8.1% rise in average prices in view of the high number of programmes in Paris (Bastille and La Défense districts) and the quality of the programmes marketed.

The group's resale business is a means of operating a market of second home owners for apartments owned by the Pierre & Vacances - Center Parcs 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. The 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 2010

Programme by destination	New/Renovation	Delivery date	No. of units	% reserved
Channel				
Courseulles sur Mer	N	June 2012	102	32%
Branville Normandy Garden	N	July 2012	54	9%
Atlantic				
Le Pouliguen	R	July 2008	68	97%
Douarnenez	N	June 2012	64	38%
Seaside			**288**	**44%**
Avoriaz Amara	N	December 2011 and December 2012	204	78%
Avoriaz Crozats	N	December 2011	271	88%
Belle Plagne Gémeaux	R	December 2010	65	97%
La Tania Christiania	R	December 2010	44	95%
Plagne Lauzes	R	December 2011	111	42%
Mountain			**695**	**79%**
CP Normandie	R	December 2010	173	66%
CP Sologne	R	December 2010	213	58%
Isère Forêt de Chambaran	N	December 2012	1,021	31%
CP Moselle – Lorraine extension	N	December 2011	105	90%
Center Parcs			**1,512**	**43%**
Caen	R	December 2010	120	88%
Nantes Russeil	N	December 2011	113	98%
Aix en Provence	R	June 2011	89	62%
Cities			**322**	**84%**
Sainte Anne Rivière à la barque	R	December 2008	132	32%
Sainte Luce Bougainville	R	December 2007	162	80%
Sainte Luce Filao	R	December 2009	172	62%
French West Indies			**466**	**60%**
Cala Rossa tranche 4	N	February 2008	53	85%
Manilva	N	December 2008 and March 2009	328	32%
Italy and Spain			**381**	**39%**
TOTAL (EXCL. LES SENIORIALES)			**3,664**	**55%**

Programme by destination	New/Renovation	Delivery date	No. of units	% reserved
Equemauville	N	July 2011	51	94%
Lucé	N	March 2012	86	55%
Rambouillet	N	May 2012	52	35%
Total North West			**189**	**60%**
Villegly	N	July 2008	63	98%
Lombez	N	May 2010	53	77%
Salles sur Mer	N	October 2009	41	98%
Soulac	N	October 2011	57	70%
Montagnac	N	January 2012	51	65%
Saint Julien des Landes	N	May 2012	49	39%
Lacanau	N	April 2012	45	53%
Total South West			**359**	**72%**
Grasse	N	September 2009	59	97%
Ruoms	N	November 2009	65	95%
Jonquières Saint Vincent	N	July 2010	75	93%
Paradou	N	December 2010	45	80%
Gonfaron	N	December 2011	49	98%
Agde	N	April 2012	59	59%
Montélimar	N	April 2012	59	37%
Montélimar en ville	N	April 2012	75	41%
Total South East			**486**	**74%**
TOTAL SENIORIALES			**1,034**	**71%**
TOTAL GROUP			**4,698**	**59%**

Presentation of consolidated financial statements

Current Operating Income

Current operating income totalled €27.0 million compared with €64.2 million in the year-earlier period.

(in millions of euros)	2009/2010	2008/2009
EBITDA(1)	61.4	114.4
Depreciation, amortisation and provisions net of write-backs	-34.4	-50.2
CURRENT OPERATING INCOME	**27.0**	**64.2**
Operating margin	*1.9%*	*4.4%*

(1) EBITDA = earnings before interest, tax, depreciation, amortisation and provisions net of write-backs.

Tourism current operating income

The tourism businesses contributed €3.2 million in current operating income.

	Pierre & Vacances Tourisme Europe		Center Parcs Europe		Tourism	
(in millions of euros)	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009
Turnover	564.1	536.8	599.6	611.2	1,163.7	1,148.0
Current operating income	**-23.4**	**2.0**	**26.6**	**39.9**	**3.2**	**41.9**
Operating margin	-4.1%	0.4%	4.4%	6.5%	0.3%	3.6%

Pierre & Vacances Tourisme Europe operates a primarily seasonal business (except city locations) with residences located in mountain or seaside resorts not open all year round. In addition, the level of services is particularly limited in residences (located generally in tourist sites which themselves offer numerous services).

Pierre & Vacances Tourisme Europe generated a current operating loss of €23.4 million, notably due to:

- a near €6 million decrease in accommodation turnover over the year, excluding the impact of new residences (Adagio, Spain, Italy);
- the negative contribution from the first year of operation of these new residences, representing a loss of almost €8 million.

The savings generated were in line with targets but only partly offset costs to bolster marketing spend, the impact of higher expenses and rents and the cost of new IT facilities.

Business at **Center Parcs Europe** is characterised by the fact that villages are open all year round given that activities are in-doors (aqua park centre). Occupancy rates are high over a very long period of operation. In addition, numerous activities and services are offered at the villages and these are payable thereby enabling the generation of high turnover and additional margins from services activities.

Current operating income at Center Parcs Europe totalled €26.6 million vs. €39.9 million in 2008/2009. In addition to the impact of lower same-structure turnover (almost €3 million), current operating income included a negative contribution of around €5 million from the Domaine des Trois Forêts in view of marketing and pre-opening costs given that the site is in the start-up phase.

The ongoing cost-cutting policy was in line with targets and helped limit the impact of higher charges and the cost of new IT facilities.

Property Development current operating income

The property development business contributed €23.8 million in current operating income compared with €22.3 million in the year-earlier period.

(in millions of euros)	Property development 2009/2010	2008/2009
Turnover	263.5	303.3
Current operating income	**23.8**	**22.3**
Operating margin	9.0%	7.4%

The volume of reservations reached a record high level of €614 million over the year, enabling the group to improve the contribution from the letting business. Current operating margin thereby widened from 7.4% in 2008/2009 to 9% in 2009/2010.

Attributable net income

(in millions of euros)	2009/2010	2008/2009
Turnover	1,427.2	1,451.3
Current operating income	**27.0**	**64.2**
Financial expenses	-14.2	-13.0
Taxes(1)	-5.4	-18.3
Attributable current net income(1)	**7.4**	**32.9**
Other operating income/expense net of tax(2)	-0.1	9.4
ATTRIBUTABLE NET INCOME	**7.3**	**42.3**

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

(2) 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 €14.2 million vs. €13.0 million in 2008/2009.

2009/2010 corporate tax excluding exceptional items totalled €5.4 million, representing an effective tax rate of 42.2%, dented by the lack of tax gains on losses generated by foreign companies in development.

Attributable current net income totalled €7.4 million compared with €32.9 million in the year-earlier period.

Other operating income/expense net of tax included the majority of restructuring costs caused by the roll-out of the group's transformation plan (staff costs, write-off of a number of IT facilities, etc.) offset by non-recurring tax savings prompted by the corresponding reorganisation of legal structures.

After taking into account these factors, attributable net profit totalled €7.3 million.

The weighted average number of shares stood at 8,695,357 in 2009/2010 vs. 8,684,622 for 2008/2009. Attributable net earnings per share totaled €0.84 vs. €4.87 in the year-earlier period.

A dividend of €0.70 per share is to be proposed to the AGM, representing a total payout of €6.2 million.

Investments and balance sheet

Main Cash Flows

The surplus cash generated in 2009/2010 stemmed primarily from refinancing of the group's corporate debt.

Summary Cash Flow Statement

(in millions of euros)	2009/2010	2008/2009
Cash flow (after interest expenses and tax)	32.1	93.9
Change in WCR	-25.7	-28.0
Cash flow from operating activities	**6.4**	**65.9**
Investment spending	-42.4	-84.5
Asset disposals	58.3	27.2
Net cash allocated to assets due to be sold off	-3.7	-
Cash flow from investment activities	**12.2**	**-57.3**
Capital increase	0.1	0.0
Acquisitions and disposals of treasury stock	0.1	0.1
Dividends paid	-13.0	-23.4
Change in borrowings	38.1	-37.8
Cash flow from financing activities	**25.3**	**-61.1**
Change in cash and cash equivalents	**43.9**	**-52.5**

Cash generated by the group's tourism and property development businesses totalled €6.4 million in 2009/2010.

The €61.8 million decline in **cash flow** (after interest and tax) was primarily due to the decline in EBITDA (€53 million) and the increase in restructuring costs.

Financing requirements generated in 2009/2010 by **changes in working capital requirements** (€25.7 million) stemmed mainly from:

- a €13.2 million increase in the stock of property programmes underway, both new and renovation;
- lower operating debts primarily owing to the property business.

Net cash flows allocated to investments totalled €12.2 million and primarily concerned:

- net investments made for operating the tourism businesses of €32.4 million including:
  - investments of €20.8 million by Center Parcs Europe mainly for improving the product mix at all of the villages with €7.8 million for the Dutch villages, €5.8 million for the French villages and €4.8 million for the Belgian villages,
  - investments of €11.6 million by Pierre & Vacances Tourisme Europe, €2.5 million of which for Adagio residences and €1.8 million for sites in Spain;
- the disposal of a number of IT assets for €37.9 million;
- the cash generated by financial operations totalling €9 million including:
  - €7.7 million for the disposal of hotel Latitudes in Val d'Isère, Arc 1800 and the Menuires (€3.3 million for the business and €4.4 million for tangible assets),
  - €7.6 million for the disposal of 10% stake the group still owned in the companies that own the property assets of the Sunparks villages,
  - a €6.3 million outlay for the acquisition of the Arc 1950 and Flaine Montsoleil sites from Intrawest (€4.5 million for business and €1.8 million for tangible and intangible assets).

The €38.1 million rise in borrowings and various financial debts (excluding bank overdrafts) on 30 September 2010 relative to 30 September 2009 stemmed primarily from the €100 million loan taken ot by the group in June 2010 in order to refinance corporate debt of €46.3 million on 30 September 2009.

Change in Balance Sheet

Given the asset and liability management principles adopted by the Pierre & Vacances - Center Parcs 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 pre-paid 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.

However, the property programmes concerning the Center Parcs villages and in particular, construction of equipment on behalf of institutional investors, could result in a temporary deterioration in working capital requirements, since the group pre-finances some of these works.

The property renovation programme generates a temporary deterioration in working capital requirements. In this business, the 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.

Properties leased by the group consist of the headquarters of Paris and Rotterdam, for which the group pays a total annual rent of €6 million.

The cash flows generated by the group's business in 2009/2010 helped maintain a solid balance sheet. The net debt-to-equity ratio stood at just 18.9% on 30 September 2010.

Simplified Balance Sheet

(in millions of euros)	30/09/2010	30/09/2009	Change
Goodwill	156.3	152.0	4.3
Net fixed assets	510.4	586.1	-75.7
INVESTMENTS	**666.7**	**738.1**	**-71.4**
Shareholders' equity	486.8	490.9	-4.1
Provisions for risks and charges	36.7	47.0	-10.3
Net financial debt	92.2	97.6	-5.4
Other	51.0	102.6	-51.6
RESOURCES	**666.7**	**738.1**	**-71.4**

Net book value of goodwill totalled €156.3 million with the €4.3 million increase stemming primarily from the acquisition from Intrawest of the businesses of residences at Arc 1950 and Flaine Montsoleil (€4.5 million).

The main goodwill items broke down as follows:

- Pierre & Vacances Tourisme Europe: €73.4 million;
- Center Parcs Europe: €63.3 million;
- Les Senioriales: €17.8 million.

The €75.7 million fall in **net fixed assets** was mainly due to:

- the disposal of a number of IT assets for a net value of €37.9 million;
- financial operations for a net value of €10.7 million:
  - €4.9 million on the disposal of tangible assets for Hotels Latitudes,
  - €7.6 million for the disposal of the 10% stake still owned in the companies owning the property assets of Sunparks villages,
  - partly offset by the acquisition of tangible and intangible assets at the Arc 1950 and Flaine Montsoleil sites for €1.8 million;
- depreciation, amortisation and provisions of €46.9 million over the period;
- after deducting the net investments made for operating the tourism business of €32.4 million.

Net fixed assets on 30 September 2010 broke down as follows:

- €108.6 million in intangible fixed assets;
- €374.2 million in tangible fixed assets;
- €27.6 million in non-current financial assets.

The contribution from Center Parcs Europe to net intangible fixed assets totalled €92.1 million, €85.9 million of which 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 stood at €277.2 million, including €140.3 million for central equipment at the Center Parcs Domaine du Lac d'Ailette.

Attributable shareholders' equity totalled €486.8 million on 30 September 2010 compared with €490.9 million on 30 September 2009 after taking into account:

- net income over the period of €7.3 million;
- a dividend payout of €13.0 million;
- a net increase in equity before earnings of €1.6 million due to IFRS accounting of stock options, treasury stock and financial hedging instruments.

Provisions for risks and charges totalled €36.7 million on 30 September 2010 vs. €47 million on 30 September 2009.

The €10.3 million decline over the year stemmed primarily from write-backs of provisions for various risks which were unwound during the year.

On 30 September 2010, provisions for risks and charges broke down as follows:

- provisions for renovation: €19.5 million;
- provisions for pensions: €12.3 million;
- provisions for disputes, restructuring and various risks: €4.9 million.

Net debt reported by the group on 30 September 2010 broke down as follows:

(in millions of euros)	30/09/2010	30/09/2009	Change
Gross debt	248,2	209,7	38,5
Cash and cash equivalents	-156,0	-112,1	-43,9
Net debt	**92,2**	**97,6**	**-5,4**

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

Net debt reported by the group on 30 September 2010 (€92.2 million) corresponded mainly to:

- the €100 million loan contracted by the group in June 2010 in order to refinance the €46.3 million corporate debt as of 30 September 2009. This loan is amortisable linearly over five years. Margins are similar to those of the previous loan.

  The refinancing of corporate debt also included a new confirmed credit line of €100 million in replacement of the previous €90 million credit line.

Only one adjusted net debt/EBITDAR ratio is to be monitored for the loan and the credit line and is to be calculated contractually once a year on 30 September.

- Adjusted net debt designates net financial debt increased by the group's rental commitments over five years following the year's closing date and discounted at 6%.
- EBITDAR designates EBITDA increased by annual rents.

This ratio must be equal to or lower than 4.25% on 30 September 2010.

- The amount of financial debt prompted by adjustments for sale and lease-back contracts for €123.5 million including €114. 6 million for the central equipment at Center Parcs Domaine du Lac d'Ailette.
- Net bank overdrafts of €11.5 million.
- The loans contracted by the group to finance property assets destined to be sold off (€11.4 million concerning only the Seniorales programmes on 30 September 2010).
- Net of available cash.

Information on social and environmental questions

For the past three years, the group's sustainable development policy makes progress in according to the Sustainable Action Plan created in order to contribute positively in three major fields, namely the fight against climate change, preserving natural resources and social policy. The main actions and progress made in 2009/2010 as well as the key environmental and social indicators are set out in the group's Business Report.

The group is recognised as a benchmark player in the property and tourism sectors for its sustainable development actions and is now bolstering its aim to make sustainable development a fundamental value of its corporate strategy by setting itself the ambition of becoming the European leader in local tourism.

Development of human resources policy

Skill development, diversity, recruitment, international opening and social dialogue are the focus of major challenges for the group. In order to meet these challenges, the human resources management is rolling out a social policy combining anticipation and balance.

The first major focus for 2009/2010 was staff training and skill development with the roll-out of specific training aimed at accompanying a number of key projects such as the new brand positioning, the residences Clef Verte label and the development of a group managerial culture.

This programme also includes multi-cultural workshops and business training modules in foreign languages favouring the sharing, exchange and appropriation of cultural differences in order to accompany staff in the international dimension targeted by the group.

2009/2010 also saw the launch of the Health & Care programme piloted by a work group covering various social entities and rolled out within the group in order to implement actions aimed at preventing psychosocial risks.

In terms of diversity, in December 2009, the group signed an agreement concerning employment management for the elderly and is also continuing its awareness and recruitment objectives with the renewal of its handicap agreements.

Breakdown of staff by business

	Pierre & Vacances Tourisme Europe	Center Parcs Europe	Property development	PVCP Services(*)	Total
Executives	331	500	91	225	1,147
Non-executives	2,870	4,431	228	245	7,774
TOTAL	**3,201**	**4,931**	**319**	**470**	**8,921**

(*) Pierre & Vacances - Center Parcs Services.

The group's social review is carried out in the three divisions Pierre & Vacances Europe, Pierre & Vacances - Center Parcs Services (Holding and Property) and Center Parcs Europe. The social reviews of the group companies as of 31 December 2009 are available on request from the Human Resources Department of the Pierre & Vacances - Center Parcs Group.

An ambitious environmental policy

According to its Sustainable Action Plan the Pierre & Vacances - Center Parcs Group has made strong commitments to integrate sustainable construction practices into its property programmes. As shown by the work undertaken at Center Parcs Domaine des Trois Forêts Moselle – Lorraine (Very High Energy Performance label on accommodation, HQE certification, wood heating system, etc.), energy performance is one of the priorities for new development projects.

The focus is also placed on the choice of material, water management, the green building site policy as well as preservation and valuation of site bio-diversity.

These policies are pursued right into the operation of the sites in order to promote a sustainable holiday method. Among the actions undertaken or achieved during 2009/2010 were the responsible catering policy and the distribution of an ecological management charter for green spaces.

In order to reward the group's efforts in terms of environmental protection and to help make our actions more visible with clients, one of the flagship actions of the year was the Clef Verte (Green Key) labelling of 16 residences and resorts under the Pierre & Vacances, Maeva and Center Parcs and Latitudes banners.

At the same time, in order to accompany the roll-out of our actions on site, we are continuing our client awareness policy in a still fun and convivial manner and in partnership with the WWF-France.

Risk management

The Pierre & Vacances - Center Parcs Group has carried out a review of the risk factors that may have a significant negative impact on its activities, the profitability of these activities or its income. The Pierre & Vacances - Center Parcs Group has not found any significant risks other than those presented below.

Market risks

The market risks (liquidity risk, interest rate risk and exchange rate risk) are described in Note 24 of the notes to the consolidated financial statements.

The activities of the Pierre & Vacances - Center Parcs 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 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, and secondly, the diversity of its products, broken down into seven brands and divided between prime destinations in seaside, mountain, urban and country locations mainly in the form of villages and holiday apartments, 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 - Center Parcs 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 activities

Risks relating to the seasonality of the business

Tourism

The Pierre & Vacances - Center Parcs 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 and urban residences (Adagio).

Pierre & Vacances Tourisme Europe

The Pierre & Vacances Tourisme Europe 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, Adagio City Aparthotel and Hôtels Latitudes brands) during the first half of 2009/2010 (which corresponds mainly to the mountain resorts) accounted for only 39% 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 Tourisme 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; thereby, in 2009/2010 33% of Pierre & Vacances Tourisme Europe accommodation turnover was generated by foreign clients vs. 29% in 2008/2009;
- 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 the range of urban residences (mainly Adagio City Aparthotel) which are open throughout the year and have high occupancy rates, with two additional customer targets, 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 villages business is less seasonal. Each village has undercover facilities, so that all the villages 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 (43%) and second (57%) half of 2009/2010.

All this should help to reduce tourism turnover sensitivity to seasonal changes. Overall the split of turnover between the first half and the second half of 2009/2010 is 41% and 59% respectively.

Property development

The group books turnover and margins according to the percentage-of-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, particularly as far as the following P&V programmes are concerned:

- 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.

Over the course of the year, the first quarter was particularly contributor because of the late work under the Center Parcs Domaine des Trois Forêts programme in Moselle – Lorraine. For example:

- the first quarter represents 46.2% of the turnover in 2009/2010;
- the second quarter represents 10.9% of the turnover in 2009/2010;
- the third quarter represents 17.6% of the turnover in 2009/2010;
- the fourth quarter represents 25.3% of the turnover in 2009/2010.

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.

The extension of the Scellier arrangement, in April 2009, to include holiday residences, continues to stimulate the group property development business in France. This arrangement provides buyers a reduction to income tax of 25% of the price paid – capped at €300,000 euros – for investments signed in 2010. The French finance law for 2011 maintains the tax reduction for properties acquired until 31 December 2012 (with a 10% cut in the tax reduction rates, i.e. 18% for 2011 and 2012).

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), rural renewal zone (ZRR) and Scellier) which help to optimise the profit earned by the buyers of residences thanks to tax incentives;
- 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 Center Parcs Domaine des Trois Forêts in Moselle to a property investment company (SCPI);
- 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 holiday residences on the land bought, and then market them and sell the buildings quickly. The stocks of properties are detailed in Note 12 of the notes to the consolidated financial statements.

The Pierre & Vacances-CenterParcs Group carries out its 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. Acquisitions of land are subject to pre-selling conditions above 50%.

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 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 2010, only 249 completed apartments had not had their sales finalised (including 230 apartments in the Manilva programme in Spain, which has been particularly affected by the property crisis).

The table of "Main stocks being marketed at 30 September 2010" that appears in the business report gives the percentage sold. The properties are on average almost 59% sold.

Thanks to extensive pre-selling, units that have not been sold when the programme is delivered are few and far between. To sell these ones, the group may decide, on an ad hoc basis, to offer certain benefits to the last few buyers (payment of lawyers' fees, free Pierre & Vacances holidays, etc.) to close the deal.

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 (83% for 2009/2010), 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 - Center Parcs Group strategy is not to commit its own equity to ownership of the bricks and mortar of the holiday apartments and villages 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 group tourism operating companies usually for between 9 and 15 years. The amount of the rents payable by the group over the remainder of the leases amounts to €2,269 million at 30 September 2010, i.e. €1,723 million discounted at a 6% rate. (See Note 36 in the notes to the consolidated financial statements – Off-balance sheet commitments).

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 exceptionally materialised for **Pierre & Vacances Tourisme Europe** in 2009/2010, in a significant offer growth context, having temporarily influence on the group performance over the first operation year. On the other hand, it seems that the economic model adopted by the Pierre & Vacances - Center Parcs 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.

Depending on the country concerned, the indexing applicable to the rent is set according to freely negotiated contracts or within a more regulated framework through the renewal of existing contracts.

Mainly in France, the status of commercial leases enables tourism operators who have taken out leases to claim renewal thereof on expiry in the same contractual condition. This protection does not mean that negotiations cannot be entered into between the parties to reach an agreement on new stipulations (including those relating to indexing) then incorporated into new leases as in countries where renegotiations are governed by the principle of contractual freedom.

In this context, rents for Pierre & Vacances Tourisme Europe are mainly indexed to the French construction cost index (ICC). During 2009/2010, the increase in indexed rents averaged around 2.5%.

Those last 9 years, there has been a faster change in the ICC (+38.8%) than in the consumer prices index (+17.0%). 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) since January 2006. This new index reflected the weighted change in consumer prices (60% weighting), cost of housing maintenance and improvements paid for by lessors (20%) and construction cost (20%). The composition of this index has changed with the law to put greater emphasis on purchasing power, and it now reflects the average over the last 12 months, the change in consumer prices excluding tobacco and excluding rent. Furthermore, the group plans an annual indexation of not more than 2 to 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% and the rents in cash are reduced and offset by increased occupancy time by owners.

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-Lorraine) are indexed either on the construction cost index or on the rental reference index.

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 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 strictly limited to preliminary study costs and pre-selling expenses because the Pierre & Vacances - Center Parcs Group only engages in property deals if the local government permits have been obtained. With respect to refurbishment programmes, the Pierre & Vacances - Center Parcs 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 final and unappealable permits may slow completion and increase the costs of certain property 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 - Center Parcs Group.

Tourism operation and management

Risks relating to tourism operation

The Pierre & Vacances - Center Parcs 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 of art (brochures, websites);
- the safety rules applicable to holiday 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 - Center Parcs 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 - Center Parcs 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 - Center Parcs 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 group General Management 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 - Center Parcs Group's image and can negatively impact its results.

That is why the Pierre & Vacances - Center Parcs 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 specifically dedicated, multi-disciplinary team headed by the Safety Department.

Industrial and environmental risks

The Pierre & Vacances - Center Parcs Group's activities are likely to be influenced by climatic and environmental conditions affecting the property sites and are exposed to risks of damage to property and of personal injury caused by incidents such as fire, explosions, spillage of maintenance products, etc.

The group has introduced a prevention plan intended to limit such risks as far as is possible and is organised according to crisis team procedures to deal with risks of attack on the image of its various brands.

In the tourism business, the great variety of operating sites by the sea, in the mountains, in town centres and in the country means that the potential impacts of climatic and environmental risks can be reduced, particularly external risks or environmental disasters that are outside the group's control, be they natural or industrial incidents (such as industrial accidents or oil spills).

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 - Center Parcs 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 2009/2010, in the "Sustainable development" section.

Description of existing disputes

As at 30 September 2010, and for the last twelve months, no governmental, legal or arbitration procedure (including any proceedings known to the group either pending or threatened) of any 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.

The amount of provisions for disputes at 30 September 2010 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 - Center Parcs Group is not significant.

- On behalf of the various wholly owned subsidiary programme 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 - Center Parcs 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). All other customer disputes are usually settled amicably.
- Disputes with tourism industry professionals: the Pierre & Vacances - Center Parcs 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 - Center Parcs 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 about fifty individual cases that have been brought before industrial tribunals.
- The group transformation plan, initiated over the year, continues in accordance with the fixed objectives and gives rise to legal procedures with social partners.

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 - Center Parcs 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 €5 million for the year 2009/2010; 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 - Center Parcs Group has property damage and business interruption coverage with a contractual compensation limit of €200 million per claim.

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.

There are still a number of types of risk that may affect the group's income and are not covered by policies taken out, specifically:

- uninsurable risks: the group is obviously not covered for risks that are the subject of standard regulatory or structural exclusions from any insurance policy: risks without hazards, operating losses resulting from strike action, from damage to the sea wall in the Netherlands or from a pandemic, and the consequences of intentional defects or of the claiming of liability inherent in any failure to meet contractual duties; etc.
- special risks which are not included under any specific cover, such as risks of operating loss as a result of economic or political instability, etc.

As far as risks associated with terrorism are concerned, these are covered, for a significant proportion of the group's tourism business, firstly, through the GAREAT regulations (a French national arrangement covering acts of terrorism) for sites located in France (including the three French Center Parcs sites) and, secondly, by the renewal of specific insurance cover for 2009/2010 relating to seven of the largest Center Parcs Europe villages and the four Sunparks villages located in Belgium. 15 Center Parcs villages are therefore covered for terrorism (out of a total of 22).

Since 30 June 2008, the firm AON has been commissioned by the Pierre & Vacances - Center Parcs Group to provide the main services and advice associated the insurance brokerage operations.

Following a call for tenders for insurance against risks of damage to property and operating loss initiated in May 2009, the insurance company Royal Sun Alliance was chosen to replace AXA, as of 1 October 2009, as lead insurer of a newly formed pool of insurers consisting only of leading insurance companies.

AXA was reappointed, after going to tender, as main Insurer in the blanket cover programme inherent in Public Liability.

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 enterprise 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 - Center Parcs Group is organised around various decision-making bodies. Besides the appointment of a new Chief Executive Officer of the group in November 2009, the collegial character of the other decision-making 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 - Center Parcs 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 group General Management Committee.

Recent development and future prospects

Market and Competition

Tourism businesses

Via its seven brands Pierre & Vacances, Maeva, Latitudes Hôtels, Adagio City Aparthotel, Citéa, Sunparks and Center Parcs, the Pierre & Vacances - Center Parcs Group offers a wide range of destinations in mountain, seaside and countryside regions and European cities. This range of complementary and differentiated brands enables the group to provide a comprehensive and unique offering in furnished rentals with à-la-carte services. Each year, the group welcomes more than seven million clients.

In the current economic backdrop, the group's ability to meet the needs of all is a key factor for choice, particularly in terms of:

- furnished rentals (ready-to-live apartments and homes);
- flexibility (duration of holidays, departure and arrival days);
- services and events for all, catering;
- proximity;
- prices (competitive price positioning and prices per head).

The European tourism sector has a **seasonal nature** with considerable changes in business depending on the period (school holidays) and the destination (better mountain business in winter and seaside business in summer). The group's tourism business was historically solely based in France and in residences primarily located at seaside and mountain resorts which have a clear seasonal nature. This seasonal aspect has been cushioned by the development of products that are open throughout the year, such as the resorts (Center Parcs, Sunparks) and the city residences (Adagio and Citéa).

The current economic backdrop has taken a significant toll on tourism business in France resulting in a decline in the number of French customers. Frequency rates for foreign customers have been beneficial with growth in frequency rates for long-distance clients outstripping that in European clients.

The demands of holiday makers have changed in view of the following:

- demographical factors in Europe (higher number of elderly people, extension in "youth" segment);
- macroeconomic factors (boom in fuel costs, lower purchasing power, global expansion of tourism, rising momentum of Internet, etc.);
- environmental factors (natural disasters, collective awareness of environmental values).

These developments have generated increased demand for local tourism, short stays, accommodation sites and types enabling holiday makers to get together in all freedom with all generations.

Among the distribution channels, the **Internet** is continuing to rise in momentum, having become a strategic and key tool representing:

- a primary source of information with a major impact on purchasing decisions;
- a shop-window effect favoured by technological progress;
- a sales presence relayed abroad.

A PricewaterhouseCoopers study of 2009 estimated that "e-tourism" accounted for 32% of the sector with prospective growth of 4% a year. In 2009/2010, the Pierre & Vacances - Center Parcs Group generated 35% of sales directly *via* the Internet.

With 310 sites, 51,154 apartments and 235,592 beds operated in Europe, the Pierre & Vacances - Center Parcs Group is the **European leader in local tourism.**

In France, the group ranks no. 1 in the market for leisure tourism residences with 120,000 beds for the Pierre & Vacances and Maeva brands out of a total offering of almost 500,000 beds (source: L'Echo Touristique). Its main rivals are Lagrange (70,000 beds), Odalys (60,000 beds), Belambra VVF (38,000 beds), Eurogroup (33,000 beds) and France Location (15,000 beds).

In Northern Europe, the main rivals for Center Parcs Europe are Landal Greenparks (69 villages or 11,000 cottages in the Netherlands, Belgium, Germany, the Czech Republic, Austria and Switzerland) and Roompot (101 villages, or 5,000 cottages in the Netherlands, Germany, Denmark and Poland).

A report by Deloitte in 2010 counted 570 hotel residences in city surroundings, or around 45,000 apartments. Today this concept is enjoying increasing success with companies, which in a bid to control costs, reduce the amount of staff travel, in return for certain of them for staying longer at their destination. As such, business clients represent 75% of tourism residence frequency in cities.

The main operators in this market are Citéa (5,380 apartments), Appart City Cap Affaires (5,300 apartments), Adagio (almost 3,300 apartments in France), Citadines (3,250 apartments) and Resid'home (2,350 apartments).

Thanks to the two Adagio and Citéa brands that it operates in partnership with the Accor and Lamy groups, the Pierre & Vacances - Center Parcs Group occupies the no. 1 spot in the hotel residence market in city areas.

Property development

The property development business is primarily focused on the group's tourism businesses since it consists of building residences and villages which are later operated by the tourism business. The apartments and cottages built are sold to investors using tax advantages and who lease them back to the group's tourism business.

The property market, and hence the group's property business, has benefited since April 2009 from the Scellier Law tax incentive measures which enables investors to benefit from a tax reduction of 25% of the acquisition price capped at €300,000. This law applies to all properties acquired since 1 January 2009 and until the end of 2012. The tax breaks are digressive as of 2011.

The Pierre & Vacances - Center Parcs Group also has a niche and marginal pure property development business with the Senioriales products. Turnover generated in 2009/2010 stood at €43.4 million for total property development turnover of €263.5 million, representing 16.5% of the total. Les Senioriales has developed an innovative residence concept meeting the needs of active and autonomous elderly people. These residences are non-medicalised and combine comfort, security and conviviality and contain around 60-70 homes. Sold under property ownership, the residences are located very close to average sized towns. In this market, while potential client numbers are constantly increasing (24 million French people are set to be over 60 by 2050) the segment is more sensitive to ups and downs in the property market in general.

In France, 13 million people are currently over the age of 60 and this figure is set to rise to 24 million in 2050. The Seniorales concept corresponds to expectations of these new elderly people who would like to change life and lifestyle when they hit retirement.

The main rivals in this market are retirement home property developers such as Domitys, Villages d'or, Villas Vermeil and builders of individual homes (Maison France Confort…).

Targets for 2010/2011 and outlook

FY 2010/2011 Q1 turnover

Q1 2010/2011 – from 1 October 2010 to 31 December 2010 – like-for-like[1] turnover rose 22% to €367.7 million resulting from a growth of 8.4% in tourism turnover and 41.9% in property development turnover.

Tourism turnover

Like-for-like Q1 2010/2011 turnover rose 8.4% to €194.6 million.

Accommodation turnover rose by 9% to €116.3 million and stemmed from growth of 4.2% in average letting rates and 4.7% in the number of nights sold:

(1) *Like-for-like turnover has been adjusted for the impact of outsourcing of catering activities at the French, German, Belgian and Dutch Center Parcs (i.e. €27.7 millions in Q1). These partnerships have no impact on margins, which are paid back to the group as commissions by the services providers.*

- **Pierre & Vacances Tourisme Europe** accounted for turnover of €44.2 million, notably stemmed from growth of 4,4% in performances in city residences (turnover growth of more than 20%, of which more than 10% excluding new residences), superior to the decline in turnover at mountain, notably due to the disposal of Hotels Latitudes and a 557 unit decline in the apartment portfolio. Turnover generated by foreign clients, and especially German and Dutch clients, increased;
- **Center Parcs Europe** generated turnover up 12.1% to €72.1 million. This growth stemmed primarily from the Domaine des Trois Forêts(2), for which average occupancy rates totalled almost 85% during the quarter. Excluding the Domaine des Trois Forêts, accommodation turnover rose by 1%, despite a fall of 1.2% in the overall offering during this period primarily due to renovation works at the Bois Francs and Hauts de Bruyères villages. Turnover derived from French and German clients continued to increase, while that from Dutch and Belgium clients was virtually stable.

Property development turnover

Q1 2010/2011 property development turnover rose by 41.9% from €122 million in the year-earlier period to €173.1 million.

Q1 turnover was primarily driven by property renovation programmes at the Center Parcs Bois Francs and Hauts de Bruyères villages for €95.3 million. The remainder was notably generated by the new residences (Avoriaz, Caen, Pont Royal…) as well as by the Senioriales resorts (Montélimar, Equemauville, Agde, Lucé...).

Outlook

Trends

The decline in the mountain destination offering is likely to have a greater impact on Q2 accommodation turnover given that turnover generated by this destination is generally higher during the period. Despite this impact, and in view of the level of Q1 turnover and reservations to date, we currently expect H1 2010/2011 turnover to be comparable to the year-earlier period (excluding the contribution of the Domaine des Trois Forêts).

Property development turnover should continue to increase significantly in H1 2010/2011 given the progress in work on property development programmes, for which sales have been largely signed with the notary.

Transformation and development plan

In recent months, the group has implemented a transformation plan for its organisation in order to unlock synergies between the brands and improve the group's earnings.

This plan primarily involves the merger of the organisations of Pierre & Vacances and Center Parcs, in order to create an integrated tourism group.

The plan includes three main focuses:

- turnover growth, for which the mains sources of leverage are:
  - overhauling of the sales policy: increasing net average letting rates (revenue management, optimising distribution channels), occupancy rates (developing direct sales onsite, increasing transformation rates at call centres, developing short stays at Pierre & Vacances Europe and long stays at Center Parcs Europe),
  - developing cross-selling between the brands,
  - increasing the share of direct sales generated *via* the Internet with the aim of reaching 40% of accommodation turnover at Pierre & Vacances (vs. 23% in 2009/2010) and 60% of sales at Center Parcs (vs. 50% in 2009/2010),
  - developing international markets, with direct sales and partnerships with tour operators and travel agents,
  - optimising the brand portfolio to focus on two product lines, namely Residences and Resorts, under four major brands, Pierre & Vacances, Center Parcs, Maeva and Adagio,
  - creating a group loyalty programme;
- reducing operating and structural costs by:
  - sharing operating resources: pooling call centres and sales teams, rolling out a unique Internet platform, optimising market spend,
  - sharing support resources: pooling finance, legal, human resources and IT teams. Implementing common processes and systems. Converging IT back-office and front-office systems,
  - bolstering the purchasing policy applicable to the tourism business and the property development business, notably with the roll-out of a unique and smaller base of referenced suppliers;
- reducing rents by implementing a cap of 2-3% on indexation and reducing cash rents for owners in return for a longer occupancy period.

The target is to reduce costs by €50 million over three years for operating and structural costs and €15 million for rents. Over the same period, the plan aims to generate €100 million in additional turnover.

The group's strategic plan is also based on stepping up the group's property and tourism development in its core businesses, stimulated by a dynamic property business for which potential turnover on projects currently being finalised or studied totals €1.5 billion over the next five years, particularly at Center Parcs in France and Villages Nature. The record high level of turnover from reservations in 2009/2010 of €614 million including VAT supports the level of turnover in coming years.

The five-year target for growth in the tourism portfolio stands at 30%, representing more than 15,000 additional apartments and homes in France, Germany, Spain and Morocco and major European cities.

(2) Including €7.2 million of accommodation turnover generated by the Domaine des Trois Forêts.

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Consolidated profit and loss

(in thousands of euros)	Note	2009/2010	2008/2009
Turnover	3	1,427,235	1,451,321
Purchases and external services	27	-967,346	-960,389
Personnel expenses	28	-350,594	-349,117
Amortisation and provisions	29	-48,645	-62,840
Other current operating earnings	30	8,436	9,981
Other current operating expenses	30	-42,116	-24,760
Current operating income	**3**	**26,970**	**64,196**
Other operating expenses and earnings	3/31	-20,173	-1,216
Operating income	**3**	**6,797**	**62,980**
Financial earnings	32	2,999	5,715
Financial expenses	32	-17,187	-18,680
Financial income		-14,188	-12,965
Corporate income tax	33	14,682	-7,751
Share of income of companies accounted for by the equity method	8	-17	-
Net Income		**7,274**	**42,264**
Including:			
▪ *attributable*		7,275	42,264
▪ *non-controlling interests*	19	-1	-
Attributable net profit per share *(in euros)*	34	0.84	4.87
Diluted attributable net profit per share *(in euros)*	34	0.83	4.82

Consolidated statement of comprehensive income

(in thousands of euros)	Note	2009/2010	2008/2009
Net income		**7,274**	**42,264**
Translation difference		-20	58
Effective portion of financial hedging instruments		307	-953
Deferred taxes		-78	243
Other elements of comprehensive income after tax		**209**	**-652**
Total comprehensive income		**7,483**	**41,612**
Including:			
▪ *attributable*		7,484	41,612
▪ *non-controlling interests*		-1	-

Consolidated balance sheet

Assets

(in thousands of euros)	Note	30/09/2010	30/09/2009
Goodwill	4	156,335	151,985
Intangible fixed assets	5	108,586	151,927
Tangible fixed assets	7	374,204	397,216
Investments in companies accounted for by the equity method	8	-11	5
Financial assets held for sale	10	1,699	9,295
Other non-current financial assets	9	25,885	27,646
Deferred tax assets	33	56,216	38,925
Non-current assets	**3**	**722,914**	**776,999**
Inventories and work in progress	11/12	150,369	134,868
Trade receivables and related accounts	13	239,827	238,518
Other current assets	14	237,751	225,030
Current financial assets	14	24,451	23,200
Cash and cash equivalents	15/24	167,566	115,393
Current assets	**3**	**819,964**	**737,009**
Non-current assets and asset groups held for sale	16	8,047	-
TOTAL ASSETS	**3**	**1,550,925**	**1,514,008**

Liabilities

(in thousands of euros)	Note	30/09/2010	30/09/2009
Share capital		88,216	88,196
Additional paid-in capital		8,637	8,564
Treasury stock		-8,779	-9,453
Items reported directly in shareholders' equity		-104	-313
Reserves		391,593	361,689
Consolidated income		7,275	42,264
Attributable shareholders' equity	**18**	**486,838**	**490,947**
Non-controlling interests	19	7	6
Shareholders' equity		**486,845**	**490,953**
Long-term debt	21/24	214,829	161,106
Non-current provisions	20	26,203	26,361
Deferred tax liabilities	33	18,852	20,528
Non-current liabilities	**3**	**259,884**	**207,995**
Short-term debt	21/24	44,753	51,311
Current provisions	20	10,544	20,645
Trade payables and related accounts	25	258,271	278,733
Other current liabilities	26	465,039	430,626
Current financial liabilities	26	25,589	33,745
Current liabilities	**3**	**804,196**	**815,060**
TOTAL LIABILITIES		**1,550,925**	**1,514,008**

Consolidated cash flow statement

(in thousands of euros)	Note	2009/2010	2008/2009
Operations			
Net consolidated income		**7,274**	**42,264**
Depreciation, amortisation and provisions (not related to current assets)		36,248	43,670
Expenses related to share subscription and purchase option plans		1,451	2,727
Capital gains and losses on disposals		2,076	-1,395
Share in income of companies accounted for by the equity method	8	17	-
Cost of net long-term debt	32	13,238	14,360
Taxation (including deferred taxes)	33	-14,682	7,751
Cash flow generated by operations		**45,622**	**109,377**
Net cost of long-term debt: net interest paid		-12,841	-14,177
Taxes paid		-704	-1,286
Cash flow after debt interest and taxes		**32,077**	**93,914**
Change in working capital requirement from operations (including debt relating to employee benefits)		**-25,738**	**-27,995**
Inventories and work in progress		-13,216	-12,893
Other elements of the working capital requirement		-12,522	-15,102
Net cash flow from operating activities (I)		**6,339**	**65,919**
Investments			
Acquisitions of tangible and intangible fixed assets	5/7	-35,929	-82,008
Acquisitions of financial assets		-1,983	-2,191
Acquisitions of goodwill	4/17	-4,462	-311
Acquisitions of subsidiaries (net of cash acquired)	17	-	13
Subtotal of disbursements		**-42,374**	**-84,497**
Disposals of tangible and intangible assets		43,656	24,045
Disposals of financial assets		11,320	1,550
Disposals of goodwill	17	3,316	-
Disposals of subsidiaries (net of cash paid)	17	-	1,557
Subtotal of receipts		**58,292**	**27,152**
Cash flow on assets held for sale	16	-3,671	-
Net cash flow from investment activities (II)		**12,247**	**-57,345**
Financing			
Capital increases in cash by the parent company	18	93	-
Acquisitions and disposals of treasury stock	18	102	96
Dividends paid to parent company shareholders		-13,045	-23,438
Dividends paid to minority shareholders in subsidiaries	19	-	-
Receipts from new bank loans		113,651	28,028
Repayment of bank loans		-75,560	-65,753
Other flows from financing operations		102	-43
Net cash flow from financing activities (III)		**25,343**	**-61,110**
Change in net cash flow (IV = I + II + III)		**43,929**	**-52,536**
Cash and cash equivalents at beginning of year (V)	15/17	112,109	164,645
Cash and cash equivalents at end of year (VI = IV + V)	15/17	156,038	112,109

Statement of changes in consolidated shareholders' equity

(in thousands of euros)	Number of shares	Share capital	Additional paid-in capital	Treasury stock	Translation difference	Fair value reserves of financial hedging instruments	Reserves	Consolidated income	Attributable shareholders' equity	Non-controlling interests	Total shareholders' equity
Balance at 30 September 2008	**8,810,911**	**88,109**	**8,651**	**-10,487**	**0**	**339**	**309,981**	**73,434**	**470,027**	**3**	**470,030**
Other elements of comprehensive income	-	-	-	-	58	-710	-	-	-652	-	-652
Net income	-	-	-	-	-	-	-	42,264	42,264	-	42,264
Total comprehensive income		**0**	**0**	**0**	**58**	**-710**	**0**	**42,264**	**41,612**	**0**	**41,612**
Capital increase	8,665	87	-87	-	-	-	-	-	0	-	0
Dividends	-	-	-	-	-	-	-23,438	-	-23,438	-	-23,438
Change in treasury stock	-	-	-	1,034	-	-	-1,015	-	19	-	19
Expenses on option plans	-	-	-	-	-	-	2,727	-	2,727	-	2,727
Other movements	-	-	-	-	-	-	73,434	-73,434	0	3	3
Balance at 30 September 2009	**8,819,576**	**88,196**	**8,564**	**-9,453**	**58**	**-371**	**361,689**	**42,264**	**490,947**	**6**	**490,953**
Other elements of comprehensive income	-	-	-	-	-20	229	-	-	209	-	209
Net income	-	-	-	-	-	-	-	7,275	7,275	-1	7,274
Total comprehensive income		**0**	**0**	**0**	**-20**	**229**	**0**	**7,275**	**7,484**	**-1**	**7,483**
Capital increase	1,975	20	73	-	-	-	-	-	93	-	93
Dividends	-	-	-	-	-	-	-13,045	-	-13,045	-	-13,045
Change in treasury stock	-	-	-	674	-	-	-766	-	-92	-	-92
Expenses on option plans	-	-	-	-	-	-	1,451	-	1,451	-	1,451
Other movements	-	-	-	-	-	-	42,264	-42,264	0	2	2
BALANCE AT 30 SEPTEMBER 2010	**8,821,551**	**88,216**	**8,637**	**-8,779**	**38**	**-142**	**391,593**	**7,275**	**486,838**	**7**	**486,845**

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 30 September 2010 on 29 November 2010.

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 2009/2010 have been drawn up in accordance with the IFRS (International Financial Reporting Standards) reference documentation as adopted by the European Union at 30 September 2010 (reference documentation available at http://ec.europa.eu/internal_market/accounting/ias_en.htm).

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

The standards and interpretations applied by the group for 2009/2010 are the same as those adopted for the financial statements for 2008/2009 except for those adopted by the European Union which have to be applied for the year beginning 1 October 2009 and which the group had not chosen to apply in advance (see section 1.2 – Changes in the accounting reference documents).

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 2009 have not affected the group's consolidated financial statements for 2009/2010 apart from the adoption of revised IAS 1.

The application of revised IAS 1 relating to the presentation of financial statements has, in particular, led the group to draw up the consolidated profit and loss account by means of a statement showing the other elements of comprehensive income.

The new IFRS 8 "Operating segments", application of which became compulsory for years beginning on or after 1 January 2009, has had no impact on the presentation of the group's consolidated financial statements. Indeed, IFRS 8 replaces IAS 14 "Segment reporting". The latter requires segment reporting according to business segments and geographical segments, while IFRS 8 requires presentation of data on the group's operating segments taken from internal reporting and used by management to decide how to allocate resources and assess the performance thereof. The operating segments meeting the criteria of the new standard are the same as those identified before according to IAS 14. Similarly, the indicators monitored by management correspond to those that were already presented under application of IAS 14. However, the group could review the application of IFRS 8 on 30 September 2011 as part of the planned restructuring of its organisation (merging of Pierre & Vacances Tourisme Europe and Center Parcs Europe).

The other new standards, interpretations and amendments applied to 2009/2010 and not anticipated in the financial statements for 2008/2009 are:

- IFRIC 12 relating to service concession agreements (applicable to years beginning on or after 29 March 2009);
- IFRIC 13 concerning customer loyalty programmes (applicable to years beginning on or after 1 January 2009);
- IFRIC 14 concerning the limit on a defined benefit asset and the minimum funding obligations (applicable to years beginning on or after 1 January 2009);
- IFRIC 16 on hedges of a net investment in a foreign operation (applicable to years beginning on or after 1 July 2009);
- revised IAS 23 "Borrowing costs" (applicable to years beginning on or after 1 January 2009);
- amendments to IFRS 2 "Share-based payment" relating to conditions for the acquisition of rights and cancellations (applicable to years beginning on or after 1 January 2009);
- amendments to IAS 32 and IAS 1, concerning financial instruments puttable at fair value and obligations arising on liquidation (applicable to years beginning on or after 1 January 2009);
- amendments to IFRS 1 and IAS 27, concerning the cost of an investment in a subsidiary, jointly controlled entity or associate in individual financial statements (applicable to years beginning on or after 1 January 2009);
- amendments to IFRS 3 "Business combinations" and IAS 27 "Consolidated and separate financial statements" (applicable to years beginning on or after 1 July 2009).

These revised standards which are due to be applied change the way in which groups of companies and variations in percentage interests held are treated as from 1 October 2009, particularly in respect of the following elements:

- booking directly under cost of acquisition fees,
- non-controlling interests ("minority interests") can be assessed either at their fair value or at the share of net assets acquired. Depending on the method used, the goodwill will therefore be different,
- transactions relating to non-controlling interests have to be recorded under shareholders' equity.
- any loss of control leads to a reassessment of the retained holding at fair value.

The application of this amended standard has had no impact on the consolidated financial statements;

- amendment of IAS 39, on eligible hedged items (applicable to years beginning on or after 1 July 2009);
- amendment of IFRS 5 "Non-current assets held for sale and discontinued operations", on plans for the partial disposal of shares of a subsidiary resulting in the loss of exclusive control (applicable to years beginning on or after 1 July 2009).

The standards, interpretations and amendments to existing standards that are not applied in advance in the attached financial statements are:

- IFRIC 17 relating to the distribution of non-monetary assets to shareholders (applicable to years beginning on or after 31 October 2009);
- IFRIC 18 relating to the transfers of assets by customers (applicable to years beginning on or after 31 October 2009);
- IFRIC 15 on property building contracts (applicable to years beginning on or after 31 December 2009);
- amendment of IFRS 2 "Share-based payment" relating to intra-group transactions where payment is based on shares and which are settled in cash (applicable to years beginning on or after 1 January 2010);
- amendment of IAS 32, on the classification of rights issues (applicable to years beginning on or after 1 February 2010);
- IFRIC 19 relating to the extinguishing of financial liabilities with equity instruments (applicable to years beginning on or after 1 July 2010);
- amendment of IFRIC 14, relating to prepayments of minimum funding requirements (applicable to years beginning on or after 1 January 2011);
- amendment of revised IAS 24 "Related party disclosures", concerning partial exemption for entities related to a public authority, and a new definition of a related party (applicable to years beginning on or after 1 January 2011);
- IFRS 9 "Financial Instruments: classification and measurement", replacing the various rules under IAS 39 on the measurement and amortisation of financial instruments (applicable to years beginning on or after 1 January 2013).

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.

1.3 - New tax regulations in France from 1 January 2010

The 2010 finance law, passed in December 2009, introduces a regional economic contribution (CET) to replace trade tax (TP). The CET comprises two elements: the business property contribution (CFE) and the business added value contribution (CVAE). The CFE, the extent of which depends on the rental value of property liable for land tax, is very similar to trade tax and can hence be likened to an operating cost for accounting purposes. The CVAE is based on the added value shown in the parent company financial statements and has a number of characteristics similar to income tax with respect to IAS 12.

Following the above change in tax law, the National Accounting Committee published, on 14 January 2010, a communiqué saying that it was up to each company to use its judgement in order to measure its CVAE.

In March 2006, and then in March 2009, IFRIC stated that, to fall within IAS 12, a tax has to be calculated on the basis of a net amount of earnings and expenses and that this net amount could differ from the net income in the accounts. The group has deemed that the CVAE met the criteria mentioned in this report in that the added value constitutes the intermediary level of income which is always used as a basis, according to French tax rules, for determining the amount owed in respect of CVAE. As a result, and in accordance with the provisions of IAS 12, the group has entered in its accounts a net deferred tax liability for a total of €414 thousand relating to the net book value of amortisable fixed assets, the main source of temporary differences.

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.

As permitted under IAS 1: "Presentation of financial statements", the group presents the profit and loss account by nature.

The presentation of the operating result includes an item called "Other operating expenses and earnings", which mainly includes one-off elements like income from sales and costs of restructuring.

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. Debts that fall due during the group's normal operating cycle or within the twelve months following the year-end are current debts. The other debts 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 goodwill, intangible assets with an indeterminate life, assumptions on the recoverability of tax losses and classification of lease contracts as lease financing agreements or simple lease contracts. 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 consolidation, companies operated jointly in a joint venture arrangement;
- 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 closing date, 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 account of the year during which control of the business is lost.

1.9 - Business combinations

From 1 October 2009, business combinations have been recorded in accordance with revised IFRS 3 "Business combinations" and revised IAS 27 "Consolidated and separate financial statements".

Cost of buying shares

The cost of buying shares equals the fair value of the assets handed over and liabilities incurred or assumed and the equity instruments issued by the buyer on the date of purchase.

The costs directly attributable to the acquisition are now entered under expenses during the period during which they were incurred.

Earn-outs are entered, from the acquisition date, irrespective of their likelihood of payment, on the basis of their fair value, under borrowings or shareholders' equity; subsequent adjustments must be entered under earnings if the initial entry was under borrowings.

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 fair value net of the costs of sale. Goods intended for use in operation are valued at their 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.

Goodwill represents any amount in excess of the consideration transferred and, if applicable, the value of non-controlling interests on the net fair value of identifiable assets and liabilities of the acquired company. Depending on the option chosen for valuing these interests when control is taken (fair value or share of net asset acquired), the goodwill recognised represents either the share acquired by the group (partial goodwill) or the share of the group and the share of the non-controlling interests (total goodwill).

If the difference is positive, it is recorded under "Goodwill" for companies consolidated by the full or proportional consolidation method and under "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, the previous shareholding must be reassessed at fair value on the date control was taken and the difference from the net book value must be entered under income.

Commitment to buy back non-controlling interests (minority shareholdings)

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 non-controlling interests as an offsetting amount and the shareholders' equity 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 depreciation tests

According to IFRS 3R "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 - Center Parcs for assessing the recoverable value of goodwill are the group's operating segments used to analyse its results in its internal reporting.

This test of the loss of value involves comparing the recoverable value of cash generating units (CGUs), or of the group of CGUs, with the net book value of corresponding assets, including any goodwill. 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 fair value less sale costs 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 fair value less sale costs.

The fair value less sale costs 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 future net discounted cash flow that would be generated by the CGU or group of CGUs. Cash flow projections come from the business plans developed by operating segments internally over an explicit period of four years. Beyond that, they are estimated by applying a perpetual growth rate. 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 are identifiable, that is to say if they satisfy one of the following two conditions:

- they result from legal or contractual rights; or
- 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. The group determines the value in use of each of its brands by updating their valuation using the same method as that used for goodwill valuation tests (see Note 1.11). 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 finance lease 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 valued by analysing the contract terms.

Tangible fixed assets acquired through finance lease 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.

Unlike finance lease contracts, 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
Furniture	8 - 12 years
Other tangible assets	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. This is the fair value less sale costs or the value in use, whichever is the higher. 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, 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 financial assets held for sale, receivables associated with short-term investments, loans and guarantees that mature in more than 12 months.

Holdings in unconsolidated companies are classified as “Financial assets 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 fair 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 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 book value, a provision for depreciation is recorded accordingly.

The group applies the percentage-of-completion 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 “Other receivables and prepayments”.

1.18 - Prepayments

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

For assets marketed off-plan, a first half of the marketing fees are invoiced when the customer makes the reservation and the second half when the deed of sale is signed in the notary’s office. “Prepayments” include in particular the share of the marketing fees invoiced by the subsidiaries Pierre & Vacances Conseil Immobilier and Pierre & Vacances Senioriales Promotion et Commercialisation 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, site deposits and short-term investments (Unit Trusts and Mutual Funds) with a maturity of less than 3 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 consolidated cash flow statement is gross cash less overdrafts.

Accrued unexpired 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 services rendered by the beneficiaries of these plans. Thus, the reported expense reflects the fair value of the options granted calculated on the date of their 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. Thus, 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 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.

Thus, 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 costs 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 - Center Parcs 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 also 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 of employees. The amount of the provision includes the present value of estimated future payments taking into account length of service, life expectancy, employee 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 changes 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 result 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 retirement 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 - Borrowings and financial debts

All borrowings are initially recorded at cost which reflects the fair value of the amount received net of the costs for setting up the borrowing. Thereafter, the borrowings are recorded 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 over the term of the borrowings.

The effective interest rate is the rate used to obtain the book value of a borrowing at the outset by discounting the future cash payments and receipts over the life of the borrowing. The book value of the borrowing 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 - Center Parcs Group hedges its future interest expense by using derivatives such as interest rate swaps. 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 of 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. Deferred taxes on temporary differences and losses carried forward are calculated at approved and quasi-adopted rates that 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 as deferred tax assets unless there is a high likelihood that they will be used within the 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-of-completion method;
- support funds. Specifically, the “Financial ownership” and “Ownership & Holidays” sales schemes involve the sale of property to owners, accompanied by the 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 according to the percentage-of-completion method. Since there are no specific standards on the subject, the group has defined percentage-of-completion as the percentage progress of the work, that is to say the cost of work carried out compared to the cost of work budgeted for, multiplied by the percentage 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 are in line with the recommendation of the CNC 2009-R03. They only show unusual, rare and infrequent events. 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 the current operating result from one period to another.

1.32 - Corporate income tax

Corporate income tax expense or income includes both current tax, the business Added Value Contribution and deferred tax 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 attributable net profit 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 diluted net profit, the attributable net profit 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 including those resulting from the conversion of instruments 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 relutive instruments.

For the years disclosed, 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 buyback" 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 AND FISCAL YEAR MAIN EVENTS

2.1 - Main changes in the scope of consolidation

Main changes in the scope of consolidation occurring in 2009/2010

Acquisitions

Since 1 October 2009, the group has invested €6.3 million, without calling on external financing, to acquire businesses running 4-star tourism residences and running Intrawest commercial residences in two alpine resorts: Arc 1950 (655 apartments) and Flaine Montsoleil (138 apartments). This transaction follows the agreement signed on 3 August 2009 between the Pierre & Vacances - Center Parcs Group and the Intrawest Hotel et Residences group. This acquisition comprises goodwill of €4.5 million and other intangible and tangible assets worth €1.8 million.

These residences are run under the Pierre & Vacances Premium brand.

Disposals

On 12 October 2009, the group signed an undertaking to sell the businesses of three Latitudes hotels (Val d'Isère, Arc 1800 and Les Menuires) to Hotello, a subsidiary of the Algonquin group. Following this undertaking, the group signed, on 4 November 2009, an agreement for the sale of the business and tangible assets of the "Hôtel Latitudes Val d'Isère" for €2.5 million for each of these elements; and, on 30 April, the sale of the businesses and tangible assets of the other 2 hotels for €816 thousand and €1,934 thousand respectively. These sales generated a pre-tax gain of €2,162 thousand.

Other changes

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 dissolvings of companies by asset mergers).

Main changes in the scope of consolidation in 2008/2009

The significant changes in scope for 2008/2009 were:

- the acquisition of shares, by the Adagio joint venture, of the companies Adagio Exploitation 1 and Serana running urban residences located in Montrouge and Marseille, and in Annecy and Nantes, respectively, and the creation of new foreign companies (Adagio UK, Adagio Betriebs, Adagio Deutschland and Adagio Bruxelles) thereby underlining the development of the Adagio brand in France and around the world;
- the creation of the entities SDRT (a real-estate and tourism company in which the group has a 15% holding) and SDRT – Immo (a property development company in which the group has a 50% holding), following the partnership agreement concluded with the Caisse de Dépôt de Gestion du Maroc group with the aim of developing tourism and real-estate projects in Morocco;
- the acquisition of two businesses (the Cap Esterel restaurant and the Maeva du Croisic residence) in the tourism business for a total of €311 thousand (€230 thousand and €81 thousand respectively).

2.2 - FY 2009/2010 Main events

Transformation plan

The group has undertaken a project to transform its organisation and develop its businesses in order to both grow revenues and reduce costs.

Opening of a Center Parcs in Moselle-Lorraine

On 22 May 2010, the group opened its fourth Center Parcs in France, the Domaine des Trois Forêts, located in Moselle-Lorraine. Set in the heart of one of the most stunning forests in the Lorraine region, the new domain spans 435 hectares.

Over the summer, this new Center Parcs enjoyed an average occupancy rate of more than 95%.

Partnerships for managing catering at the Center Parcs and Sunparks domains

On 4 March 2010, the group announced a partnership project for management of the restaurants and food stores at the Center Parcs and Sunparks domains with Elior in France and Germany, and with Albron in the Netherlands and Belgium. These partnerships involve investments of around €38 million by the two specialised groups and started in June with Albron in the Dutch domains. Management of the restaurants and food stores at the Belgian Center Parcs domains was taken over by Albron in October and that of the French and German Center Parcs villages by Elior during Q1 2010/2011.

Balance sheet

On 10 May 2010, the Pierre & Vacances - Center Parcs group signed an agreement with its banks defining the major terms of the syndicated loan of €200 million destined to refinance corporate date and finance the group's general requirements. This loan breaks down as follows:

- a loan of €100 million to be amortised linearly over five years (by refinancing the existing loan of €37 million);
- a confirmed credit line of €100 million over five years, in replacement of the revolving credit line of €90 million.

The loan documents were signed in June 2010.

This refinancing has helped increase the group's liquidity and extend the maturity of its debt.

IT solutions and hardware

The group disposed over the fiscal year the IT solutions and hardware to Lease Expansion and Arius. In this context, the group signed with these partners an agreement for the sale of these assets. In 30 September 2010, 37,902 thousand euros have been so transferred.

Since this outsourcing solution implementation, IT investments are financed by the partner lease companies and are available to the group via lease agreements.

2.3 - List of the main consolidated entities

French companies

Legal form	Companies	Consolidation method[1]	% stake at 30/09/2010	% stake at 30/09/2009
Holding Companies				
SA	Pierre & Vacances	Parent company	100.00%	100.00%
SNC	Pierre & Vacances FI	Full	100.00%	100.00%
GIE	PV-CP Services	Full	100.00%	100.00%
French Tourism				
SA	Pierre & Vacances Tourisme Europe	Full	100.00%	100.00%
Center Parcs				
SAS	Center Parcs Holding Belgique	Full	100.00%	100.00%
SAS	Center Parcs Holding France	Full	-	100.00%
Property development				
SAS	CP Prog Holding	Full	100.00%	100.00%
SE	Pierre & Vacances Immobilier Holding	Full	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Programme Immobilier	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				
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%
SAS	Holding Rénovation Tourisme	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Legal form	Companies	Consolidation method(1)	% stake at 30/09/2010	% stake at 30/09/2009
SNC	Latitudes Toulouse	Full	100.00%	100.00%
SNC	Le Christiana Loisirs	Full	100.00%	-
SNC	Locarev Maeva Résidences	Full	100.00%	100.00%
SNC	Neuilly La Défense	Proportional	50.00%	50.00%
SAS	Orion	Full	100.00%	100.00%
SAS	Parking de Val d'Isère La Daille	Full	100.00%	100.00%
SNC	Plagne Gémeaux Loisirs	Full	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%
SAS	Pierre & Vacances Maeva Tourisme Management	Full	100.00%	100.00%
SAS	Pierre & Vacances Rénovation Tourisme	Full	100.00%	100.00%
SAS	PV-CP Holding Exploitation	Full	100.00%	100.00%
SAS	PV-CP Holding Gestion Exploitation	Full	100.00%	100.00%
SAS	PV-CP Résidences Exploitation	Full	100.00%	100.00%
SAS	PV-CP Resorts France	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%
SNC	Société Hotelière de l'Anse à la Barque Tourisme	Full	100.00%	100.00%
SA	Sogire	Full	100.00%	100.00%
Adagio				
SAS	Adagio Exploitation 1	Proportional	-	50.00%
SAS	Adagio	Proportional	50.00%	50.00%
SNC	La Défense 10	Proportional	-	50.00%
SAS	New City Apart Hôtel	Proportional	-	50.00%
SAS	Serana	Proportional	-	50.00%
Center Parcs				
SCS	Center Parcs France	Full	100.00%	100.00%
SNC	Domaine du Lac de l'Ailette village	Full	100.00%	100.00%
SCS	Domaine des Trois Forêts	Full	100.00%	100.00%
Property Development				
French property development				
SNC	Aix Centre Loisirs	Full	100.00%	100.00%
SNC	Audierne Loisirs	Full	-	100.00%
SNC	Avoriaz Equipements	Full	100.00%	100.00%
SNC	Avoriaz Maeva Loisirs	Full	100.00%	100.00%
SNC	Avoriaz Pierre & Vacances Loisirs	Full	100.00%	100.00%
SNC	Avoriaz Pierre & Vacances Loisirs II	Full	-	100.00%
SNC	Avoriaz Résidences MGM Loisirs	Full	100.00%	100.00%
SNC	Avoriaz Résidences MGM Loisirs II	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Legal form	Companies	Consolidation method[1]	% stake at 30/09/2010	% stake at 30/09/2009
SNC	Avoriaz Tourisme Développement	Full	100.00%	100.00%
SNC	Belle Dune Loisirs	Full	100.00%	100.00%
SNC	Branville Tourisme Développement	Full	100.00%	100.00%
SNC	Britania Loisirs	Full	-	100.00%
SNC	Caen Meslin Loisirs	Full	100.00%	100.00%
SNC	Charmettoger Développement	Full	-	100.00%
SNC	Chamonix Loisirs	Full	100.00%	100.00%
SARL	Cobim	Full	100.00%	100.00%
SNC	Coudalère Loisirs	Full	-	100.00%
SNC	Courchevel Forum Loisirs	Full	-	100.00%
SNC	Danestal Tourisme Développement	Full	100.00%	100.00%
SNC	Dhuizon Loisirs	Full	100.00%	100.00%
SNC	Grimaud Les Restanques	Full	100.00%	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 Grande Motte Loisirs	Full	-	100.00%
SNC	Le Crotoy Loisirs	Full	-	100.00%
SNC	Le Rouret Loisirs	Full	100.00%	100.00%
SNC	Le Rouret Tourisme Développement	Full	100.00%	100.00%
SNC	Les Maisons du Green Beach Loisirs	Full	-	100.00%
SCI	Les Senioriales Biscarosse	Full	100.00%	100.00%
SCI	Les Senioriales d'Equemauville	Full	100.00%	100.00%
SCI	Les Senioriales de 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%	100.00%
SCI	Les Senioriales de Ferrals	Full	100.00%	100.00%
SCI	Les Senioriales de Gonfaron	Full	100.00%	100.00%
SCI	Les Senioriales de Jonquières	Full	100.00%	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 Lacanau	Full	100.00%	-
SCI	Les Senioriales de Montagnac	Full	100.00%	-
SCI	Les Senioriales de Montelimar	Full	100.00%	-
SCI	Les Senioriales de Paradou	Full	100.00%	100.00%
SCI	Les Senioriales de Provence – les Mées	Full	100.00%	100.00%
SCI	Les Senioriales de Rambouillet	Full	100.00%	-
SCI	Les Senioriales de Ruoms	Full	100.00%	100.00%
SCI	Les Senioriales de Saleilles	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Legal form	Companies	Consolidation method[1]	% stake at 30/09/2010	% stake at 30/09/2009
SCI	Les Senioriales de Salies du Salat	Full	100.00%	100.00%
SCI	Les Senioriales de Salles sur Mer	Full	100.00%	100.00%
SCI	Les Senioriales de Soulac	Full	100.00%	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%	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 Rochefort du Gard	Full	100.00%	100.00%
SCI	Les Senioriales St Julien des Landes	Full	100.00%	-
SCI	Les Senioriales en Ville d’Agde	Full	100.00%	-
SCI	Les Senioriales en Ville de Bruges	Full	100.00%	-
SCI	Les Senioriales en Ville de Luce	Full	100.00%	-
SCI	Les Senioriales en Ville de Marseille – St Loup	Full	100.00%	-
SCI	Les Senioriales en Ville de Montelimar	Full	100.00%	-
SCI	Les Senioriales en Ville de Saint Avertin	Full	100.00%	-
SAS	Les Villages Nature de Val d’Europe	Proportional	50.00%	50.00%
SNC	Ménuires Aconit Développement	Full	-	100.00%
SCI	Montrouge Développement	Proportional	50.00%	50.00%
SCCV	Nantes Russeil	Proportional	50.00%	50.00%
SNC	Paris Bastille Loisirs	Full	100.00%	100.00%
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%
SAS	Pierre & Vacances Senioriales Promotion et Commercialisation	Full	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Exploitation	Full	100.00%	-
SNC	Plagne Lauze Tourisme Développement	Full	100.00%	100.00%
SNC	Pont Royal II	Full	100.00%	100.00%
SNC	Presqu’île de La Touques	Full	100.00%	100.00%
SNC	Quend Loisirs	Full	100.00%	100.00%
SA	Société de Développement de Bourgenay	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 Loisirs	Full	100.00%	100.00%
SARL	Villages Nature Management	Proportional	50.00%	-
Center Parcs				
SNC	Ailette Equipement	Full	100.00%	100.00%
SNC	Bois des Harcholins Cottages	Full	100.00%	100.00%
SNC	Bois des Harcholins Equipement	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Legal form	Companies	Consolidation method[1]	% stake at 30/09/2010	% stake at 30/09/2009
SNC	Bois des Harcholins Foncière	Full	100.00%	100.00%
SNC	Bois des Harcholins Spa	Full	100.00%	100.00%
SNC	Bois des Harcholins Village	Full	100.00%	100.00%
SNC	Bois des Harcholins Village II	Full	100.00%	100.00%
SNC	Bois Francs Cottages	Full	100.00%	100.00%
SNC	Bois Francs Foncière	Full	100.00%	100.00%
SNC	Bois Francs Loisirs	Full	100.00%	100.00%
SNC	Les Hauts de Bruyères Cottages	Full	100.00%	100.00%
SNC	Les Hauts de Bruyères Loisirs	Full	100.00%	100.00%
SNC	Roybon Cottages	Full	100.00%	100.00%
SNC	Roybon Équipements	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 38	Full	100.00%	100.00%
SAS	Pierre & Vacances Marques	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Foreign companies

Legal form	Companies	Country	Consolidation method[1]	% stake at 30/09/2010	% stake at 30/09/2009
Holding Companies					
Center Parcs					
NV	Center Parcs Europe	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%	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%
GmbH	Pierre & Vacances Center Parcs Suisse	Switzerland	Full	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%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Legal form	Companies	Country	Consolidation method[1]	% stake at 30/09/2010	% stake at 30/09/2009
Tourism					
Center Parcs					
GmbH	Center Parcs Allgäu	Germany	Full	94.00%	-
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	CP SP België	Belgium	Full	100.00%	100.00%
NV	Sunparks Groep	Belgium	Full	100.00%	100.00%
GmbH	Sunparks Bostalsee	Germany	Full	94.00%	94.00%
NV	Sunparks Vielsalm	Belgium	Full	100.00%	100.00%
NV	Sunparks Leisure	Belgium	Full	100.00%	100.00%
Adagio					
GmbH	Adagio Deutschland	Germany	Proportional	50.00%	50.00%
Ltd	Adagio Hotels UK	United Kingdom	Proportional	50.00%	50.00%
GmbH	New City Aparthotels Betriebs	Austria	Proportional	50.00%	50.00%
SARL	New City Suisse	Switzerland	Proportional	50.00%	50.00%
SA	Pierre & Vacances Exploitation Belgique	Belgium	Full	100.00%	100.00%
Orion					
Ltd	Orion Asia Holding Co.	China	Full	100.00%	100.00%
SA	Orion Exploitation Bruxelles Belliard	Belgium	Full	94.51%	94.51%
Sro	Orion Residences	Slovakia	Full	100.00%	100.00%
Ltd	Shenzen Orion Hotel Management	China	Full	100.00%	100.00%
Other tourism					
Srl	Part House	Italy	Proportional	55.00%	55.00%
SPRL	Pierre & Vacances Belux	Belgium	Full	100.00%	100.00%
Srl	Pierre & Vacances Italia	Italy	Full	100.00%	100.00%
Ltd	Pierre & Vacances UK	United Kingdom	Full	100.00%	100.00%
SL	Pierre & Vacances Maeva Distribution España	Spain	Full	100.00%	100.00%
SL	SET Pierre & Vacances España	Spain	Full	100.00%	100.00%
SA	Société de développement de résidences touristiques	Morocco	Equity	15.00%	15.00%
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%
SA	SDRT Immo	Morocco	Proportional	49.87%	49.87%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Legal form	Companies	Country	Consolidation method(1)	% stake at 30/09/2010	% stake at 30/09/2009
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%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity method.

Segment Information

Based on the group's internal organisation, the segment information is presented by operating segment as far as the Tourism business is concerned, and by groups of operating segments as far as the Property Development business is concerned. This breakdown reflects the operating organisation of the group's businesses in terms of management and operational control. The plan to reorganise the group, with the aim of combining Pierre & Vacances Tourisme Europe and Center Parcs Europe, has not yet had any impact on operating segments. The group develops its activities through two dovetailed lines of business:

- the property development segment 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 mainly 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 segment, organised partly around the Pierre & Vacances Tourisme Europe division and partly around the Center Parcs Europe division, these two divisions being supervised and coordinated by a common Chief Executive Officer for Tourism:
  - the Pierre & Vacances Tourisme Europe division, within the same operating department, includes the operation of the residences, villages and hotels marketed under the Pierre & Vacances, Maeva, Adagio and Hôtels Latitudes brands located in Europe, mainly 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. On 18 June 2010, the management of restaurants and food businesses in the regions of the Netherlands was entrusted to an outside partner, Albron. This subcontracting does not affect margins which are paid back to the group in the form of commission by the service provider.

Within each business and within each division there is a country-based organisation that runs the businesses from day to day. The turnover and the total non-current assets in France, where is the group parent headquarter, are €984,686 thousand and €385,682 thousand respectively.

Inter-divisional turnover is generated on normal market terms. No single customer represents a significant share of the turnover of the Pierre & Vacances - Center Parcs Group.

The unassigned assets include long-term investments, other assets of a financial nature, current and deferred tax receivables and non-current assets.

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

NOTE 3 INFORMATION BY OPERATING SEGMENT

	2009/2010				
	Tourism				
(in thousands of euros)	Pierre & Vacances Tourisme Europe	Center Parcs Europe	Property development	Unassigned	Total
Business turnover	579,361	600,043	271,321	-	1,450,725
Turnover between business groups	-15,255	-445	-7,790	-	-23,490
External turnover	**564,106**	**599,598**	**263,531**	**0**	**1,427,235**
Current operating result	**-23,443**	**26,654**	**23,759**	**-**	**26,970**
Other operating expenses and earnings	-9,539	-10,296	-338	-	-20,173
Operating Result	**-32,982**	**16,358**	**23,421**	**0**	**6,797**
Amortisation expenses	**17,817**	**27,825**	**165**	**-**	**45,807**
Depreciation expenses	**1,075**	**-**	**-**	**-**	**1,075**
Tangible and intangible investments	**14,219**	**20,974**	**281**	**455**	**35,929**
Non-current assets	182,384	432,602	22,523	85,405	722,914
Current assets	164,141	81,113	386,045	188,665	819,964
Total assets	**352,031**	**516,256**	**408,568**	**274,070**	**1,550,925**
Non-current liabilities	7,590	15,740	857	235,697	259,884
Current liabilities	286,932	177,784	251,054	88,426	804,196
Total liabilities excluding shareholders' equity	**294,522**	**193,524**	**251,911**	**324,123**	**1,064,080**

	2008/2009				
	Tourism				
(in thousands of euros)	Pierre & Vacances Tourisme Europe	Center Parcs Europe	Property development	Unassigned	Total
Business turnover	552,788	612,223	305,423	-	1,470,434
Turnover between business groups	-16,033	-1,010	-2,070	-	-19,113
External turnover	**536,755**	**611,213**	**303,353**	**-**	**1,451,321**
Current operating result	**1,970**	**39,901**	**22,325**	**-**	**64,196**
Other operating expenses and earnings	642	-1,765	-93	-	-1,216
Operating Result	**2,612**	**38,136**	**22,232**	**-**	**62,980**
Amortisation expenses	**18,371**	**28,338**	**310**	**-**	**47,019**
Depreciation expenses	**-**	**-**	**-**	**-**	**0**
Tangible and intangible investments	**39,738**	**39,239**	**969**	**2,062**	**82,008**
Non-current assets	223,335	449,138	23,579	80,947	776,999
Current assets	169,248	65,810	369,690	132,261	737,009
Total assets	**392,583**	**514,948**	**393,269**	**213,208**	**1,514,008**
Non-current liabilities	8,225	16,204	381	183,185	207,995
Current liabilities	272,580	171,238	275,018	96,224	815,060
Total liabilities excluding shareholders' equity	**280,805**	**187,442**	**275,399**	**279,409**	**1,023,055**

Analysis of main balance sheet items

NOTE 4 GOODWILL

(in thousands of euros)	30/09/2010	30/09/2009
Gross values	179,024	174,674
Accumulated impairment	-22,689	-22,689
NET VALUES	**156,335**	**151,985**

Goodwill was automatically depreciation-tested on 30 September 2010 according to the procedures described in Notes 1.11 and 6. The tests carried out did not reveal the need to report depreciation for 2009/2010. The same applied on 30 September 2009.

The changes in the net balance of goodwill for 2009/2010 are analysed as follows:

(in thousands of euros)	
Net values at 30 September 2009	**151,985**
Increase in gross value and impact of additions to the scope	4,462
Disposals	-
Impairments	-
Reclassification and other changes	-112
NET VALUES AT 30 SEPTEMBER 2010	**156,335**

The change in the gross value of goodwill for 2009/2010 was mainly associated with the acquisition of the two tourism residences of Arc 1950 and Flaine Montsoleil (cf. Note 2.1 "Scope of consolidation").

Net values at the year-end

(in thousands of euros)	30/09/2010	30/09/2009
Center Parcs Europe	63,344	63,344
Pierre & Vacances Tourisme Europe	73,364	69,014
Pierre & Vacances Promotion Immobilière	1,463	1,463
Pierre & Vacances Développement España	336	336
Les Senioriales	17,828	17,828
TOTAL NET VALUE	**156,335**	**151,985**

The plan to reorganise the group, with the aim of combining Pierre & Vacances Tourisme Europe and Center Parcs Europe, has not yet had any impact on the assignment of goodwill.

NOTE 5 INTANGIBLE FIXED ASSETS

(in thousands of euros)	Brands	Other intangible fixed assets	Total intangible fixed assets
At 30 September 2009			
Gross values	105,877	74,105	179,982
Accumulated amortisation and depreciation	-1,508	-26,547	-28,055
Net values	**104,369**	**47,558**	**151,927**
Changes			
Acquisitions	-	504	504
Disposals and write-offs	-	-46,361	-46,361
Business combinations	-	-	0
Amortisation	-	-1,605	-1,605
Impairment	-	-982	-982
Writebacks of amortisation and impairment	-	7,831	7,831
Reclassifications	-	-2,728	-2,728
Total changes for the year	**0**	**-43,341**	**-43,341**
At 30 September 2010			
Gross values	105,877	25,525	131,402
Accumulated amortisation and depreciation	-1,508	-21,308	-22,816
NET VALUES	**104,369**	**4,217**	**108,586**

Intangible fixed assets at 30 September 2010 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, €100 thousand for the Adagio brand and €32 thousand for the Ecolidays brand.

  According to the method described in the reporting principles for intangible fixed assets (Note 1.12 "Intangible fixed assets"), an impairment test was carried out on 30 September 2010 for each of the brands on the balance sheet according to the procedures described in Note 6. This test did not lead to the recording of depreciation;
- **the "Other intangible fixed assets" item** of €4,217 thousand. The reduction in this item is the result of the disposal of some of the group's computer assets. As part of the IT solutions and hardware outsourcing, the group has disposed € 37,902 thousand net book value assets (including €33,903 thousand intangible assets).

Since this outsourcing solution implementation, IT investments are financed by the partner lease companies and are available to the group via lease agreements.

NOTE 6 DEPRECIATION 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 a depreciation 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 "Goodwill depreciation tests", and in the absence of a fair value less sale costs 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 future 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 tourism business plans are produced on a like-for-like basis, that is without increased capacity, even though the projects are already identified. 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.

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 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.

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

- for tourism:
  - the Pierre & Vacances Tourisme Europe CGU group which contains within the same operating department the operation of the residences and villages in Europe and mainly in France, Italy and Spain,
  - the Center Parcs Europe CGU group which contains the Center Parcs and Sunparks business through villages in the Netherlands, France, Germany and Belgium;
- 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.

	30/09/2010			30/09/2009		
(in thousands of euros)	Goodwill	Brand	Total	Goodwill	Brand	Total
Pierre & Vacances Tourisme Europe	73,364	10,954	84,318	69,014	10,954	79,968
Center Parcs Europe	63,344	91,375	154,719	63,344	91,375	154,719
Les Senioriales	17,828	2,040	19,868	17,828	2,040	19,868
Other CGU groups	1,799	-	1,799	1,799	-	1,799
TOTAL NET VALUES	**156,335**	**104,369**	**260,704**	**151,985**	**104,369**	**256,354**

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 Tourisme Europe	Center Parcs Europe
Perpetual growth rate	**1.5%**	**1.5%**
Discount rate used	**8.9%** (versus 9.2% on 30 September 2009)	**8.9%** (versus 9.2% on 30 September 2009)
Sensitivity of the recoverable value to the perpetual growth rate	A half-point increase and decrease in the perpetual growth rate have an impact of +6% and -5% respectively on the recoverable value	A half-point increase and decrease in the perpetual growth rate have an impact of +6% 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 have an impact of -13% and +17% respectively on the recoverable value	A one-point increase and decrease in the discount rate have an impact of -13% and +17% respectively on the recoverable value

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 Tourisme Europe and Center Parcs Europe.

NOTE 7 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
At 30 September 2009					
Gross values	17,295	206,205	244,085	167,809	635,394
Accumulated amortisation and depreciation	-947	-40,523	-99,916	-96,792	-238,178
Net values	**16,348**	**165,682**	**144,169**	**71,017**	**397,216**
Changes					
Acquisitions	461	2,508	25,175	7,281	35,425
Disposals and write-offs	-439	-2,972	-2,587	-18,699	-24,697
Business combinations	-	-	-	-	0
Amortisation	-	-6,393	-24,831	-12,985	-44,209
Impairment	-93	-	-	-	-93
Writebacks of amortisation and impairment	1	808	2,137	11,499	14,445
Reclassifications	49	45	408	-4,385	-3,883
Total changes for the year	**-21**	**-6,004**	**302**	**-17,289**	**-23,012**
At 30 September 2010					
Gross values	17,366	205,801	267,129	151,966	642,262
Accumulated amortisation and depreciation	-1,039	-46,123	-122,658	-98,238	-268,058
NET VALUES	**16,327**	**159,678**	**144,471**	**53,728**	**374,204**

The tangible fixed assets, with a net book value of €374,204 thousand at 30 September 2010, essentially include the assets:

- **of the Center Parcs Europe division** with a net value of €277,161 thousand mainly consisting of furniture and general fittings needed for operating the villages.

  The main changes for the year arise from:

  - investment of €20,974 thousand for improving the product mix of all the Center Parcs villages, including €7,780 thousand for the Dutch villages, €5,789 thousand for the French villages, €4,715 thousand for the Belgian villages and €2,616 thousand for the German villages,
  - amortisation over the period of €26,403 thousand;

- **of the Pierre & Vacances Tourisme Europe division** with a net value of €90,912 thousand. It mainly comprises general services, fittings and equipment needed for operating the sites.

  During the course of the year, the operating companies invested €12,083 thousand. These investments related partly to the new sites being run (repurchase of the residences Intrawest Arc 1950 and Flaine Montsoleil, opening of Adagio sites).

  The operating companies also sold the Latitudes hotels in Val d'Isère, Arc 1800 and Les Menuires, the gross net value of which was €8,283 thousand. These sold assets were the subject of an amortisation writeback of €2,857 thousand;

- **of the Spain division** for a net value of €3,395 thousand, the €1,633 thousand increase in which in 2009/2010 was associated with investments made in the Manilva site now being run.

Finance lease contracts:

At 30 September 2010, the net value of tangible fixed assets includes a total of €146,426 thousand for the restatement of the fixed assets held under lease financing agreements, compared with €154,572 thousand at 30 September 2009.

The corresponding residual long-term debt stood at €123,542 thousand at 30 September 2010 compared with €126,338 thousand at 30 September 2009 (see Note 21 "Financial Debts").

At 30 September 2010, the item "finance lease contracts" includes, in particular:

- the central facilities of the Domaine Center Parcs du Lac d'Ailette village for €140,309 thousand; the corresponding long-term debt is €114,566 thousand;
- the overhaul of the stock of televisions in the residences operated by Pierre & Vacances Tourisme Europe for €5,977 thousand.

NOTE 8 COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

(in thousands of euros)	30/09/2010	30/09/2009
Société de développement de résidences Touristiques	-11	5
TOTAL	**-11**	**5**

As part of its development in Morocco, the Pierre & Vacances - Center Parcs Group created, over the course of 2008/2009, a tourism company in partnership with the company Madaef (a subsidiary of Caisse de Dépôt de Gestion du Maroc).

NOTE 9 OTHER NON-CURRENT FINANCIAL ASSETS

(in thousands of euros)	Related receivables	Loans and other financial assets	Total financial assets
At 30 September 2009			
Gross values	14	27,956	27,970
Accumulated depreciation	-	-324	-324
Net values	**14**	**27,632**	**27,646**
Changes			
Changes in scope	-	-	0
Reclassification	-	2	2
Acquisitions	-	1,987	1,987
Disposals	-	-3,750	-3,750
Impairment	-	-	0
Provisions	-	-	0
Impairment writebacks	-	-	0
Impairment writebacks	-	-	0
Total changes for the year	**0**	**-1,761**	**-1,761**
At 30 September 2010			
Gross values	14	26,195	26,209
Accumulated depreciation	-	-324	-324
NET VALUES	**14**	**25,871**	**25,885**

"Loans and other financial assets", representing a net book value of €25,871 thousand at 30 September 2010 mainly consist of:

- guarantee deposits in the amount of €23,020 thousand paid to property owners/lessors and suppliers. These deposits mainly concern the Pierre & Vacances Tourisme Europe division (€5,842 thousand) and the Center Parcs Europe division (€16,749 thousand). The latter sum relates to deposits of three months' rent paid to the owners, including €9,780 thousand relating to the seven villages sold in 2002/2003 and €6,891 thousand relating to the villages of Les Hauts de Bruyères and Les Bois Francs;
- loans of €488 thousand granted under the "Ownership & Holidays" scheme. These loans bear interest at a fixed rate (from 5.12% to 5.80% depending on the loan) and will be repaid in October 2011 and September 2013.

NOTE 10 FINANCIAL ASSETS HELD FOR SALE

(in thousands of euros)	Financial assets held for sale
At 30 September 2009	
Gross values	9,295
Accumulated depreciation	-
Net values	**9,295**
Changes	
Changes in scope	-
Reclassification	-
Acquisitions	-
Disposals	-7,596
Impairment	-
Impairment writebacks	-
Total changes for the year	**-7,596**
At 30 September 2010	
Gross values	1,699
Accumulated depreciation	-
NET VALUES	**1,699**

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 Sunaquaparks Oostduinkerke NV was sold in September 2010, thus following the existing purchase option protocol, to the company Foncière des Murs.

At 30 September 2010, the 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
Gran Dorado Zandvoort BV	10.00%	827	2,626	934
Gran Dorado Port Zélande BV	10.00%	661	7,952	837
Medebach Park BV	10.00%	64	6,847	883
Other shares	-	147	-	-
TOTAL		**1,699**	**-**	**-**

"Shares in non-consolidated companies" mainly correspond to 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 "Shares in non-consolidated companies" are shares in a range of companies in which the percentage holding (less than 20%) is insufficient to be consolidated in the Pierre & Vacances - Center Parcs Group.

NOTE 11 INVENTORIES AND WORK IN PROGRESS

(in thousands of euros)	30/09/2010	30/09/2009
Work in progress	76,566	77,578
Finished products	67,312	50,153
Gross property development programmes	**143,878**	**127,731**
Provisions	-2,839	-3,989
Net property development programmes	**141,039**	**123,742**
Other inventories	9,330	11,126
TOTAL	**150,369**	**134,868**

The increase reported during the year in the net balance of inventories and work in progress (€15,501 thousand) mainly reflects the change in the contribution of the property development programmes (€17,297 thousand). The breakdown of the contribution of each of the property development programmes to the gross value of the inventories is shown in Note 12.

NOTE 12 CONTRIBUTION OF PROPERTY DEVELOPMENT PROGRAMMES TO THE GROSS VALUE OF INVENTORIES

(in thousands of euros)	30/09/2009	Increases	Reductions	30/09/2010
Manilva	21,981	10,675	-1,750	30,906
Roybon	11,101	12,290	-	23,391
Bois des Harcholins	12,859	65,807	-67,845	10,821
Avoriaz	12,365	18,842	-22,180	9,027
Les Senioriales – Jonquières	3,998	6,662	-5,561	5,099
Calarossa	4,419	-	-156	4,263
Danestal (Extension Branville)	3,386	456	-129	3,713
Bois Francs Cottages	847	3,703	-929	3,621
Plagne Gémeaux	-	8,709	-5,157	3,552
Hauts de Bruyères Cottages	372	3,273	-370	3,275
Center Parcs – Allgäu	-	3,218	-	3,218
Le Christiana	-	6,808	-3,757	3,051
Les Senioriales – Ruoms	4,875	1,688	-3,566	2,997
Les Senioriales – Paradou	2,905	4,313	-4,298	2,920
Les Senioriales – Lombez	1,603	4,138	-3,114	2,627
Presqu'île de la Touques	634	1,584	-	2,218
Les Senioriales en Ville – Luce	-	1,723	-	1,723
Les Senioriales – Montagnac	-	2,162	-456	1,706
Le Hameau de Pont Royal	575	16,154	-15,031	1,698
Center Parcs – Bostalsee	-	1,650	-	1,650
Les Senioriales – Soulac	170	2,436	-1,023	1,583
Les Senioriales – Gonfaron	200	2,031	-761	1,470
Les Senioriales en Ville – Agde	-	1,307	-	1,307
Les Senioriales – Equemauville	121	2,658	-1,684	1,095
Courseulles sur Mer	-	1,000	-	1,000

(in thousands of euros)	30/09/2009	Increases	Reductions	30/09/2010
Les Senioriales – Côte d'Azur	5,825	-	-4,837	988
Tréboul	74	889	-	963
Chamonix	856	55	-	911
Le Pouliguen Hôtel	3,227	-	-2,329	898
Les Senioriales – Bergerac	2,377	-	-1,594	783
Les Villages Nature de Val d'Europe	543	187	-	730
St Cast Le Guildo	-	726	-	726
Les Senioriales – Rambouillet	-	673	-	673
Paris Bastille	14,194	-	-13,533	661
Bourgenay	705	-	-143	562
Belle Dune Village	-	540	-	540
Lacanau	-	377	-	377
Plagne Lauze	-	375	-	375
Les Senioriales – Salles sur Mer	2,526	1,430	-3,773	183
Les Senioriales – Cevennes	3,089	-	-2,924	165
Neuilly La Défense	2,866	-	-2,866	0
Cap d'Agde Rochelongue	1,165	-	-1,165	0
Other property development programmes	7,873	13,696	-15,157	6,412
PROPERTY DEVELOPMENT SUB-TOTAL	**127,731**	**202,235**	**-186,088**	**143,878**

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

- increases for the year arising essentially from:
  - the off-plan acquisition of 63 houses and 52 apartments in Pont Royal for €15,500 thousand, the aim being to resell them under the Pierre & Vacances sales scheme with attached lease,
  - the repurchase from the joint venture partner, following an agreement, of 116 apartments in the Manilva residence in Spain for €8,918 thousand,
  - acquisitions of the land and buildings of residences 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. During 2009/2010, these acquisitions related to 2 residences, Les Gémeaux in La Plagne for €4,100 thousand and Le Christiana in La Tania for €4,000 thousand,
  - acquisitions of land for new construction programmes totalling €10,045 thousand. This amount relates, in particular, to the Avoriaz (€1,333 thousand) and Nantes (€1,500 thousand) programmes, and the land acquired under the Les Senioriales programmes for €6,828 thousand,
  - work done during the year on the new build or refurbishment programmes thus creating an increase in gross inventory of €159,672 thousand.

    The main programmes concerned are Domaine Center Parcs du Bois des Harcholins (€65,807 thousand), Avoriaz (€17,509 thousand), Domaine Center Parcs – Roybon (€12,290 thousand), Les Senioriales – Jonquières (€6,662 thousand), Plagne Gémeaux (€4,609 thousand), Les Senioriales – Paradou (€4,313 thousand), Les Senioriales – Lombez (€4,138 thousand), Bois Francs Cottages (€3,703 thousand), Domaine Center Parcs – Allgäu (€3,218 thousand) and Le Christiana (€2,808 thousand);
- reductions relating to reporting on the percentage progress method of income from new build or refurbishment programmes totalling €186,088 thousand. These reductions are found in the following programmes in particular: Domaine Center Parcs du Bois des Harcholins (€-67,845 thousand), Avoriaz (€-22,180 thousand), Le Hameau de Pont Royal (€-15,031 thousand), Paris Bastille (€-13,533 thousand), Les Senioriales – Jonquières (€-5,561 thousand), Plagne Gémeaux (€-5,157 thousand), Les Senioriales – Côte d'Azur (€-4,837 thousand), Les Senioriales – Paradou (€-4,298 thousand), Les Senioriales – Salles sur Mer (€-3,773 thousand) and Le Christiana (€-3,757 thousand).

NOTE 13 TRADE RECEIVABLES AND RELATED ACCOUNTS

(in thousands of euros)	30/09/2010	30/09/2009
Property development	152,384	165,461
Tourism	90,299	80,050
Services	4,945	997
Gross trade receivables	**247,628**	**246,508**
Property development	-1,451	-764
Tourism	-6,269	-7,193
Services	-81	-33
Provisions	**-7,801**	**-7,990**
TOTAL	**239,827**	**238,518**

At 30 September 2010, the net value of **"Trade receivables and related accounts"** increased by €1,309 thousand. This change is the result of contrasting changes between the Property Development and Tourism businesses.

The reduction in the net value of trade receivables for the property development business (€13,764 thousand) is the result of earnings made on programmes carried out in 2009/2010, such as Domaine Center Parcs du Bois des Harcholins. This reduction is partially offset by capital fund campaigns to be carried out on sale agreements signed at the notary's office during the period and relating to programmes not yet carried out at 30 September 2010, in particular the Avoriaz programme.

The €11,173 thousand increase in the net value of trade receivables in respect of the Tourism business is mainly associated with the Center Parcs Europe division (extension of the De Eemhof site, opening of the 4th Center Parcs France Domaine des Trois Forêts, subcontracting of catering to Albron) and with the development of the Pierre & Vacances Tourisme Europe business in Spain (€3,985 thousand).

NOTE 14 OTHER CURRENT ASSETS

14.1 - Other current assets

(in thousands of euros)	30/09/2010	30/09/2009
Advances and downpayments	4,255	9,323
Statements – taxes	108,359	106,772
Other receivables	53,607	50,319
Gross values	**166,221**	**166,414**
Provisions	-1,842	-727
Other net debtors	**164,379**	**165,687**
Marketing fees and publicity – Tourism	1,023	406
Marketing fees and publicity – Property Development	33,990	21,874
Rent	24,197	25,053
Sundry prepayments	14,162	12,010
Prepayments	**73,372**	**59,343**
TOTAL	**237,751**	**225,030**

The €12,721 thousand increase in **"Other current assets"** is mainly associated with the property development business. This increase is the result of marketing fees reported on programmes being marketed but not yet delivered at 30 September 2010, in particular Avoriaz, on which work began in May 2010.

14.2 - Current financial assets

(in thousands of euros)	30/09/2010	30/09/2009
Current accounts	7,955	10,498
"Ownership & Holidays" loans	16,496	12,702
	24,451	**23,200**

NOTE 15 CASH AND CASH EQUIVALENTS

(in thousands of euros)	30/09/2010	30/09/2009
Cash	65,260	58,351
Cash equivalents	102,306	57,042
TOTAL	**167,566**	**115,393**

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

(in thousands of euros)	30/09/2010 Fair value	30/09/2009 Fair value
Money market funds	102,255	56,991
Deposits	51	51
TOTAL	**102,306**	**57,042**

NOTE 16 ASSETS HELD FOR SALE

(in thousands of euros)	Assets held for sale
At 30 September 2009	**0**
Changes	
Changes in scope	-
Reclassification	4,376
Acquisitions	3,671
Disposals	-
Impairment	-
Impairment writebacks	-
Total changes for the year	**8,047**
AT 30 SEPTEMBER 2010	**8,047**

This item relates solely to computer assets held for sale under the group IT solutions and material outsourcing contract.

NOTE 17 NOTES ON THE CASH FLOW STATEMENT

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

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

(in thousands of euros)	2009/2010	2008/2009
Acquisitions		
Goodwill of Intrawest	-4,462	-
SAS Serana	-	13
Goodwill of Cap Esterel restaurant	-	-230
Goodwill of Le Croisic	-	-81
Subtotal of acquisitions	**-4,462**	**-298**
Disposals		
Goodwill of Latitudes Arc 1,800	383	-
Goodwill of Latitudes Les Ménuires	433	-
Goodwill of Latitudes Val d'Isère	2,500	-
SAS Adagio exploitation 1	-	1,557
Sub-total of disposals	**3,316**	**1,557**
TOTAL	**-1,146**	**1,259**

- **Net cash assigned to the acquisition and disposal of goodwill generated a requirement of €1,146 thousand for 2009/2010.** The transactions are detailed in Note 2.1 "Main changes in the scope of consolidation";
- **Net cash assigned to the acquisition and disposal of subsidiaries and goodwill generated a surplus of €1,259 thousand for 2008/2009.** The transactions are detailed in Note 2.1 "Main changes in the scope of consolidation".

17.2 - Net cash flow

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

(In thousands of euros)	30/09/2010	30/09/2009
Cash and cash equivalents	167,566	115,393
Credit bank balances	-11,528	-3,284
NET CASH FLOW	**156,038**	**112,109**

NOTE 18 GROUP SHAREHOLDERS' EQUITY

Capital and additional paid-in capital

During 2009/2010, Pierre & Vacances SA increased its capital by issuing new shares through personnel exercising their options to subscribe for shares allocated by the Board on 20 March 2000:

Date	Number of shares	Strike price (in euros)	Shares allocated by the Board on:
3 February 2010	225	47.00	20 March 2000
12 March 2010	750	47.00	20 March 2000
15 March 2010	1,000	47.00	20 March 2000
TOTAL	**1,975**		

The corresponding capital increases (additional paid-in capital included) generated an increase of €93 thousand in attributable shareholders' equity.

Share capital at 30 September 2010 was €88,215,510 and was divided into 8,821,551 fully paid-up ordinary shares with a par value of €10 each. During the period ending 30 September 2010, the weighted average number of ordinary shares in circulation stood at 8,695,357.

Potential capital

The analysis of the potential capital and its movements during 2009/2010 and 2008/2009 are detailed in the table below:

	2009/2010	2008/2009
Number of shares at 1 October	**8,819,576**	**8,810,911**
Number of shares issued during the year (prorata temporis)		
Pierre & Vacances share subscription options exercised	1,102	6,282
Pierre & Vacances shares held by Pierre & Vacances SA and deducted from consolidated shareholders' equity	-125,321	-132,571
Weighted average number of shares	**8,695,357**	**8,684,622**
Dilutive effect		
Pierre & Vacances share subscription and purchase options	2,544	556
Free allocation of Pierre & Vacances shares	89,927	86,362
Diluted weighted average number of shares	**8,787,828**	**8,771,540**

Acquisitions of own shares

During 2009/2010, the Pierre & Vacances - Center Parcs Group sold 11,004 of its own shares for a total of €674 thousand recorded as a credit to the treasury stock reserve. At 30 September 2010, the group held 124,789 of its own shares for a total value of €8,779 thousand.

Dividends

Dividends paid

The Combined General Meeting of 18 February 2010 decided to distribute a dividend of €1.50 per share, which is a total of €13,045 thousand.

Proposed distribution of dividends

At the Combined General Meeting of 3 March 2011, a dividend of €0.70 per share will be proposed, that is a total of €6,175 thousand.

NOTE 19 NON-CONTROLLING INTERESTS

(in thousands of euros)	2009/2010	2008/2009
Non-controlling interests at 1 October	**6**	**3**
Change in scope	2	3
Dividends paid/Appropriation of income	-	-
Income for the year	-1	-
NON-CONTROLLING INTERESTS AT 30 SEPTEMBER	**7**	**6**

NOTE 20 PROVISIONS

(in thousands of euros)	30/09/2009	Allocations	Writebacks used	Writebacks not used	Reclass.	30/09/2010
Refurbishment	22,108	5,843	-6,973	-1,547	27	19,458
Pension commitments and related benefits	11,976	1,466	-1,174	-	3	12,271
Provisions for disputes	2,418	695	-642	-194	4	2,281
Other provisions	10,504	1,491	-2,268	-6,955	-34	2,737
TOTAL	**47,006**	**9,495**	**-110,579**	**-8,697**	**0**	**36,747**
Non-current portion	*26,361*					*26,203*
Current portion	*20,645*					*10,544*

(in thousands of euros)	30/09/2010	30/09/2009
Refurbishment	14,907	15,907
Pension commitments and related benefits	9,904	9,783
Provisions for disputes	330	-
Provisions for restructuring	300	-
Other provisions	762	671
Non-current provisions	**26,203**	**26,361**
Refurbishment	4,551	6,201
Pension commitments and related benefits	2,367	2,193
Provisions for disputes	1,951	2,418
Provisions for restructuring	639	799
Other provisions	1,036	9,034
Current provisions	**10,544**	**20,645**
TOTAL	**36,747**	**47,006**

The net €10,259 thousand reduction in provisions is mainly down to:

- a net writeback of €2,650 thousand in provisions for refurbishment, including €1,874 thousand in the Center Parcs Europe division and €776 thousand in the Pierre & Vacances Tourisme Europe division.

These provisions are calculated on the basis of projected costs for the refurbishment work under the contractual obligations to maintain leased residences and villages;

- a net writeback of €7,767 thousand on miscellaneous contingencies of the Pierre & Vacances Tourisme Europe division.

Provision for disputes

Outstanding disputes at 30 September 2010 for which the group will probably or certainly have to pay out to a third party without at least equivalent compensation amounted to €2,281 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 at 30 September 2009	**1,316**	**321**	**781**	**2,418**
New disputes	-	506	189	695
Writebacks for expenditure for the period	-101	-250	-291	-642
Writebacks not used	-	-70	-124	-194
Reclassification	4	-	-	4
BALANCE OF PROVISIONS AT 30 SEPTEMBER 2010	**1,219**	**507**	**555**	**2,281**

Provisions for restructuring

Provisions for restructuring are included under "Other provisions" and are broken down as follows:

(in thousands of euros)	2009/2010	2008/2009
Balance of provisions at 30 September 2009	**799**	**3,635**
New restructuring operations	942	799
Writebacks for expenditure for the period	-1,128	-2,879
Writebacks not used	-	-756
Reclassification	326	-
BALANCE OF PROVISIONS AT 30 SEPTEMBER 2010	**939**	**799**

Changes in restructuring provisions are linked to the introduction of the group organization transformation plan.

Provision for pension commitments and related benefits

Provisions for pension commitments and related benefits, 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 and do not take into account recent changes in French legislation:

	30/09/2010		30/09/2009	
	France	Netherlands	France	Netherlands
Discount rate	3.75%	3.75%	5.25%	5.25%
Expected rate of return on assets	NA	3.80%	NA	5.00%
Rate of salary increase	2.00%	3.00%	2.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%	2.00%

The assumptions for expected long-term return on assets and discount rates used for estimating the group's obligations have been defined on the basis of recommendations from independent experts.

The discount rate is determined by reference to a market rate based on category one European company obligations (Iboxx €).

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

	30/09/2010			30/09/2009		
(in thousands of euros)	Pension schemes	Other benefits	Total	Pension schemes	Other benefits	Total
Discounted value of the financed obligation	67,664	4,380	72,044	51,611	3,892	55,503
Fair value of the scheme assets	55,057	-	55,057	45,742	-	45,742
Net value of the obligation	**12,607**	**4,380**	**16,987**	**5,869**	**3,892**	**9,761**
Actuarial profits (losses) not reported	-4,716	-	-4,716	2,215	-	2,215
NET BALANCE SHEET LIABILITY	**7,891**	**4,380**	**12,271**	**8,084**	**3,892**	**11,976**

The change in pension commitments is as follows:

	FY 2009/2010			FY 2008/2009		
(in thousands of euros)	Pension schemes	Other benefits	Total	Pension schemes	Other benefits	Total
Actuarial debt at 30 September 2009	**8,084**	**3,892**	**11,976**	**8,513**	**3,085**	**11,598**
Cost of services rendered	913	377	1,290	913	257	1,170
Net interest charges	2,634	286	2,920	2,756	391	3,147
Return on scheme assets	-2,293	-	-2,293	-2,228	-	-2,228
Contributions and benefits paid	-911	-257	-1,168	-1,450	-279	-1,729
Actuarial differences reported	-86	469	383	-420	438	18
Services cancelled	-458	-387	-845	-	-	0
Cost of past services	8	-	8	-	-	0
Change in scope	-	-	0	-	-	0
ACTUARIAL DEBT AT 30 SEPTEMBER 2010	**7,891**	**4,380**	**12,271**	**8,084**	**3,892**	**11,976**

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

(in thousands of euros)	2009/2010	2008/2009
Fair value of investments at 30 September 2009	**45,742**	**42,409**
Expected return on scheme assets	2,293	2,228
Employer contributions received	644	990
Contributions received from scheme members	870	783
Benefits paid and expenses for the period	-1,652	-1,469
Estimated value of investments at 30 September	**47,897**	**44,941**
Fair value of investments at 30 September 2010	**55,057**	**45,742**
Actuarial difference	7,160	801
EFFECTIVE RETURN ON SCHEME ASSETS DURING THE PERIOD	**9,453**	**3,029**

Sensitivity study

Sensitivity of the effective return on scheme assets during the period is as follows: a 0.5 point increase in the expected rate of return on assets would increase the effective return on scheme assets by €229 thousand. Conversely, a 0.5 point fall in the expected rate of return on assets would reduce the effective return on scheme assets during the year by €229 thousand.

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

(in thousands of euros)	30/09/2010	30/09/2009
Cash	7	-448
Shares	404	8,802
Fixed rate investments	1,997	38,250
Insurance	52,137	-
Debts	512	-862
FAIR VALUE	**55,057**	**45,742**

NOTE 21 FINANCIAL DEBTS

Breakdown by type and business sector

(in thousands of euros)	30/09/2010	30/09/2009
Long-term financial debts		
Bank borrowings	87,984	28,725
Tourism	*87,984*	*27,750*
Property development	*-*	*975*
Bridging loans	4,625	7,278
Property development	*4,625*	*7,278*
Lease financing contracts	119,688	122,675
Tourism	*119,688*	*122,675*
Other financial debts	2,532	2,428
Tourism	*1,379*	*1,277*
Property development	*1,153*	*1,151*
Long-term portion sub-total	**214,829**	**161,106**
of which Tourism	*209,051*	*151,702*
of which Property development	*5,778*	*9,404*
Short-term financial debts		
Bank borrowings	22,530	20,872
Tourism	*19,641*	*17,636*
Property development	*2,889*	*3,236*
Bridging loans	6,742	23,007
Property development	*6,742*	*23,007*
Lease financing contracts	3,854	3,663
Tourism	*3,854*	*3,663*
Other financial debts	99	485
Tourism	*50*	*422*
Property development	*49*	*63*
Credit bank balances	11,528	3,284
Tourism	*11,178*	*3,071*
Property development	*350*	*213*
Short-term portion sub-total	44,753	51,311
of which Tourism	*34,723*	*24,792*
of which Property development	*10,030*	*26,519*
TOTAL	**259,582**	**212,417**
of which Tourism	*243,774*	*176,494*
of which Property development	*15,808*	*35,923*

Bank borrowings and bridging loans at 30 September 2010 are essentially as follows:

Tourism business

- the principal still owed (€100,000 thousand) on the “Corporate” loan, for the part intended to finance growth transactions outside the group, which was refinanced on 28 June 2010.

  As part of this refinancing, the maturity date of the debt has been extended by five years with a final maturity set for 28 June 2015. The provisional plan for amortising this debt over the five years is by the straight-line method and corresponds to an annual repayment of €20,000 thousand.

  The refinancing of this debt also includes a new confirmed credit line of €100 million replacing that of €90 million;
- the principal of a loan of €9,000 thousand, intended to finance the group’s general requirements and repayable in full on 31 December 2011.

Property development business

- the bridging loans totalling €11,367 thousand put in place for property development of Les Senioriales, including:
  - €3,946 thousand to finance Les Senioriales – Paradou,
  - €2,240 thousand for the financing of the construction of Les Senioriales – Equemauville,
  - €1,910 thousand as part of the financing of Les Senioriales – Jonquières;
- the outstanding principal of the loan to finance the “Nouvelle Propriété” debt acquired mainly as part of the purchase of Résidences MGM (€975 thousand after taking account of the €1,373 thousand repayment for the period).

During 2009/2010, the capital still owing from financing put in place as part of the Paris Bastille and the various Les Senioriales property development programmes was repaid (€8,955 thousand and €9,336 thousand respectively).

The Pierre & Vacances - Center Parcs Group also has 4 confirmed credit lines which are broken down as follows:

- €5 million maturing in April 2011;
- €12 million maturing in September 2011;
- €5 million maturing in October 2012;
- €10 million.

At 30 September 2010, €4,055 thousand of a credit line was used.

The financial debts corresponding to restatement of finance lease contracts are broken down as follows:

(in thousands of euros)	30/09/2010	30/09/2009
Domaine du Lac d’Ailette village	114,566(*)	116,036
PVMTE	8,934(**)	10,020
Sunparks	42(***)	205
Center Parcs Europe	–(****)	77
TOTAL	**123,542**	**126,338**

(*) The underlying net asset (€140,309 thousand at 30 September 2010) is recorded in tangible fixed assets.
(**) The underlying net asset (€5,977 thousand at 30 September 2010) is recorded in tangible fixed assets.
(***) The underlying net asset (€55 thousand at 30 September 2010) is recorded in tangible fixed assets.
(****) The underlying net asset (€85 thousand at 30 September 2010) is recorded in tangible fixed assets.

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

Breakdown by maturity

The change in maturity of gross financial debts is broken down as follows:

Maturities	Balance *(in thousands of euros)* at 30/09/2010	30/09/2009
Year N+ 1	44,753	51,311
Year N+ 2	36,779	30,061
Year N+ 3	23,852	13,382
Year N+ 4	23,399	3,922
Year N+ 5	22,742	5,173
Year > N+ 5	108,057(*)	108,568
TOTAL	**259,582**	**212,417**

(*) Including €105,525 thousand for the lease financing contracts.

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 2010 are those that relate to the restatement of the lease financing contracts. The nominal value of financial debts relating to the restatement of the lease financing contracts and taken out at a fixed rate is €114,608 thousand. The majority of these loans carry interest at 6.02%.

Date taken out	Maturity date	Principal outstanding at 30/09/2010 *(in millions of euros)*	Lender rate
Finance lease contracts			
21/09/2005	31/12/2038	114.6	6.02%(*)
01/09/2006	01/08/2011	0.0	7.24%
TOTAL		**114.6**	

(*) The lease financing contract for the Center Parcs Europe Domaine du Lac d'Ailette village was at 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. At 30 September 2010, the repayment value including interest flows was €243.0 million.

Variable rate loans

The nominal amount of bank loans, bridging loans and lease financing contracts taken out at a variable rate is €128,176 thousand with a rate, depending on the loans, varying between Eonia and 12-month Euribor + margin.

To manage the risk associated with interest rate fluctuations on variable rate loans, the Pierre & Vacances - Center Parcs Group has set up interest rate swap contracts (the features of which are described in Note 23 "Hedging instruments").

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

Bank loans, bridging loans and finance lease contracts				Hedging			
Date taken out	Maturity date	Principal outstanding at 30/09/2010 *(in millions of euros)*	Lender rate	Instrument type	Notional at 30/09/2010 *(in millions of euros)*	Maturity date	Rate details
Bank borrowings							
17/09/2003	30/09/2011	1.0	6-month Euribor + margin	None			
18/11/2009	31/12/2011	9.0	3-month Euribor + margin	None			
28/06/2010	28/06/2015	97.9	1 to 6-month Euribor + margin	*Swap*	0.0 (1)	28/12/2013	Rate received: 6-month Euribor Rate paid: fixed: 1.7425%
				Swap	0.0 (1)	28/12/2013	Rate received: 6-month Euribor Rate paid: fixed: 1.7325%
Sub-total		**107.9**			**0.0**		
Bridging loans							
10/06/2008	30/11/2010	0.9	T4M + margin	None			
09/12/2008	09/12/2010	1.9	3-month Euribor + margin	None			
29/05/2009	30/06/2011	4.0	T4M + margin	None			
21/01/2010	30/06/2012	0.9	3-month Euribor + margin	None			
12/04/2010	08/01/2012	2.2	1-month Euribor + margin	None			
26/07/2010	26/01/2012	1.5	1-month Euribor	None			
Sub-total		**11.4**			**0.0**		
Finance lease contracts							
01/07/2007	30/06/2016	8.9	12-month Euribor + margin	None			
Sub-total		**8.9**			**0.0**		
TOTAL		**128.2**			**0.0**		

(1) Swap contracts entered into on 7 July 2010, but starting on 28 December 2010.

Guarantees

(in thousands of euros)	30/09/2010	30/09/2009
Guarantees	187,121	257,144
Mortgages	-	-
TOTAL	**187,121**	**257,144**

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

- a first-call guarantee of €185,211 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 of €1,910 thousand granted for the bridging loan for the Les Senioriales – Jonquières property development programme.

Following the refinancing of the "Corporate" loan during the period, the first-call guarantee granted by Pierre & Vacances SA to the banks was lifted. This guarantee corresponded to 1.1 times the amount of the outstanding principal of the Center Parcs Europe loan.

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

	Balance *(in thousands of euros)* at	
Maturities	30/09/2010	30/09/2009
Year N+ 1	4,436	41,094
Year N+ 2	2,690	25,512
Year N+ 3	2,849	10,544
Year N+ 4	3,026	2,849
Year N+ 5	3,213	3,026
Year > N+ 5	170,907	174,119
TOTAL	**187,121**	**257,144**

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	30/09/2010 Book value(*)	30/09/2009 Book value(*)
Assets			
Non-current financial assets		27,584	36,941
Financial assets held for sale	Assets available for sale at fair value by shareholders' equity	1,699	9,295
Related receivables	Loans and receivables at amortised cost	14	14
Loans and other financial assets	Loans and receivables at amortised cost	25,871	27,632
Trade receivables and related accounts	Loans and receivables at amortised cost	239,827	238,518
Other current assets(**)	Loans and receivables at amortised cost	51,765	49,592
Current financial assets	Loans and receivables at amortised cost	24,451	23,200
Cash and cash equivalents	Financial assets at fair value by income(***)	167,566	115,393
Asset derivatives	See Note 23 "Hedging instruments"	-	-
Liabilities			
Financial debts (including the proportion at less than one year)		248,054	209,133
Bank borrowings	Financial liabilities at amortised cost	110,514	49,597
Lease financing contracts	Financial liabilities at amortised cost	123,542	126,338
Other financial debts	Financial liabilities at amortised cost	13,998	33,198
Trade payables and related accounts	Financial liabilities at amortised cost	258,271	278,733
Other current liabilities(**)	Financial liabilities at amortised cost	160,875	135,663
Financial instruments	Financial liabilities at fair value	-	363
Credit bank balances	Financial liabilities at amortised cost	11,528	3,284
Other current financial liabilities	Financial liabilities at amortised cost	25,366	32,852
Liability derivatives	See Note 23 "Hedging instruments"	223	530

(*) The fair values of financial assets do not differ significantly from book values.
(**) Other current assets and liabilities are restated from items not considered to be "financial instruments" within the meaning of IAS 39, that is to say downpayments paid and received, receivables from and payables to the state and prepayments and deferred income.
(***) Valuation is carried out on the basis of the value in the regulated market.

NOTE 23 HEDGING INSTRUMENTS

The derivatives contracted by the Pierre & Vacances - Center Parcs Group at 30 September 2010 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 financial debt 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 2010, the notional amounts and market values of the swap contracts taken out to cover variable rate loans are as follows:

Rate received	Rate paid	Notional at 30/09/2010 *(in thousands of euros)*	Market value of hedging contracts *(in thousands of euros)*	Start date	Maturity date
6-month Euribor	1.7425%	0(1)	-118	28 Dec. 2010	28 Dec. 2013
6-month Euribor	1.7325%	0(2)	-105	28 Dec. 2010	28 Dec. 2013
TOTAL		**0**	**-223**		

The market value of the hedging instruments is €-223 thousand at 30 September 2010, compared with €-530 thousand at 30 September 2009.

(1) Notional changing according to the following repayment schedule:

Rate received	Rate paid	Notional *(in thousands of euros)*	Start date	Maturity date
6-month Euribor	1.7425%	45,000	28 Dec. 2010	28 June 2011
6-month Euribor	1.7425%	40,000	28 June 2011	28 Dec. 2011
6-month Euribor	1.7425%	35,000	28 Dec. 2011	28 June 2012
6-month Euribor	1.7425%	30,000	28 June 2012	28 Dec. 2012
6-month Euribor	1.7425%	25,000	28 Dec. 2012	28 June 2013
6-month Euribor	1.7425%	20,000	28 June 2013	28 Dec. 2013

(2) Notional changing according to the following repayment schedule:

Rate received	Rate paid	Notional *(in thousands of euros)*	Start date	Maturity date
6-month Euribor	1.7325%	45,000	28 Dec. 2010	28 June 2011
6-month Euribor	1.7325%	40,000	28 June 2011	28 Dec. 2011
6-month Euribor	1.7325%	35,000	28 Dec. 2011	28 June 2012
6-month Euribor	1.7325%	30,000	28 June 2012	28 Dec. 2012
6-month Euribor	1.7325%	25,000	28 Dec. 2012	28 June 2013
6-month Euribor	1.7325%	20,000	28 June 2013	28 Dec. 2013

NOTE 24 MARKET RISKS

Cash flow management

Cash flow is managed centrally by the specialist staff of the Pierre & Vacances - Center Parcs 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 "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 - Center Parcs considers that it is not exposed to a concentration of credit risk. Since Pierre & Vacances - Center Parcs Group Management wants to be able to lay its hands at any moment 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 significant 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.

Capital risk

The group capital management objective is to ensure the operation continuity, the shareholders capital profitability, and the partners relationship reliability and to maintain an optimal capital structure in order to limit the cost of committed funds.

To maintain or adjust the committed funds structure, the group can subscribe new debt or repay the existing, adjust the dividend amount paid to shareholders, make a capital repayment to shareholders, issue new shares, redeem existing shares or dispose assets in order to reduce debt.

The group communicates on its debt ratio (net debt/shareholders' equity), capital control indicator.

Given the fact that the group doesn't aim to own the residences and villages that develops and operates, its activity is not capital intensive. The capital risk is therefore limited to the Pierre & Vacances - Center Parcs Group.

Liquidity risk

At 30 September 2010, the Pierre & Vacances - Center Parcs Group's net cash flow stood at €156,038 thousand. This is gross cash flow (€167,566 thousand) less bank overdrafts (€11,528 thousand).

The group also has 4 confirmed credit lines and one confirmed credit line connected with the "Corporate" loan. At 30 September 2010, €4,055 thousand of one of these credit lines was used.

The group has no liquidity risk.

The schedule for assets and liabilities associated with financing at 30 September 2010 is broken down as follows:

		Maturities		
(in thousands of euros)	30/09/2010	<1 year	1 to 5 years	>5 years
Bank borrowings	110,514	22,530	87,984	-
Lease financing contracts	123,542	3,854	14,163	105,525
Other financial debts	13,998	6,841	4,625	2,532
Financial debts (including the proportion at less than one year)	**248,054**	**33,225**	**106,772**	**108,057**
Associated interest flows	141,096	12,036	34,532	94,528
Borrowings	**389,150**	**45,261**	**141,304**	**202,585**
Credit bank balances	11,528	11,528	-	-
Liability derivatives	223	223	-	-
Financial debts	**400,901**	**57,012**	**141,304**	**202,585**
Cash equivalents	102,306	102,306	-	-
Cash	65,260	65,260	-	-
Gross cash flow	**167,566**	**167,566**	**0**	**0**

None of the Pierre & Vacances - Center Parcs Group's bank loans are based on its debt rating. Contracts governing the "Corporate" loan, and the credit lines, contain standard clauses referring to the consolidated financial situation of the 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"* and "cross default".

Following the refinancing of the "Corporate" loan in June 2010, only one ratio is now monitored compared with two previously:

- Adjusted net financial debts/EBITDAR (adjusted net financial debts = net financial debts of the group, plus rental commitments over the coming 5 years, discounted at 6.0%). This ratio has to remain less than or equal to 4.25.

The €9,000 thousand loan, repayable in full, also has to meet this ratio.

One of the credit lines has to meet the following ratios:

- adjusted net financial debts/EBITDAR[1]. This ratio has to be less than or equal to 4.25;
- EBITDAR/debt service[2] + rent. This ratio has to be above 1.

These covenants are calculated contractually just once a year, at 30 September.

The Pierre & Vacances Center Parcs Group fully complied with these ratios as of 30 September 2010.

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 hedging derivatives such as interest rate swaps. The Pierre & Vacances - Center Parcs Group's financial income thus has little sensitivity to interest rate changes. Only bridging loans backing property transactions are generally not hedged against expected interest rate changes due to their usually limited duration.

At 30 September 2010, the schedule for financial assets and debts is broken down as follows:

		Maturities		
(in thousands of euros)	30/09/2010	<1 year	1 to 5 years	>5 years
Fixed-rate borrowings	114,608	1,716	7,438	105,454
Variable-rate borrowings	128,176	28,771	99,334	71
Accrued interest not due	2,639	2,639	-	-
Financial liabilities	**245,423**	**33,126**	**106,772**	**105,525**
Fixed-rate loans	15,957	2,010	3,884	10,063
Variable-rate loans	2,612	1,242	1,370	-
Variable-rate cash equivalents	102,306	102,306	-	-
Financial assets	**120,875**	**105,558**	**5,254**	**10,063**
NET POSITION	**124,548**	**-72,432**	**101,518**	**95,462**

The variable rate net position after management on 30 September 2010 is as follows:

(in thousands of euros)	30/09/2010
Borrowings	128,176
Loans	2,612
Cash equivalents	102,306
Net position before management	**23,258**
Hedging	0[1]
NET POSITION AFTER MANAGEMENT	**23,258**

(1) Swap contracts entered into on 7 July 2010, but starting on 28 December 2010.

A 1% increase or decreese in short-term rates would have a €-0.2 million and €+0.2 million effect on financial income for 2010/2011 respectively, compared with €-14.2 million of financial income for 2009/2010.

Exchange rate risk

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

(1) Designates EBITDA increased by annual rents.

(2) Designates the series of payments of net financial expenses and principal required on debt over a given period of time (excluding obligatory or voluntary anticipated repayments), excluding property credit depreciation related to property development current business.

NOTE 25 TRADE PAYABLES AND RELATED ACCOUNTS

(in thousands of euros)	30/09/2010	30/09/2009
Tourism	173,978	188,641
Property development	75,717	83,508
Services	8,576	6,584
TOTAL	**258,271**	**278,733**

"Trade payables and related accounts" show a €20,462 thousand reduction associated, in particular, with:

- the group's property development business (€7,791 thousand). This reduction is the result of programmes delivered during 2009/2010 (€14,335 thousand associated with the Domaine Center Parcs du Bois des Harcholins programme), offset by property development programmes in the process of development or refurbishment as of 30 September 2010 (Avoriaz, Pont Royal, etc.);
- the tourism business (€14,663 thousand). This reduction is mainly attributable to the Pierre & Vacances Tourisme Europe division.

NOTE 26 OTHER CURRENT LIABILITIES

26.1 - Other current liabilities

(in thousands of euros)	30/09/2010	30/09/2009
Downpayments from customers	72,301	64,191
VAT and other taxes payable	75,137	60,421
Wages and social security commitments	71,117	75,060
Payables on acquisition of assets	122	219
Other payables	89,636	61,277
Other operating liabilities	**308,313**	**261,168**
Property sales and support funds	144,688	165,397
Other deferred income	12,038	4,061
Deferred income	**156,726**	**169,458**
TOTAL	**465,039**	**430,626**

The main changes in "Other current liabilities" relate to:

- the increase in "Downpayments received from customers" of €8,110 thousand which is the result of advance payments made by the customers of the tourism business when reserving their holidays;
- the increase in "VAT and other taxes payable" of €14,716 thousand generated by programmes in the process of development, mainly Avoriaz (€10,697 thousand);
- "Other payables", the €28,359 thousand increase in which is essentially the result of the Center Parcs Europe division (€14,712 thousand) and the Pierre & Vacances Tourisme Europe division (€17,056 thousand); this valuation is related to the in progress renovation work and to in credit co-ownership management accounts;
- the reduction in deferred income on property sales (€20,709 thousand) is due mainly to deliveries made during 2009/2010 on inventories for which the deed of sale had been signed in the presence of a notary on 30 September 2009 (Domaine Center Parcs du Bois des Harcholins). Sales agreed at the notary's office relating to programmes in the process of marketing and refurbishment, but not yet delivered (Avoriaz programmes) reduce this effect.

26.2 - Current financial liabilities

(in thousands of euros)	30/09/2010	30/09/2009
Current accounts	25,366	32,852
Hedging instruments	223	893
TOTAL	**25,589**	**33,745**

Breakdown of the main profit and loss items

NOTE 27 PURCHASES AND EXTERNAL SERVICES

(in thousands of euros)	2009/2010	2008/2009
Cost of goods sold in tourism	-74,853	- 84,907
Cost of inventories sold in property development	-140,444	-184,687
Owner leases and other co-ownership expenses	-406,621	-363,514
Subcontracted services (laundry, catering, cleaning)	-30,320	-31,702
Advertising and fees	-162,324	-123,445
Other	-152,784	-172,134
TOTAL	**-967,346**	**-960,389**

The group's expense for 2009/2010 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 €325.3 million (€198.9 million for those marketed under the Pierre & Vacances Tourisme Europe brands; €126.4 million for the Center Parcs Europe villages). This charge was €301.6 million in 2008/2009.

NOTE 28 PERSONNEL EXPENSES

(in thousands of euros)	2009/2010	2008/2009
Salaries and remunerations	-269,432	-270,258
Social security expenses	-80,664	-76,675
Cost of defined-contribution and defined-benefit schemes	336	542
Option plan expenses	-834	-2,727
TOTAL	**-350,594**	**-349,117**

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 *(in thousands of euros)*	Type(*)	Number of options at the start	Rights acquisition period	Expenses relating to option plans 2009/2010	2008/2009
26/09/2005	OAA	28,000	4 years	-	-112
26/09/2005	OSA	1,000	4 years	-	-6
21/07/2006	OAA	16,500	4 years	-51	-52
09/01/2007	OAA	46,875	4 years	-353	-254
09/01/2007	AGA	16,010	2 years	-	-342
09/01/2007	AGA	11,035	2 years	-	-51
08/01/2008	OAA	38,375	4 years	-237	-191
08/01/2008	AGA	13,010	2 years	-230	-468
12/01/2009	AGA	84,135	2 years	-336	-1,115
12/01/2009	OSA	5,000	4 years	-59	-13
12/02/2009	AGA	6,575	2 years	-185	-85
12/02/2009	AGA	3,325	2 years	-	-38
TOTAL				**-1,451**	**-2,727**

(*) OSA: option to subscribe for shares.
OAA: option to purchase shares.
AGA: free allocation of 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.

It is reported as €834 thousand under personnel expenses and as €617 thousand under additional restructuring costs.

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

	Share value on grant date *(in euros)*	Strike price *(in euros)*	Volatility	Option period	Time to maturity used	Risk-free rate	Dividend yield rate	Probability of beneficiaries leaving	Option value on grant date *(in euros)*
Plan 26/09/2005	€65.40	€59.89	39.03%	10 years	5 years	2.71%	2.30%	3%	€22.57
Plan 21/07/2006	€87.25	€80.12	37.67%	10 years	5 years	3.73%	2.30%	3%	€30.59
Plan 09/01/2007	€93.40	€87.40	25.22%	10 years	5 years	4.06%	2.30%	3%	€24.04
Plan 09/01/2007	€93.40	€0.00	25.22%	4 years	2 years	4.04%	2.89%	3%	€89.39
Plan 09/01/2007	€93.40	€0.00	25.22%	4 years	2 years	4.04%	2.89%	3%	€89.39
Plan 08/01/2008	€84.67	€86.10	30.79%	4 years	5 years	4.03%	2.30%	10%	€22.17
Plan 08/01/2008	€84.67	€0.00	30.79%	2 years	2 years	3.93%	2.89%	10%	€79.91
Plan 12/01/2009	€43.20	€0.00	39.28%	2 years	2 years	4.25%	2.93%	3%	€38.58
Plan 12/01/2009	€43.20	€0.00	39.28%	2 years	2 years	4.25%	2.93%	3%	€40.77
Plan 12/01/2009	€43.20	€39.35	39.28%	4 years	5 years	3.97%	2.32%	0%	€14.29
Plan 12/02/2009	€43.65	€0.00	39.28%	2 years	2 years	4.25%	2.93%	0%	€41.20
Plan 12/02/2009	€43.65	€0.00	39.28%	2 years	2 years	4.25%	2.93%	3%	€41.20

NOTE 29 AMORTISATION AND PROVISIONS

(in thousands of euros)	2009/2010	2008/2009
Amortisation	-45,807	-47,019
Provisions	-2,838	-15,821
TOTAL	**-48,645**	**-62,840**

Net provisions of €2,838 thousand for 2009/2010 include provisions of €12,381 thousand and writebacks of unused provisions of €9,543 thousand.

NOTE 30 OTHER CURRENT OPERATING ITEMS

(in thousands of euros)	2009/2010	2008/2009
Taxes	-14,517	-2,766
Other operating expenses	-27,599	-21,994
Other operating earnings	8,436	9,981
TOTAL	**-33,680**	**-14,779**

"Other current operating expenses and earnings" mainly include taxes, such as remuneration taxes (learning tax, training tax), land tax; other operation earnings such as subsidies, insurance reimbursements, and other operating expenses such as headquarter costs, sites opening costs (Center Parcs Domaine du Bois of Harcholins).

NOTE 31 OTHER OPERATING EXPENSES AND EARNINGS

(in thousands of euros)	2009/2010	2008/2009
Income from disposals	-2,076	1,395
Restructuring costs	-17,208	-2,568
Provisions for restructuring	186	-43
Depreciation of non-current assets	-1,075	-
TOTAL	**-20,173**	**-1,216**

"Other operating expenses and earnings" for 2009/2010 mainly include:

- restructuring costs net of provisions for restructuring, relating to the plan to reorganise the group, starting in 2007/2008, of €17,117 thousand;
- the surplus on the sale of the 3 Latitudes hotels of €2,246 thousand (cf. Note 2.1 "Scope of consolidation");
- an expense of €4,368 thousand associated with writing off certain computer assets.

"Other operating expenses and earnings" for 2008/2009 mainly included:

- the balancing cash adjustment of €1,450 thousand on contributions to the Adagio joint venture (cf. Note 2.1 "Scope of consolidation");
- €2,568 thousand in restructuring costs net of writeback for provisions relating to the continuation of the plan to reorganise the group introduced in 2007/2008.

NOTE 32 FINANCIAL INCOME

(in thousands of euros)	2009/2010	2008/2009
Cost of gross financial debt	-14,304	-17,126
Earnings from cash and cash equivalents	1,066	2,766
Cost of net financial debt	**-13,238**	**-14,360**
Income on loans	1,453	1,874
Other financial income	480	1,076
Other financial expenses	-2,883	-1,555
Other financial income and expenses	**-950**	**1,395**
TOTAL	**-14,188**	**-12,965**
Total financial expenses	*-17,187*	*-18,680*
Total financial income	*2,999*	*5,715*

Financial income for 2009/2010 mainly includes the costs relating to the lease financing contract for the central facilities of the Domaine du Lac d'Ailette village (€7,566 thousand) and the costs of bank loans historically taken out by the group to finance its purchase of Center Parcs Europe and Gran Dorado and renegotiated during the FY 2009/2010 (€3,881 thousand).

NOTE 33 CORPORATE INCOME TAX AND DEFERRED TAXES

Breakdown of the tax charge

(in thousands of euros)	2009/2010	2008/2009
Consolidated income before tax and share of income of companies accounted for by the equity method	**-7,391**	**50,015**
Untaxed income:		
Impact of losses carried forward and other temporary differences not recognised or having been limited beforehand	38,907	9,768
Deficits activated on tax losses excluding income for the year	-14,060	-
Intra-group transactions having a tax impact	-66,972	-47,039
Other	-3,324	8,355
Income taxable at corporate tax rate applicable in France	**-52,840**	**21,099**
Tax rate in France	34.43%	34.43%
Theoretical tax charge at corporate tax rate applicable in France	**18,193**	**7,264**
Impact of changes in tax rate on deferred taxes	413	566
Differences on tax rates abroad	-313	-79
CVAE	-3,611	-
GROUP TAX CHARGE	**14,682**	**7,751**
of which corporate income tax	-4,366	870
of which deferred taxes	19,048	6,881

Tax deficits for the period not activated owing to their unlikely recovery relate to French tax consolidation group and foreign entities, essentially in Spain and Italy.

Furthermore, the group recognized a €14,060 thousand deferred tax asset on losses carried forward. These deferred tax assets relate Belgian and German entities.

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 Center Parcs Group closely with its legal and tax advisers do not anticipate any financial risk relating to this notification. This issue, which is under discussion between the Pierre & Vacances - Center Parcs Group and the tax authorities, should not have any financial impact on the group.

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)	30/09/2009	Reclassification	Change by income	Changes recorded as shareholders' equity	30/09/2010
France	-1,466	-	2,860	-	1,394
Netherlands	-23,204	-	-2,339	-78	-25,621
Belgium	-663	-	1,603	-	940
Germany	549	-	-173	-	376
Spain	-238	-	214	-	-24
Italy	165	-	24	-	189
Deferred taxes on temporary differences	**-24,857**	**0**	**2,189**	**-78**	**-22,746**
France	38,092	-	11,756	-	49,848
Netherlands	2,676	-	1,284	-	3,960
Belgium	1,436	-	2,599	-	4,035
Germany	802	-	1,317	-	2,119
Spain	245	-	-97	-	148
Italy	0	-		-	0
Deferred taxes on losses carried forward	**43,251**	**0**	**16,859**	**0**	**60,110**
TOTAL	**18,394**	**0**	**19,048**	**-78**	**37,364**
of which deferred tax assets	38,925				56,216
of which deferred tax liabilities	-20,528				18,852

At 30 September 2010, deferred tax on losses carried forward was €10,114 thousand for the Center Parcs Europe subgroup.

The non admitted deferred tax on losses carried forward amounts to €89,855 thousand. It relates the French tax consolidation group for €70,565 thousand.

NOTE 34 EARNINGS PER SHARE

Average number of shares

	2009/2010	2008/2009
Number of shares issued at 1 October	8,819,576	8,810,911
Number of shares issued during the period	1,975	8,665
Number of shares issued at 30 September	**8,821,551**	**8,819,576**
Weighted average number of shares	8,695,357	8,684,622
Weighted average number of shares after dilution	8,787,828	8,771,540

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

Number of free shares (AGAs), share subscription options (OSAs) and purchase options (OAAs) awarded by the Board of Directors:	Type	Strike price *(in euros)*	2009/2010	2008/2009
on 18/12/1998 and still valid	OSA	15.24	-	-
on 20/03/2000 and still valid	OSA	47.00	148	-
on 20/06/2000 and still valid	OSA	59.99	-	-
on 13/11/2000 and still valid	OSA	60.20	-	-
on 13/07/2001 and still valid	OSA	61.56	-	-
on 11/04/2003 and still valid	OSA	44.00	986	5,000
on 03/11/2003 and still valid	OSA	63.83	-	-
on 07/09/2004 and still valid	OSA	66.09	-	-
on 26/09/2005 and still valid	OSA	59.89	-	-
on 26/09/2005 and still valid	OAA	59.89	-	-
on 21/07/2006 and still valid	OAA	80.12	-	-
on 09/01/2007 and still valid	OAA	87.40	-	-
on 09/01/2007 and still valid	AGA	0.00	-	4,403
on 09/01/2007 and still valid	AGA	0.00	-	2,383
on 08/01/2008 and still valid	AGA	0.00	3,542	13,010
on 08/01/2008 and still valid	OAA	86.10	-	-
on 12/01/2009 and still valid	OAA	39.35	1,410	3,583
on 12/01/2009 and still valid	AGA	0.00	76,857	60,297
on 12/02/2009 and still valid	AGA	0.00	2,953	2,106
on 12/02/2009 and still valid	AGA	0.00	6,575	4,164
			92,471	**94,946**

Earnings per share

	2009/2010	2008/2009
Net attributable income *(in thousands of euros)*	7,275	42,264
Weighted net attributable income per share *(in euros)*	0.84	4.87
Weighted net attributable income per share after dilution *(in euros)*	0.83	4.82

Other information

NOTE 35 HEADCOUNT

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

	2009/2010	2008/2009
Executives	1,147	947
Supervisory staff and employees	7,774	8,449
TOTAL	**8,921**	**9,396**

NOTE 36 OFF BALANCE SHEET COMMITMENTS

The security provided by the group to guarantee its bank loans and reciprocal commitments are detailed respectively in Note 21 "Financial debts" and Note 23 "Hedging instruments". They are therefore not included in the table below:

	Maturities				
(in thousands of euros)	<1 year	1 to 5 years	>5 years	30/09/2010	30/09/2009
Guarantees	12,617	5,709	2,777	21,103	10,957
Rental commitments	311,577	1,077,948	879,898	2,269,423	2,206,096
Commitments given	**324,194**	**1,083,657**	**882,675**	**2,290,526**	**2,217,053**
Guarantees	525	-	35,584	36,109	32,206
Completion guarantees	29,175	-	-	29,175	114,614
Commitments received	**29,700**	**0**	**35,584**	**65,284**	**146,820**

Commitments given

- At 30 September 2010, guarantees mainly comprised:
  - a rent payment guarantee issued by Pierre & Vacances SA following the sale of certain computer assets of Center Parcs Europe (€8,613 thousand);
  - the deferred payment property guarantee granted by the SNC of Hameau de Pont Royal to Nexity following the purchase of a tourism residence off-plan (€4,569 thousand);
  - first-call guarantees issued by Pierre & Vacances SA to the company Eurosic, owner of the buildings of the Center Parcs villages of Hauts de Bruyères and Bois Francs. These guarantees of €2,817 thousand were granted under the unilateral undertakings of sale that have to be concluded between Eurosic and the SNCs Hauts de Bruyères Cottages and Bois Francs Cottages relating to the acquisition by the SNCs of 213 and 173 cottages respectively. The latter will be refurbished then sold to individual investors using the Pierre & Vacances sales scheme with attached lease. These guarantees have since been lifted following the final sale on 9 October 2010;
  - the counter-guarantee of €1,200 thousand issued by Pierre & Vacances SA to Unicredit Bank Austria AG, for Uniqua, owner of the buildings of an urban residence in Vienna, Austria run by New City Aparthotels Betriebs GmbH;
  - 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 €1,092 thousand taking account of the lease assignments granted to the group for the receipt of these receivables.
- Over the course of 2009/2010, some of the guarantees given by the Pierre & Vacances - Center Parcs Group were extinguished. They mainly concerned:
  - guarantees given by Pierre & Vacances SA to contractors carrying out construction work at Domaine Center Parcs du Bois des Harcholins for €3,117 thousand;

- the liability guarantee given as part of the sale of the Cefalù residence of €1,600 thousand;
- the guarantee given by Pierre & Vacances Tourisme Europe SA on behalf of Pierre & Vacances Italie Srl for €448 thousand for a VAT loan repayment.

- When the land and buildings of the residences, hotels and villages operated by the Pierre & Vacances - Center Parcs Group's tourism companies are sold, a lease is signed with the new owners. At 30 September 2010, the rent remaining to be paid by the group over the residual term of these leases amounted to €2,269 million. The present value of these rental commitments, discounted at a rate of 6.0%, is €1,723 million, €1,181 million having a maturity of between 1 and 5 years.

The breakdown of rental commitments by division and maturity date as at 30 September 2010 is as follows:

		Maturities					
(in thousands of euros)	30/09/2010	<N+1	N+2	N+3	N+4	N+5	>N+5
Pierre & Vacances Tourisme Europe	992,312	172,008	159,253	142,777	124,154	104,850	289,270
Center Parcs Europe	1,277,111	139,569	143,246	143,664	131,738	128,266	590,628
TOTAL	**2,269,423**	**311,577**	**302,499**	**286,441**	**255,892**	**233,116**	**879,898**

The main features of the land and buildings lease agreements for the residences, hotels and villages for Pierre & Vacances Tourisme 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 include a fixed lease payment. In certain cases, they can include, in addition to the fixed part, a variable part which remains marginal. These leases are subject to indexation clauses corresponding in France to the rent reference index, and in Italy and Spain to the consumer prices index for the country.

The contracts to lease the land and buildings of the 22 villages operated under the Center Parcs Europe and Sunparks brands 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 rent reference index 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, 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 2023. This maturity was extended by 5 years following the signing of the refurbishment programme relating to 564 cottages totalling €14.5 million.

Commitments received

Guarantees correspond mainly:

- to commitments granted by banks to the property development and tourism companies. These commitments enable the latter to obtain the relevant licences to conduct their property management, business and property trading and travel agency activities so that they can carry out their regulated business. At 30 September 2010, these commitments amounted to €33,250 thousand;
- to guarantees granted by Accor to Pierre & Vacances SA under the running of urban residences in Austria and Switzerland (€817 thousand).

Completion guarantees are issued by banks with respect to property development transactions. At 30 September 2010, the changes in the completion guarantees are a result of:

- a total increase of €26,521 thousand for the delivery during the year of several new guarantees. The main programmes concerned are Les Senioriales – Montagnac (€8,436 thousand), Avoriaz Pierre & Vacances and Maeva (€6,721 thousand), Le Hameau de Pont Royal (€4,569 thousand) and Les Senioriales – Gonfaron (€3,143 thousand);
- a total fall of €-111,960 thousand arising from the expiry or resetting of several guarantees during the year relating mainly to Domaine Center Parcs du Bois des Harcholins (€-68,788 thousand), Avoriaz MGM (€-24,668 thousand), Les Senioriales – Ruoms (€-4,443 thousand), Les Senioriales – Lombez (€-4,315 thousand) and Les Senioriales – Paradou (€-3,636 thousand).

NOTE 37 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 2009/2010 were €145 thousand compared with €180 thousand in 2008/2009.

For the years ending 30 September 2010 and 30 September 2009, 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 - Center Parcs 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 Chairman, founder and majority shareholder of Pierre & Vacances SA) as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Sven Boinet, 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 - Center Parcs Group. Since these people are on the Group General Management Committee, their pay is included in the table below.

During the course of 2009/2010, the Executive Committee was replaced by a Group General Management Committee. This is made up of just 5 members compared to 9 before. In 2009/2010, all 5 members of the Group General Management Committee received total gross remuneration (including benefits in kind) of €2,512,893, including €1,889,240 for the fixed portion of remuneration and €413,090 for the variable portion (mainly bonuses payable for 2008/2009 paid in the first half of 2009/2010).

The table below shows the total gross remuneration paid to members of the Group General Management Committee during 2009/2010 and that paid to members of the Executive Committee during 2008/2009 (in euros):

	2009/2010	2008/2009
Fixed remuneration(1)	1,889,240	2,938,111
Variable remuneration(2)	413,090	935,142
Benefits after leaving office(3)	25,060	38,708
Remuneration in shares(4)	185,503	2,072,252
TOTAL	**2,512,893**	**5,984,213**

(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 and free shares.

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

NOTE 38 IDENTITY OF THE ULTIMATE HOLDING COMPANY

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

NOTE 39 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, Villages Nature Management, Montrouge Développement, Nuit & Jour Projections, Part House, entities of the Adagio Group, N.L.D., Nantes Russeil and SDRT Immo (a property development company owned by Pierre & Vacances Maroc);
- Société de Développement de Résidences Touristiques, 15% of which is owned by Pierre & Vacances Maroc and, as a result, 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)	2009/2010	2008/2009
Turnover	4,157	4,480
Purchases and external services	-15,774	-10,844
Current items	1,849	1,583
Financial income	513	1,343

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

(in thousands of euros)	30/09/2010	30/09/2009
Trade receivables and related accounts	3,532	4,459
Other current assets	24,664	24,375
Trade payables and related accounts	3,686	6,760
Other current liabilities	26,940	35,798

NOTE 40 INFORMATION RELATING TO JOINT VENTURE COMPANIES

The companies over which the group exercises joint control and which are consolidated by the proportional method are as follows at 30 September 2010:

- SA Citéa (50%);
- SCI Montrouge Développement (50%);
- SAS Les Villages Nature de Val d'Europe (50%);
- SARL Villages Nature Management;
- Part House Srl (55%);
- Nuit & Jour Projections SL (50%);
- entities of the Adagio Group (50%);
- SNC N.L.D. (50%);
- SA SDRT Immo (50%);
- SCCV Nantes Russeil (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)	30/09/2010	30/09/2009
Non-current assets	6,275	5,222
Current assets	12,945	30,879
TOTAL ASSETS	**19,220**	**36,101**
Non-current liabilities	1,087	169
Current liabilities	23,039	28,076
TOTAL LIABILITIES EXCLUDING SHAREHOLDERS' EQUITY	**24,126**	**28,245**

Information on the profit and loss account

(in thousands of euros)	2009/2010	2008/2009
Turnover	21,029	25,089
Current operating result	507	2,942
Net income	36	2,287

NOTE 41 SIGNIFICANT EVENTS SINCE THE END OF 2009/2010

On 8 October 2010, the group signed a general agreement with Eurosic, which owns the Center Parcs Domaine des Bois Francs (Normandy) and the Domaine des Hauts de Bruyères (Sologne), concerning:

- the acquisition of a portion of the cottages which was renovated during the FY 2010/2011 1st quarter and financed by the sale to individuals by Pierre & Vacances Conseil Immobilier;
- the signing of new 10-year leases concerning the central equipment and the cottages due to be renovated by Eurosic for a sum of €27 million.

The group organization transformation plan means, given firstly the Paris headquarter positioning as the only group head office and second the group wide functions pooling, the Rotterdam Center Parcs head office closing.

The 22 December 2010, the Pierre & Vacances- Center Parcs Group signed a draft agreement relates a new Center Parcs domaine construction, located in Bostalsee, in Germany. Its opening is scheduled for summer 2013.

The site will have 500 cottages and 12 000 m^2 covered equipment. German Public authorities will finance a part of facilities and will remain owners of these facilities.

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Exercice clos le 30 septembre 2010

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 30 September 2010, on:

- the audit of the accompanying consolidated financial statements of Pierre & Vacances;
- the justification of our assessments;
- the specific verification required by law.

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

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 September 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 1.2 to the consolidated financial statements regarding "Changes in the accounting reference documents" which set out the new standards adopted by your company from 1 October 2009, related to changes in the consolidated comprehensive income statement disclosure (IAS 1 revised) and the changes in group operating segments disclosure (IFRS 8).

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter(s):

Notes 1.11, 1.12, 1.14, 4, 5, 6 and 7 of the appended notes describe the methods of accounting for and valuing goodwill, tangible and intangible assets. As part of our assessment of the accounting principles and rules 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.

As indicated in Note 1.5 of the appended notes, some estimates are used in order to determine recoverable amount of the goodwill, the intangible assets, the deferred tax assets and in order to qualify lease contracts. Our procedures consisted in examining the reasonableness of the assumptions on which these estimates are based on and in reviewing the calculations made by your company.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, 10 January 2011

The Statutory Auditors

AACE ÎLE DE FRANCE	ERNST & YOUNG ET AUTRES
Patrick Ughetto	Marie-Henriette Joud

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II

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: 01 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

6420Z.

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. The same applies in the event of transfer as a result of a merger or demerger of a shareholding company.

Identifying shareholders (Article 7 of the by-laws)

The company may at any time, subject to the conditions laid down by regulations, ask the body responsible for clearing its shares to reveal the names, addresses and nationalities of holders of shares conferring an immediate or future right to vote at its General Meetings of Shareholders, together with the number of shares held by each such shareholder and any restrictions attached to these shares; at the company's request, the above information may be limited to shareholders holding a minimum number of shares set by the company.

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 by 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 département 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-Center Parcs Group, indirectly controlled by Gérard BREMOND through SCI SITI "R", holds 44.25% of Pierre & Vacances SA. The subgroup Pierre & Vacances constitutes the main asset of SA SITI 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 (SAEM de Morzine Avoriaz, Dramont Aménagement, etc.);
- companies involved in other business sectors (interests held through GB Développement: Cine-@, TSF Jazz, 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-Center Parcs Group company operating these two sites).

History of the Pierre & Vacances-Center Parcs Group

1967: Gérard Brémond launches a new tourist resort concept in Avoriaz.

1970 to 1997: The concept is implemented and expanded:

- application of property development and tourism know-how in other Alpine resorts and seaside locations;
- company acquisitions, site takeovers and tourism developments;
- launch, in 1979, of the *"Nouvelle Propriété"* formula enables private individuals to acquire full ownership of an apartment for a reduced investment owing to the deduction of VAT and the prepayment of rent.

1999 to 2003: The group carries out major external growth operations and its strength rises:

- 1999: acquisition of Orion Vacances (20 residences) – Flotation on the stock market;
- 2000: acquisition of the Dutch group Gran Dorado, the leading operator of holiday villages in short-stay rentals in the Netherlands;
- 2001: three major acquisitions:
  - 50% of Center Parcs Europe (10 villages: 5 in the Netherlands, 2 in France, 2 in Belgium and 1 in Germany),
  - 100% of the Maeva Group, the second largest operator of tourism residences in France (138 apartments and hotels),
  - rent management companies, companies operating mechanical lifts and property at the mountain resort of Valmorel;
- 2002: acquisition of Résidences MGM, a tourism company running luxury holiday residences (12 apartments);
- 2003: the Group becomes the sole shareholder of Center Parcs Europe.

2004 to 2005: With a leading presence in all segments of the holiday residence range, the group takes a further step in its ongoing growth:

- 2004: acquisition by Center Parcs Europe of the holiday village "Butjadinger Küste" in Tossens, Germany.

  Gestrim partnership: an agreement to develop together, within Citéa, the residence management business through 2-star city hotels;
- 2005: start of construction of the new Center Parcs, Domaine du Lac de l'Ailette village in France;

  Signing of a partnership agreement with WWF France to ensure a progressive environmental approach;

  Opening of Bonavista-Bonmont, located in Calalogne, the first residence built by the Pierre & Vacances-Center Parcs Group in Spain;

  The group carries out a major programme of income growth, mainly revolving around improving the performance of its tourism businesses and continues to develop and improve the quality of the tourist resort through property development.

2006: Launch of the fourth Center Parcs project in France (in Moselle – Lorraine).

2007: Pierre & Vacances and Accor join forces to develop a network of urban residences in Europe and to become leaders in this market under the Adagio City Aparthotel brand;

Acquisition of the Belgian group Sunparks, relating to the running and the real-estate assets of four 3/4-star villages similar to Center Parcs located on the Belgian coast in the Ardennes and the Campine;

Villages Nature project: a letter of intent is signed between the State, Euro Disney and Pierre & Vacances confirming the interest in and support for this innovative project by the State, in collaboration with local communities;

Acquisition of the property development company Les Senioriales, specialising in building residences aimed at active seniors;

Opening of the third Center Parcs in France (Domaine du Lac de l'Ailette village).

2008: Signing of a letter of intent to build a fifth French Center Parcs village in Isère in the commune of Roybon;

Opening of 6 residences under the Adagio City Aparthotels brand.

2009: Signing of a strategic partnership agreement with CDG (Caisse de Dépôt de Gestion du Maroc) for the development of tourism and property development projects in Morocco;

Acquisition of the tourism operations of Intrawest in the Alps (Arc 1950 and Flaine Montsoleil);

Sale of the goodwill of 3 Latitudes hotels (Val d'Isère, Arc 1800 and Les Ménuires).

2010: Opening of the fourth Center Parcs in France, in Moselle-Lorraine (Domaine des Trois Forêts village)

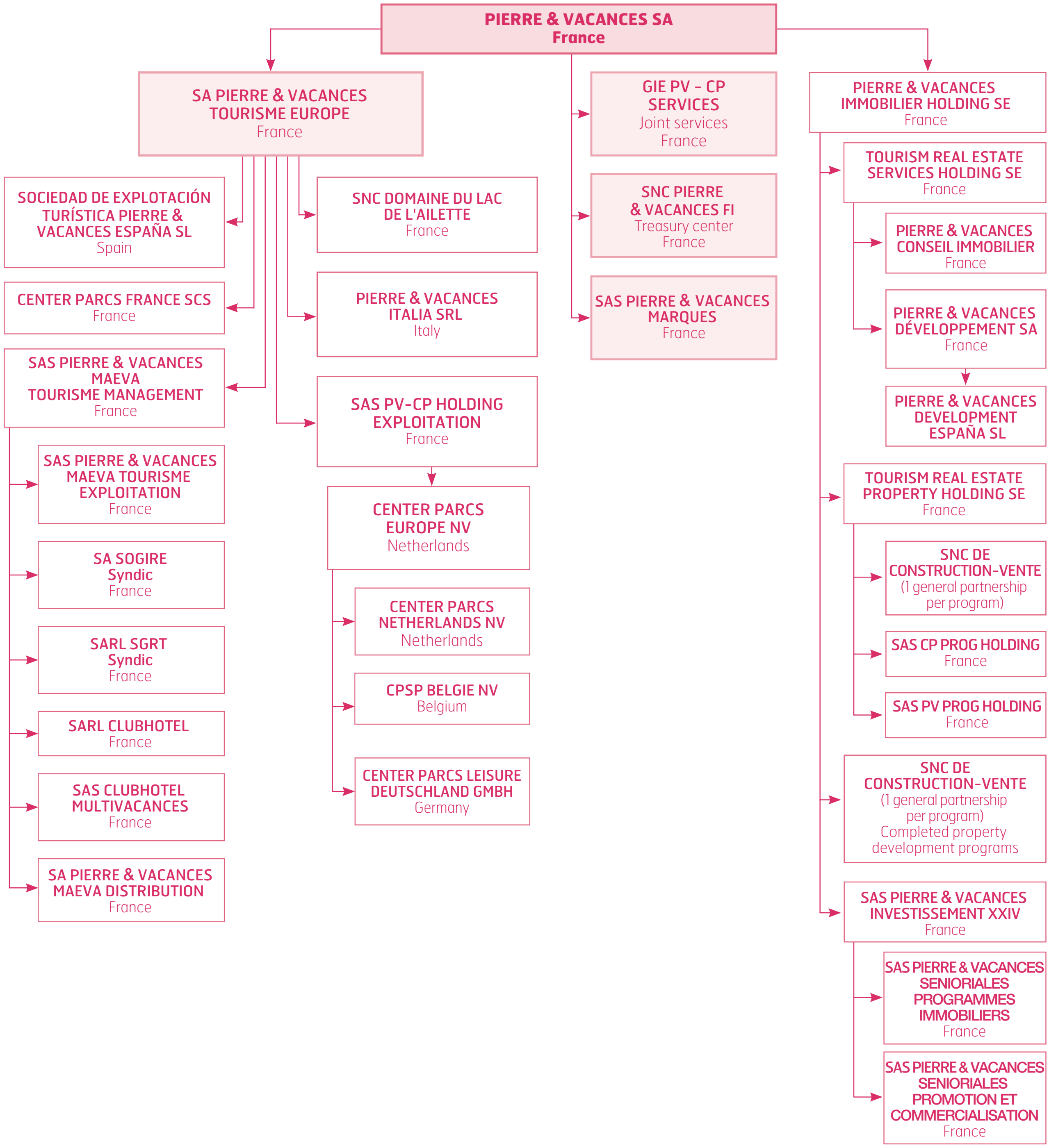
Announcement of the planned sixth Center Parcs in France, in Vienne.

Opening of 7 residences under the Adagio City Aparthotels brand.

Signing of the Villages Nature development agreement with the authorities.

The legal structure of Pierre & Vacances

Simplified legal organisation chart at 30 September 2010



The companies above are fully owned and 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 Artois head office, Paris 19th (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.

GIE PV-CP 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 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 operates 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 sub-group, which manages 10,700 holiday homes and apartments in the Netherlands, Germany 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 Germany Holding BV manages four villages in Germany through various subsidiaries,
  - CPSP België N.V. which, through various subsidiaries, markets and manages 6 villages in Belgium;
- Center Parcs France SCS, a subsidiary responsible for the management and marketing of the three French villages of Bois Francs, Hauts de Bruyères and Trois Forêts;
- SNC Domaine du Lac de l'Ailette, a subsidiary responsible for operating the Domaine du Lac de l'Ailette holiday village in France.

Pierre & Vacances Immobilier Holding SE controls:

- PV Sénioriales 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-Center Parcs 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 Développement SA (PVD)* which carries out the real estate prospecting and the delegated project management. PVD invoices project management fees to the construction-sales companies;
- the company *Tourism Real Estate Property Holding SE,* the programme sub-holding company that controls itself:
  - SAS CP Prog Holding,
  - SAS PV Prog Holding,
  - a number of construction-sale companies.

    The property development operations are in fact housed in dedicated construction-sales 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-Center Parcs 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-sales companies are transferred to Pierre & Vacances Immobilier Holding SE 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-sales 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. Finally, the construction-sales companies sometimes pay the rent on apartments sold to investors before the site is opened to the public.

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 development 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 development 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 – 2009/2010

	Tourism		Property development	Other	P&V SA	Total
(in thousands of euros)	Center Parcs Europe	Pierre & Vacances Europe		(including corporate departments)	(listed company)	Group
Fixed assets (including goodwill)	450,314	188,629	22,746	1,947	3,062	666,698
Gross financial debt	115,533	9,435	11,471	1,101	110,514	248,054
Cash on balance sheet	18,557	18,669	10,989	96,669	11,154	156,038
Dividends paid to PV SA for the year	12,696		1,968	4,551		19,215

Information on the capital

Share capital

As at 31 December 2010, the share capital stands at €88,215,510 divided into 8,821,551 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 done 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 31 December 2010, with double voting rights being granted on 3,930,340 shares, the total number of voting rights stands at 12,751,891 for 8,821,551 shares.

Capital increase following the exercise of options to subscribe for shares during the year

The Board Meeting of 26 May 2010 noted that three beneficiaries of the option plan to subscribe for shares authorised by the Extraordinary General Meeting of Shareholders of 17 March 2000 had exercised, on 3 February 2010, 12 March 2010 and 15 March 2010, 1,975 options to subscribe for shares allocated to them by the Board on 20 March 2000.

Consequently, the Board noted:

- the issue of 1,975 new shares with a par value of €10 each;
- the resulting capital increase, the company's share capital thus rising from €88,195,760 comprising 8,819,576 shares to €88,215,510 comprising 8,821,551 shares.

Table summarising currently valid authorisations granted to the Board of Directors concerning capital increases

The Extraordinary General Meetings of 12 February 2009 and 18 February 2010 granted the Board of Directors certain authorisations to increase the share capital with the option of sub-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 of Directors to increase the share capital is given below.

Extraordinary General Meeting of 18 February 2010

Resolution No.	Purpose	Duration
21	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 €44,000,000.	26 months
22	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 €44,000,000, this amount being applied to the general ceiling set by the 21st resolution.	26 months
23	Authorisation to increase capital, with cancellation of preferential subscription rights through private investment, and up to the par value of €44,000,000, this amount being applied to the general ceiling set by the 21st and 22nd resolutions.	26 months
24	Authorisation to fix the issue price of shares to be issued within the framework of the 22nd and 23rd resolutions, with cancellation of preferential subscription rights, up to 10% of the capital per year.	26 months
25	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. 10, which is subject to the approval of the general meeting of 3 March 2011, will supersede this authorisation.	26 months

Extraordinary General Meeting of 12 February 2009

Resolution No.	Purpose	Duration
15	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. 9, which is subject to the approval of the general meeting of 3 March 2011, will supersede this authorisation.	38 months
16	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 related thereto up to 3% of the share capital(2).	38 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 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 18 February 2010, 11,223 shares were bought as part of the AMAFI liquidity agreement at an average price of €53.60 during the year ending 30 September 2010.

Furthermore, during the year ending 30 September 2010, 14,087 shares were sold at an average price of €55.30 as part of the AMAFI agreement.

Using the authorisations granted by the General Meeting of 11 March 2004, and by the General Meeting of 10 March 2005, the Board of Directors, on 26 September 2005, instituted a Pierre & Vacances free share allocation 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 8 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 of Directors, 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 of Directors, 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 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 14 February 2008, the Board of Directors, on 12 January 2009, instituted a Pierre & Vacances share purchase option plan relating to 84,135 shares for the benefit of 54 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. So far, this plan relates to 75,476 shares, the Board of Directors meeting of 1 December 2009 having found that only some of the performance conditions had been met for the first half of the shares allocated on 12 January 2009.

Using the authorisations granted by the General Meeting of 14 February 2008, the Board of Directors, on 12 January 2009, instituted a Pierre & Vacances free share allocation plan relating to 5,000 shares for the benefit of a Group executive with a high level of responsibility. This plan related to 5,000 shares in treasury stock granted as purchase options to a beneficiary at €39.35 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. To date, 5,000 options are still valid.

Using the authorisations granted by the General Meeting of 12 February 2009, the Board of Directors, on 12 February 2009, instituted a Pierre & Vacances free share allocation plan relating to 3,325 shares for the benefit of two 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. So far, this plan relates to 2,879 shares, the Board of Directors meeting of 1 December 2009 having found that only some of the performance conditions had been met for the first half of the shares allocated on 12 February 2009.

Using the authorisations granted by the General Meeting of 12 February 2009, the Board of Directors, on 12 February 2009, instituted a Pierre & Vacances free share allocation plan relating to 6,575 shares for the benefit of a Group executive 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 2010, the company held 124,789 shares in treasury stock, of which 5,100 were part of the liquidity agreement and 119,689 were due to the buy-back programme.

The 119,689 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 Marchés Financiers* (AMAFI) approved by the *Autorité des Marchés Financiers* (France's financial markets regulator).

Since the authorisation given by the General Meeting of 18 February 2010 authorising a share buy-back programme expires on 18 August 2011, a new authorisation is being put to the General Meeting of 3 March 2011.

Change in share capital over the last five years

Start	Operations	Par value	Capital amount	Issue premium	Total share capital	Total number of shares
03/2006	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
06/2006	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
09/2006	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
01/2007	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
05/2007	Capital increase following the exercise of stock options 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
09/2007	Capital increase following the exercise of stock options on 06/06/2007 and 18/06/2007	€10	€42,500	€109,610	€88,109,110	8,810,911
01/2009	Capital increase following the final allocation of free shares noted by the Board meeting of 12 January 2009 and amended by the Board meeting of 12 February 2009	€10	€86,650	€-86,650	€88,195,760	8,819,576
05/2010	Capital increase following the exercise of stock options on 03/02/2010, 12/03/2010 and 15/03/2010	€10	€19,750	€ 73,075	€88,215,510	8,821,551

Change in share capital and voting rights during the last three years

	Situation at 30 September 2008			Situation at 30 September 2009			Situation at 30 September 2010		
Shareholders	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
SITI	4,423,548	50.21	66.66	4,423,548	50.16	66.62	3,903,548	44.25	61.22
Directors	95	-	-	3,615	0.04	0.03	6,605	0.07	0.05
Shares in treasury stock	151,884	1.72	1.15	135,793	1.54	1.02	124,789	1.41	0.97
Public	4,235,384	48.07	32.19	4,256,620	48.26	32.33	4,786,609	54.27	37.76
of which employees	*27,816*	*0.32*	*0.42*	*46,436*	*0.35*	*0.56*	*50,591*	*0.57*	
TOTAL	**8,810,911**	**100**	**100**	**8,819,576**	**100**	**100**	**8,821,551**	**100**	**100**

In its new wording, Article 222-12 of the General Rules of the AMF 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.

Declarations that a threshold has been exceeded

On 1 February 2010, SA SITI declared that, on 29 January 2010, it had fallen below the threshold of half of the capital.

On 2 February 2010, the Columbia Wanger Asset Management, L.P., acting on behalf of funds it manages, fell below the 5% company capital threshold and held, on behalf of the said funds, 426,244 Pierre & Vacances shares representing 4.83% of the capital and 3.34% of voting rights.

By letter of 15 September 2010, the company Financière de l'Échiquier declared that, on 13 September 2010, it had exceeded the threshold of 5% of the capital of the company and held 450,376 shares in Pierre & Vacances representing the same number of voting rights, that is to say 5.11% of the capital and 3.53% of the voting rights.

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 0.33% of the capital on 30 September 2010 (representing 29,926 shares).

Employee profit-sharing

A dispensatory Group employee profit-sharing agreement, covering the majority-controlled French entities, distributes the Group's special profit-sharing reserve (equalling the total special 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 €0 for 2009/2010.

For previous years, the amounts paid for Group profit-sharing were:

For 2008/2009	€500,000
For 2007/2008	€869,000
For 2006/2007	€18,687
For 2005/2006	€555,446

Policy of dividend payments over the past five years – the 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
2004/2005	8,723,020	€10	€1.50
2005/2006	8,706,207	€10	€2.50
2006/2007	8,712,863	€10	€2.70
2007/2008	8,683,682	€10	€2.70
2008/2009	8,696,887	€10	€1.50

(1) Number of shares eligible for dividends for the year.

Generally, dividends represent between 25 and 30% of the Group's net current attributable income. This policy may however be reviewed in line with the Group's financial situation and its expected financial requirements. Thus, 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.

At the General Meeting of 3 March 2011, a dividend of €0.70 per share will be proposed, that is a total distributed of €6.2 million.

Financial instrument pledges granted involving Pierre & Vacances SA shares

Name of shareholder recorded on the purely nominee account	Beneficiary	Start date	Maturity date	Number of shares pledged
SA SITI	CALYON	30 July 2007	30 July 2012	642,074 or 7.27% of the issuer's share capital

Ownership of capital and voting rights

On 31 December 2010, the estimated shareholder structure of Pierre & Vacances is as follows:

	Number of shares	% of capital	Value of stake on 31 December 2010 *(in thousands of euros)*	Number of voting rights	% of voting rights
SITI[(1)]	3,903,548	44.25	299,919	7,807,096	61.22
Directors	6,605	0.07	389	6,690	0.05
Shares in treasury stock	123,239	1.40	7,529	123,239	0.97
of which shares acquired in the buy-back programme	119,689				
of which shares acquired in the liquidity agreement	3,550				
Public[(2)]	4,788,159	54.28	282,023	4,814,866	37.76
TOTAL	8,821,551	100	519,590	12,751,891	100

(1) 81.52% of SA SITI is directly owned by SCI SITI "R", 90% of the latter being owned by Gérard Brémond.

(2) Of which employees (49,955 shares or 0.56% of the capital), of which Financière de l'Échiquier 497,400 shares according to the declaration made on 30/09/2010 or 5.64% of the capital, and of which Columbia Wanger Asset Management, L.P. 373,800 shares according to the regularization declaration made on 20/12/2010 or 4.24% of the capital.

The company has taken a number of measures to prevent the control exerted by SA SITI 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 a third of the share capital and more than half of the voting rights at General Meetings;
- SCI SITI "R" indirectly holds more than a third of the share capital and more than half 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, CAC Mid & Small 190, CAC Consumer Services, Next 150, CAC Travel & Leisure 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	Adjusted high/low Low
July 2009	146,183	7.07	51.48	45.23
August 2009	105,734	5.59	56.62	49.03
September 2009	253,524	14.06	59.89	51.00
October 2009	211,052	12.50	64.40	54.02
November 2009	143,856	8.34	61.00	55.01
December 2009	160,980	9.16	60.81	53.00
January 2010	431,861	22.61	55.50	49.20
February 2010	196,441	9.77	52.44	47.00
March 2010	223,806	12.30	59.59	50.37
April 2010	415,298	24.93	64.16	55.92
May 2010	455,119	26.58	62.00	54.81
June 2010	306,497	17.20	60.50	51.75
July 2010	241,020	12.62	56.50	48.26
August 2010	113,722	5.72	53.01	47.56
September 2010	302,004	14.87	52.99	45.50
October 2010	334,965	16.69	52.45	47.20
November 2010	135,731	7.36	57.31	51.15
December 2010	261,626	14.76	61.80	51.08

(Source: Euronext).

BOARD OF DIRECTORS' REPORT TO THE GENERAL MEETING

Comments on the company's parent company financial statements

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 situated in the 19th district of Paris (Espace Pont de Flandre).

At 30 September 2010, there are two 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.

Significant events

Significant events relating to the Pierre & Vacances-Center Parcs group for which Pierre & Vacances SA is the holding company are described in the group management report.

Business development

Turnover in 2009/2010 was €8.3 million. It mainly consists of:

- €5.6 million in invoicing subsidiary entities for their shares of rental costs for the occupation of premises at the head office of the Artois group in the 19th district of Paris;
- €1.6 million for services carried out and invoiced to subsidiaries for the development of their activities;
- €1.1 million in invoicing subsidiary entities for rental fees under contracts concluded during the period for all computer solutions and hardware.

Operating loss was €1.3 million (compared with €9.5 million loss in 2008/2009). It is the result of costs inherent in the group holding activity. Its variation from the previous year is mainly down to the invoicing, in 2009/2010 only, of various subsidiaries of the group employing staff receiving shares, for the costs borne by Pierre & Vacances SA in connection with the plan to allocate free shares.

Financial income was €17.6 million compared with €30.6 million the previous year. It mainly consists of the following:

- revenue of €19.3 million in subsidiary dividends, including:
  - €10.7 million from Center Parcs Holding France SAS, a sub-holding of the Center Parcs business in France, merged on 30 September 2010 with Pierre & Vacances Tourisme Europe,
  - €4.6 million from PV Marques, a subsidiary owning the group's brands (mainly Pierre & Vacances, Maeva, Les Senioriales and Multivacances) and all of the related intangible elements, excluding "Senioriales" and the ones operated by the Center Parcs sub-group,
  - €2.0 million from the operating company of Center Parcs in France, CP France SCS,
  - €1.0 million from PVIH, a sub-holding of the property development business,
  - €0.9 million from PV Transactions, a property development subsidiary operating as an estate agent;

- income of €3.4 million in interest on the current account of Pierre & Vacances Fi, a subsidiary responsible for centrally managing the group's cash flow;
- income of €0.7 million corresponding to the invoicing of Center Parcs Europe NV for fees on guarantees and interest rate swaps;
- a financial cost of €6.7 million, including, in particular:
  - amortisation of financial assets of €1.8 million, including:
    - €0.8 million on shares and risks on corresponding net negative positions,
    - €1.0 million on treasury stock,
  - interest on bank loans worth €1.1 million,
  - interest and commission on short-term financing of €1.0 million,
  - charges of €1.4 million relating to refinancing operations carried out during the year,
  - €1.1 million in commission and fees on guarantees and interest rate swaps.

Financial income for 2008/2009, which came to €30.6 million, was mainly broken down as follows:

- in terms of revenue:
  - subsidiary dividends worth €22.7 million, including:
    - €17.0 million from PVIH,
    - €4.6 million from Pierre & Vacances Marques,
    - €0.6 million from the operating subsidiary of Center Parcs in France, CP France SCS,
    - €0.5 million from Pierre & Vacances Transaction,
  - interest on current accounts or loans with respect to subsidiaries worth €5.2 million, including €4.4 million with respect to Pierre & Vacances FI,
  - income of €5.7 million corresponding to writebacks of provisions for depreciation of financial assets (including €4.4 million on shares and risks on net negative positions and €1.3 million on treasury stock);
- in terms of costs:
  - interest on bank loans of €1.1 million,
  - commission on guarantees and fees associated with the group's refinancing of €1.8 million,
  - interest on current accounts of €0.1 million.

Extraordinary income was €-12.2 million compared with €-1.3 million in 2008/2009. This mainly corresponds to:

- a capital loss of €10.7 million resulting from the exchange of shares of Pierre & Vacances Tourisme Europe for those of Center Parcs Holding France SAS following the takeover thereof;
- a cost of €1.4 million mainly relating to the costs of reorganisation.

Extraordinary income in 2008/2009 included a capital loss of €1.0 million realised during the sale of Pierre & Vacances Développement shares. This capital loss was covered by a provision for financial depreciation.

In its capacity 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 €7.3 million compared to €9.5 million the previous year. €6.3 million corresponds to the corporate income tax passed on by subsidiaries of the tax group.

As a result, **net income** for the year is €11.4 million compared to €29.3 million the previous year.

Change in the structure of the balance sheet

The balance sheet total is €966 million at 30 September 2010 compared with €644 million at 30 September 2009, an increase of €322 million. This significant increase is mainly associated with:

- on the one hand, the increase in net value of shares (€+176 million) resulting mainly from the legal consequences of the operational reorganisation of tourism activities initiated during the period;
- on the other hand, the increase in "Other receivables" (€+133 million), consisting mainly of current accounts with group subsidiaries. This variation is largely associated with the refinancing of the "corporate" loan and financing of the group's general requirements. In this respect, Pierre & Vacances SA took out, in June 2010, a loan for €100 million amortisable linearly over 5 years (refinancing the existing loan of €37 million). The cash thereby received was assigned by Pierre & Vacances SA to its subsidiary Pierre & Vacances FI, an entity responsible for central cash flow management for all subsidiaries of the group.

The net variation in shareholdings over the year is mainly the result of the introduction, initiated during the period, of the operational reorganisation of the Group's tourism activities and mainly includes the following transactions:

- acquisition of 16,237,012 shares of the company Center Parcs Holding France SAS for €229.0 million;
- share exchange by contribution in kind of the holding of Center Parcs Europe NV to Pierre & Vacances Tourisme Europe for €143.9 million. For this contribution, Pierre & Vacances SA is remunerated through subscription to the increase in capital of 1,957,250 shares of the company Pierre & Vacances Tourisme Europe SA for €143.9 million;

- reduction of the capital of the company Center Parcs Holding France SAS for €43.1 million;
- share exchange as part of the takeover of the company Center Parcs Holding France SAS resulting in the substitution of the holding of €185.9 million for 756,091 shares of the company Pierre & Vacances Tourisme Europe SA subscribed as part of the increase in capital of €175.2 million.

The net book value of shareholdings at 30 September 2010 was €559.1 million and consisted of the following main shares (in millions of euros):

▪ Pierre & Vacances Tourisme Europe SA	422.1
▪ Pierre & Vacances Immobilier Holding SAS	68.8
▪ Pierre & Vacances Marques SAS	60.7

The shareholders' equity of Pierre & Vacances SA fell over the course of 2009/2010 from €1.5 million to €592.0 million at 30 September 2010. This fall is broken down as follows (in millions of euros):

▪ Dividends	-13.0
▪ Net income for the year	11.4
▪ Increase in capital associated with the exercising of stock options	0.1

Share capital at 30 September 2010 was €88,215,510 and was divided into 8,821,551 fully paid-up ordinary shares with a par value of €10 each.

Provisions for contingencies and charges at 30 September 2010 were €2.1 million. They were broken down as follows (in millions of euros):

▪ Provisions for legal and miscellaneous contingencies	0.9
▪ Provisions for financial contingencies relating to subsidiaries	0.9
▪ Provisions for reorganisation costs	0.3

Bank loans show a balance of €113.9 million at 30 September 2010 and mainly correspond to:

- a loan of €100 million taken out during 2009/2010 and linearly amortisable over 5 years;
- a loan of €9 million taken out on 18 November 2009 and repayable in a single instalment the 31 December;
- bank support and bank credit balances of €4.2 million.

The loan of a nominal amount of €100 million is at a variable rate (Euribor 6 months + margin). In order to manage the risk associated with interest rate fluctuations, Pierre & Vacances SA is taking out rate hedging contracts. Several swap contracts have been entered into by Pierre & Vacances SA to hedge the €100 million loan.

Significant events that have occurred since the year-end

No significant event has occurred since the year-end.

Future prospects

In 2009/2010, 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-Center Parcs Group.

The table of subsidiaries and equity investments is appended to the balance sheet.

The activities of these main subsidiaries during 2009/2010 are broken down as follows:

- 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 2009, the income of the company PVT Europe was €25.6 million. This result includes the €18.4 million accounting income, obtained following the Center Parcs Holding France SAS company merger/acquisition, with retroactive effect at 1 October 2009. This operation is the Pierre & Vacances Tourisme Europe and Center Parcs Europe organization pooling context, in order to optimize the brand portfolio and the business synergies.

- Pierre & Vacances Marques SAS

The activity of this company consists of collecting royalties from the granting of rights to use its brands.

In 2009/2010, 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 €7.7 million and net income of €4.2 million.

- Pierre & Vacances FI SNC

In 2009/2010, Pierre & Vacances FI SNC continued its responsibilities for the centralised management of cash flow for the various entities in the Pierre & Vacances-Center Parcs Group.

As a result of the new structure of usufruct introduced on 30/09/2008, Pierre & Vacances Financière acquired the following company share:

- acquisition of the usufruct of Center Parcs France SCS for €37.9 million;
- acquisition of the usufruct of Center Parcs Belgique SAS for €18.1 million.

The following information is provided on these subsidiaries and equity investments:

During the year ended, the Company has made the following investments:

Pierre & Vacances Investissement XXXXIV

On 23 June 2010, when the Pierre & Vacances Investissement XXXXIV was constituted, Pierre & Vacances SA subscribed 1,000 shares with a par value of €10, that is 100% of the share capital.

Pierre & Vacances Investissement XXXXV

On 23 June 2010, when the Pierre & Vacances Investissement XXXXV was constituted, Pierre & Vacances SA subscribed 1,000 shares with a par value of €10, that is 100% of the share capital.

Pierre & Vacances Investissement XXXXVI

On 23 June 2010, when the Pierre & Vacances Investissement XXXXVI was constituted, Pierre & Vacances SA subscribed 1,000 shares with a par value of €10, that is 100% of the share capital.

Pierre & Vacances Investissement XXXXVII

On 23 June 2010, when the Pierre & Vacances Investissement XXXXVII was constituted, Pierre & Vacances SA subscribed 1,000 shares with a par value of €10, that is 100% of the share capital.

Village Nature Management SARL

On 17 June 2010, when the Village Nature Management SARL was constituted, Pierre & Vacances SA subscribed 500 shares with a par value of €10, that is 50% of the share capital.

Les Villages Nature de Val d'Europe SAS

On 14 December 2009, Pierre & Vacances SA acquired 461 shares of the "Les Villages Nature de Val d'Europe SAS" company held by Pierre & Vacances Développement, that is 50% of the share capital.

During the year ended, the Company disposed of the following investments:

Gie PV-CP Services

On 1 October 2009, Pierre & Vacances SA sold Gie PV-CP Services shares to:

- Pierre & Vacances Investissement: 24 disposals of 400 shares for €6,000;
- Center Parcs Europe NV: a disposal of 400 shares for €6,000.

Pierre & Vacances Transactions

On 26 April 2010, Pierre & Vacances SA sold 2,499 shares in Pierre & Vacances Transactions (that is 99% of the share capital) to TRESH for €67,822.86.

PV-CP Holding Exploitation

On 31 May 2010, Pierre & Vacances SA sold 3,696 shares in PV-CP Holding Exploitation (that is 100% of the share capital) to Pierre & Vacances Tourisme Europe for €36,960.

PV-CP Résidences Exploitation

On 31 May 2010, Pierre & Vacances SA sold 3,613 shares in PV-CP Holding Exploitation (that is 100% of the share capital) to Pierre & Vacances Tourisme Europe for €36,130.

PV-CP Resorts France

On 31 May 2010, Pierre & Vacances SA sold 3,614 shares in PV-CP Resorts France (that is 100% of the capital) to Pierre & Vacances Maeva Distribution for €36,140.

PV-CP Gestion Exploitation

On 31 May 2010, Pierre & Vacances SA sold 3,616 shares in PV-CP Gestion Holding Exploitation (that is 100% of the capital) to Pierre & Vacances Maeva Distribution for €36,160.

Holding Renovation Tourisme

On 21 June 2010, Pierre & Vacances SA sold 3,812 shares in Holding Rénovation Tourisme (that is 100% of the capital) to Pierre & Vacances Tourisme Europe for €38,120.

Pierre & Vacances Investissement XXXXIV

On 20 July 2010, Pierre & Vacances SA sold 1,000 shares in Pierre & Vacances Investissement XXXXIV (that is 100% of the capital) to Pierre & Vacances Séniorales Promotion et Commercialisation for €10,000.

As part of the group legal reorganization the following legal operations took place:

On 23 July 2010, CP Holding Belgium sold to Pierre & Vacances SA 16,237,012 shares, that held in CP Holding France, for €226,035,000.

On 27 August 2010, the Extraordinary General Meeting approved the agreement of the 16 August, in order to which the Pierre & Vacances SA company brought to Pierre & Vacances Tourisme Europe all shares that it held in Center Parcs Europe, that is 364,735 shares for €143,918,955.24.

As offset of this contribution, 1,957,250 new shares Pierre & Vacances Tourisme Europe was assigned to Pierre & Vacances SA as its capital increase.

On 30 September 2010, following the CP HOLDING merger with Pierre & Vacances Tourisme Europe Company 756,091 new shares in Pierre & Vacances Tourisme Europe were granted as a contribution to Pierre & Vacances SA, for €175,200,470

On 30 September 2010, Center Parcs SCS sold to Pierre & Vacances SA the shares that it held in SNC Domaine du Lac de l'Ailette (5% of the capital) that is 191 shares.

Remuneration of executives and members of the Board of Directors

Remuneration paid to officers of the company

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 executive company officers whose shares are traded on a regulated market") presented by MEDEF and AFEP on 6 October 2008. The Board of Directors has undertaken to ensure strict enforcement of these recommendations.

Moreover, in accordance with Article L. 225-37 of the French Commercial Code, the company chose, as its reference code, the corporate governance code for listed companies laying down the corporate governance principles resulting from the consolidation of the AFEP and MEDEF report of October 2003 and their recommendations of January 2007 and October 2008 on the remuneration of executive officers of listed companies.

For the years ending 30 September 2010 and 30 September 2009, no salary (including benefits of any kind) was paid to an officer of the company directly by companies of the Pierre & Vacances-Center Parcs 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 Chairman, founder and majority shareholder of Pierre & Vacances SA) as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Sven Boinet, 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-Center Parcs Group.

For each of them, the variable bonus relates to the financial performance of the group and the achievement of personal objectives.

The group has not introduced a system of golden hellos and golden handshakes for officers of the company.

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.

Summary of remunerations and options and shares allocated to each company officer

(in euros)	2009/2010	2008/2009
Gérard Bremond, Chairman		
Remuneration payable for the period	€593,648	€593,648
Value of options allocated during the period	-	-
Value of performance shares allocated during the period	-	-
TOTAL	€593,648	€593,648
Sven Boinet, Chief Executive Officer		
Remuneration payable for the period	740,080	N/A
Value of options allocated during the period	-	N/A
Value of performance shares allocated during the period	-	N/A
TOTAL	740,080	N/A

The meeting of the Board of Directors held on 6 October 2009 opted to separate the functions of Chairman and Chief Executive Officer as from 16 November 2009. Since 16 November 2009, Gérard Brémond has been Chairman of the Board of Directors and Sven Boinet has been Chief Executive Officer.

Table showing the remuneration of each company officer

(in euros)	Remuneration in 2009/2010 – Remuneration payable for the period	Remuneration in 2009/2010 – Paid during the period	Remuneration in 2008/2009 – Remuneration payable for the period	Remuneration in 2008/2009 – Paid during the period
Gérard Bremond, Chairman				
Fixed remuneration	500,000	500,000	500,000	500,000
Variable remuneration	90,000	90,000	90,000	90,000
Extraordinary remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	3,648	3,648	3,648	3,648
TOTAL	**593,648**	**593,648**	**593,648**	**593,648**
Sven Boinet, Chief Executive Officer				
Fixed remuneration	437,500	437,500	N/A	N/A
Variable remuneration	300,000	-	N/A	N/A
Extraordinary remuneration	-	-	N/A	N/A
Attendance fees	-	-	30,000	30,000
Benefits in kind	2,580	2,580	N/A	N/A
TOTAL	**740,080**	**440,080**	**30,000**	**30,000**
Thierry Hellin, Deputy Chief Executive Officer				
Fixed remuneration	280,007	280,007	280,000	250,000
Variable remuneration	126,000	110,000	110,000	50,000
Extraordinary remuneration	-	-	-	30,000
Attendance fees	-	-	-	-
Benefits in kind	7,116	7,116	6,096	6,096
TOTAL	**413,123**	**397,123**	**396,096**	**366,096**
Patricia Damerval, Deputy Chief Executive Officer				
Fixed remuneration	280,007	280,007	280,000	250,000
Variable remuneration	126,000	110,000	110,000	80,000
Extraordinary remuneration	-	30,000	-	30,000
Attendance fees	-	-	-	-
Benefits in kind	1,632	1,632	2,138	2,138
TOTAL	**407,639**	**391,639**	**392,138**	**392,138**

Summary of commitments given to executive company officers

Executive company officers	Employment contract	Supplementary pension scheme	Compensation or benefits due or liable to be due if functions are discontinued or changed	Compensation relating to a non-competition clause
Gerard Brémond Chairman of the Board of Directors	No	No	No	No
Sven Boinet Chief Executive Officer	No	No	No	No

Gérard Brémond is a director since 3 October 1988, he has been Chairman and Chief Executive Officer until 16 November and he is Chairman of the Board of Directors since 16 November 2009.

Sven Boinet is director since 24 February 2003 and he is Chief Executive officer since 16 November 2009.

Attendance fees and other remuneration paid to non-executive company officers

This table relates to non-executive company officers receiving only attendance fees or other extraordinary remuneration.

Sven Boinet, Chief Executive Officer since 16 November 2009 didn't receive any attendance fees for 2009/2010.

The payment of the attendance fees is based on the effective participation of the director in all sessions.

(in euros)	Attendance fees paid in 2009/2010	Attendance fees paid in 2008/2009
Sven Boinet		
Attendance fees	N/A	30,000
Other remuneration	N/A	-
Olivier Brémond(*)		
Attendance fees	25,000	30,000
Other remuneration	-	-
Ralf Corsten(*)		
Attendance fees	30,000	30,000
Other remuneration	-	-
Marc R.Pasture(*)		
Attendance fees	30,000	30,000
Other remuneration	-	-
Delphine Brémond		
Attendance fees	30,000	30,000
Other remuneration	-	-
Andries Arij Olijslager(*)		
Attendance fees	30,000	30,000
Other remuneration	-	-
TOTAL	**145,000**	**180,000**

(*) Messrs O. Brémond effectively received 18,750 (less 6,250 deducted at source and paid directly by Pierre & Vacances SA to the French tax authorities); and R. Corsten, M. Pasture and A. Olijslager 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 Executive Committee or of the Board of Directors.

Share options and free 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.

The Pierre & Vacances-Center Parcs Group has never allocated "performance shares" because – according to the AFEP-MEDEF corporate governance code – performance shares are free shares allocated to executive company officers who register according to Articles L. 225-197 *et seq.* of the French Commercial Code and who are subject to additional requirements stipulated in the AFEP-MEDEF Code.

The tables below therefore only relate to allocations of free shares, no recipient being an executive company officer within the meaning of the AFEP-MEDEF Code[1].

The company states, however, that, with it having signed up to the AFEP-MEDEF Corporate Governance Code:

- all free share plans are subject to performance conditions (with the exception of two, see table 2.3.3.1.);
- free shares are only allocated to company officers if all performance conditions have been met;
- the company has set up a system for linking employees to the performance of the company (introduction of a dispensatory profit-sharing agreement);
- allocations are made in the same calendar periods.

(1) The executive company officers within the meaning of the AFEP-MEDEF Code are the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer.

Share option plans

History of share subscription option plans

At 31 December 2010, there are 134,900 share subscription options outstanding.

If all the options were exercised, there would be 134,900 new shares to be issued, increasing the total number of shares to 8,956,451.

These new shares would represent an increase of € 8,782,732 in shareholders' equity.

The options in circulation represent 1.50% of the share capital after the increase.

	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 the ten company employees awarded the largest number of share options	68,000	25,000	7,150	51,000	1,000
Number of shares that may be subscribed for by members of the Board of Directors (as it currently stands)	1,000	15,000	/	8,000	/
Including:					
Thierry Hellin				4,000	
Patricia Damerval		5,000		4,000	
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	80,392	20,000	/	/	/
Total number of options cancelled	6,808	/	/	40,550	/
Total number of options remaining at the end of the period	0	5,000	7,150	121,750	1,000

(*) The subscription price corresponds to the average price quoted during the twenty stock market sessions preceding the allocation decision with a 5% discount on the parity rate.

History of 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 the ten company employees awarded the largest number of share options	28,000	16,500	45,375	38,375	5,000
Number of shares that may be purchased by members of the Board of Directors (as it currently stands)	8,000	/	8,000	8,000	/
Including:					
Thierry Hellin	4,000		4,000	4,000	
Patricia Damerval	4,000		4,000	4,000	
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
Terms for the exercising of options					
Number of shares purchased	/	/	/	/	/
Total number of share purchase options cancelled or lapsed	2,000	5,000	/	/	/
Total number of options remaining at the end of the period	26,000	11,500	46,875	38,375	5,000

(*) The purchase price corresponds to the average price quoted during the twenty stock market sessions preceding the allocation decision with a 5% discount on the parity rate.

(**) The purchase price corresponds to the average price quoted during the twenty stock market sessions preceding the allocation decision without a discount on the parity rate.

Share subscription or purchase options allocated during the period to each company officer by the Company itself and by any affiliated company

None.

Share subscription or purchase options exercised during the period by each company officer

None.

Share subscription or purchase options granted to the top ten receiving employees who are not officers and options exercised by the latter

	Total number of shares	Weighted average price	Plan date
Options granted, during the period, to the ten employees thereby receiving the most options (overall information)	-	-	-
Options exercised, during the period, by the ten employees thereby purchasing or subscribing for the most options (overall information)	1,975	€47	20/03/2000

Free shares

History of free share plans

	2007 plan	2007 plan	2008 plan	2009 plan	2009 plan	2009 plan
Date of General Meeting	10/03/2005	10/03/2005	10/03/2005	14/02/2008	12/02/2009	12/02/2009
Date of Board Meeting	09/01/2007	09/01/2007	07/01/2008	12/01/2009	12/02/2009	12/02/2009
Total number of recipients	2,207	9	8	57	2	1
Total number of shares allocated at the outset	11,035	16,010	13,010	84,135	3,325	6,575
Total number of shares allocated to members of the Board of Directors (as it currently stands)	10	3,000	3,000	10,000	/	/
Including:						
Thierry Hellin	5	1,500	1,500	5,000(***)		
Patricia Damerval	5	1,500	1,500	5,000(***)		
Starting date of the acquisition period	09/01/2007	09/01/2007	07/01/2008	12/01/2009	12/02/2009	12/02/2009
Starting date of the retention period	10/01/2009	10/01/2009	08/01/2010	13/01/2011	13/02/2011	13/02/2011
Duration of the retention period	2 years	2 years	2 years	2 years	2 years	2 years
Conditions and criteria of allocation	Attendance conditions	Attendance and performance conditions	Attendance and performance conditions	Attendance and performance conditions(**)	Attendance and performance conditions(**)	Attendance conditions
Source of the shares to be allocated	Shares to be issued	Treasury stock	Treasury stock	Treasury stock	Treasury stock	Treasury stock
Number of shares cancelled	2,370	/	/	8,743(*)	446(*)	/
Number of shares finally allocated	8,665	16,010	13,010	/	/	/
Potential dilution resulting from the final allocation of shares	8,665	None, the free shares granted being existing shares				

(*) The Board of Directors which met on 1 December 2009 found that only some of the performance conditions had been met for the first half of the shares allocated on 12 January 2009 and 12 February 2009.
(**) Performance conditions applicable to the first half of allocated shares: the indicators are EBIT, cash-flows from operations (excluding acquisition) and external indices (SBF 250, real estate values and tourism values);
Performance conditions applicable to the second half of allocated shares: the indicators are the attributable net profit, cash-flows from operations (excluding acquisition) and the indices quoted above.
(***) The value of free shares granted during FY 2008/2009 amounted to €183,606 for each company officer.

Free shares allocated during 2009/2010 to each company officer

None.

Free shares becoming available during 2009/2010 for each company officer

None.

Free shares allocated during 2009/2010 to the top ten employees who are not company officers (general information)

None.

Other details

Summary of company share transactions

The 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:

Person concerned	Type of transaction	Number of shares	Transaction date
SA SITI	Disposal	520,000	29/01/2010

Other shares giving access to the capital

None.

(1) Trades made in the Company's shares by the executives, similar persons and their families.

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Profit and loss

(in thousands of euros)	Notes	2009/2010	2008/2009	2007/2008
Sales of services carried out		8,266	10,668	11,143
Net turnover		**8,266**	**10,668**	**11,143**
Amortisation writebacks – provisions, cost transfer		17,528	10,771	8,263
Other earnings		1,743	193	20
Operating earnings		**27,537**	**21,632**	**19,426**
Other external costs and purchases		24,378	24,236	20,722
Tax and related payments		563	512	510
Wages and salaries		-	-	-
Social security expenses		914	791	701
Amortisation of fixed assets		1,975	1,782	1,600
Provisions for current assets		57	-	17
Provisions for contingencies and charges		-	2,759	220
Other costs		951	1,084	168
Operating expenses		**28,838**	**31,164**	**23,938**
Operating income	12	**-1,301**	**-9,532**	**-4,512**
Financial earnings from shareholdings		19,262	22,672	7,165
Earnings from other securities and loans on fixed assets		329	137	145
Other interest and related earnings		3,659	5,180	14,099
Writebacks on provisions and cost transfers		1,022	5,757	-
Net earnings on transfers of short-term investments		46	16	6
Financial earnings		**24,318**	**33,762**	**21,415**
Financial allocation to amortisation and provisions		1,829	-	4,863
Interest and related charges		4,821	3,053	1,727
Net expenses on transfers of short-term investments		35	77	97
Other financial expenses		-	-	580
Financial expenses		**6,685**	**3,130**	**7,267**
Financial income	13	**17,633**	**30,632**	**14,148**
CURRENT INCOME BEFORE TAX		**16,332**	**21,101**	**9,636**

(in thousands of euros)	Notes	2009/2010	2008/2009	2007/2008
Extraordinary earnings on management transactions		-	-	-
Extraordinary earnings on capital transactions		405,414	36	1,044
Writebacks on provisions and cost transfers		300	42	-
Extraordinary earnings		**405,714**	**78**	**1,044**
Extraordinary expenses on management transactions		1,446	110	-
Extraordinary expenses on capital transactions		416,165	1,098	2,024
Extraordinary allocation to amortisation, depreciation and provisions		300	197	-
Extraordinary expenses		**417,911**	**1,405**	**2,024**
Extraordinary income	**14**	**-12,197**	**-1,327**	**-980**
Corporate income tax	15	-7,302	-9,519	-10,509
Total earnings		**457,569**	**55,472**	**41,885**
Total expenses		**446,132**	**26,180**	**22,720**
PROFIT		**11,437**	**29,293**	**19,165**

Balance sheet

Assets

(in thousands of euros)	Notes	Gross Amount	Amort. & Prov.	Net 30/09/2010	Net 30/09/2009	Net 30/09/2008
Intangible fixed assets	**1**	**19,566**	**96**	**19,470**	**23,547**	**23,099**
Tangible fixed assets	**1**					
Other tangible fixed assets		7,352	6,110	1,242	1,644	2,121
Tangible fixed assets in progress						2
Financial assets	**1,2,4**					
Other equity investments		560,205	1,081	559,124	383,451	383,464
Loans and other financial assets		3,491	56	3,435	4,023	6,192
Fixed assets		**590,614**	**7,343**	**583,271**	**412,665**	**414,878**
Advances, down payments on orders		21		21	21	22
Trade receivables and related accounts	4 & 5	13,336	81	13,255	7,524	9,203
Other receivables	3,4,5	342,550		342,550	209,550	187,159
Short-term investments	6	8,801	1,417	7,384	9,155	8,340
Liquid assets	6	14,223		14,223	1,653	57
Prepayments	4 & 10	2,713		2,713	2,234	1,957
Current assets		**381,644**	**1,498**	**380,146**	**230,137**	**206,738**
Costs to be spread over a number of years	11	2,085		2,085	1,303	1,175
TOTAL		**974,343**	**8,841**	**965,502**	**644,105**	**622,791**

Liabilities

(in thousands of euros)	Notes	30/09/2010	30/09/2009	30/09/2008
Share or individual capital		88,215	88,196	88,109
Additional paid-in capital, merger premiums, share premiums, etc.		8,691	8,618	8,704
Statutory reserve		8,820	8,811	8,811
Other reserves		2,308	2,308	2,309
Retained earnings		**472,480**	**456,241**	**461,402**
Income for the year		**11,437**	**29,293**	**19,165**
Shareholders' equity	**7**	**591,951**	**593,467**	**588,500**
Provisions for contingencies		642	642	570
Provisions for charges		1,414	3,732	4,428
Provisions for contingencies and charges	**2**	**2,056**	**4,374**	**4,998**
Financial debts				
Banks loans and borrowings	4	113,886	10,743	14,961
Miscellaneous loans and long-term debts	4 & 8	237,824	21,013	703
Operating debts				
Trade payables and related accounts	4 & 5	11,944	8,033	7,661
Taxes and social security contributions payable	4	2,272	917	900
Miscellaneous payables				
Borrowings on fixed assets and related accounts	4	101	22	302
Other payables	4 & 9	5,346	5,300	4,353
Equalisation accounts				
Deferred income	4 & 10	122	236	413
Debts		**371,495**	**46,264**	**29,293**
TOTAL		**965,502**	**644,105**	**622,791**

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 €11,437,089.57.

It is proposed that it be appropriated as follows:

▪ income for the year	€11,437,089.57
▪ plus retained earnings from the previous year	€472,479,974.21
Total	**€483,917,063.78**
▪ to the statutory reserve	€1,975.00
▪ to shareholders in dividends (8,821,551 x €0.70)	€6,175,085.70
▪ to retained earnings	€477,740,003.08

The dividend to be distributed for the year is therefore €0.70 per share.

This dividend will be payable on 18 March 2011.

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

▪ share capital (8,821,551 x €10)	€88,215,510.00
▪ additional paid-in capital	€8,635,020.43
▪ merger premiums	€55,912.36
▪ statutory reserve	€8,821,551.00
▪ other reserves	€2,308,431.46
▪ retained earnings	€477,740,003.08
Total	**€585,776,428.33**

Notes to the parent company financial statements

(These notes show figures in thousands of euros)

On the balance sheet before allocation for the year ending 30 September 2010, the total in euros being:	965,502,033
And on the profit and loss account for the year showing a profit in euros of:	11,437,090

The period lasts for 12 months, from 1 October 2009 to 30 September 2010.

These annual financial statements were approved by the Board of Directors on 29 November 2010.

Significant events during the financial year

On 29 January 2010, the controlling holding company belonging to Gérard Brémond, Société d'Investissement Touristique et Immobilier (SITI), announced it had sold 5.9% of Pierre & Vacances SA on the market and now owns 44.3% of shares and 61.2% of voting rights. This disposal was made purely under the framework of the holding company's portfolio management and Gérard Brémond remains more than ever implicated in the group, particularly for its development in France and outside France.

On 2 February 2010, the Columbia Wanger Asset Management, L.P., acting on behalf of funds it manages, fell below the 5% company capital threshold and held, on behalf of the said funds, 426,244 Pierre & Vacances shares representing 4.83% of the capital and 3.34% of voting rights.

On 13 September 2010, the Financière de l'Échiquier, acting on behalf of funds it manages, overstepped the 5% capital threshold in Pierre & Vacances SA and held, on behalf of the said funds, 450,376 shares representing 5.11% of the capital and 3.53% of voting rights.

Sven Boinet was appointed Chief Executive Officer of the Pierre & Vacances-Center Parcs Group on 16 November 2009. Gérard Brémond continues as Chairman of the Board, focusing mainly on the group's real estate businesses in France and abroad.

On 21 June 2010, the Pierre & Vacances-Center Parcs Group signed an agreement with its banks setting out the main terms and conditions of a syndicated loan of €200 million to refinance the "Corporate" debt and finance the group's general requirements. It is broken down as follows:

- loan of €100 million amortisable linearly over 5 years (refinancing the existing loan of €37 million);
- confirmed credit line of €100 million over 5 years, replacing the revolving line of €90 million.

The loan documents were signed in June 2010.

This refinancing makes it possible to increase the group's liquidity and extend the borrowing period.

Given the deterioration in the European tourism market over the last 2 years, the group has set out to transform its organisation and develop its business in order both to increase its revenue and reduce its costs. This plan is based around a number of different aspects:

- the combining of the organisations Pierre & Vacances Tourisme Europe and Center Parcs Europe in order to optimise the brand portfolio and the synergies between the businesses;
- the mutualisation of shared functions and sales tools;
- an increase in turnover and improved profitability.

Under this internal reorganisation, the following operations have already been carried out at Pierre & Vacances SA:

- on 31 May 2010, sale by Pierre & Vacances SA of the following holdings:
  - sale of 3,812 shares representing 100% of the capital of the company Pierre & Vacances Investissement XXVIII, renamed Holding Rénovation Tourisme SAS, to the company Pierre & Vacances Tourisme Europe SA for €38 thousand,
  - sale of 3,696 shares representing 100% of the capital of the company Pierre & Vacances Investissement XXXIX, renamed PV-CP Holding Exploitation SAS, to the company Pierre & Vacances Tourisme Europe SA for €37 thousand,
  - sale of 3,614 shares representing 100% of the capital of the company Pierre & Vacances Investissement XXXX, renamed PV-CP Résidences Exploitation SAS, to the company Pierre & Vacances Maeva Distribution SA for €36 thousand,
  - sale of 3,614 shares representing 100% of the capital of the company Pierre & Vacances Investissement XXXXI, renamed PV-CP Resorts France SAS, to the company Pierre & Vacances Maeva Distribution SA for €36 thousand,
  - sale of 3,616 shares representing 100% of the capital of the company Pierre & Vacances Investissement XXXXII, renamed PV-CP Holding Gestion de l'Exploitation, to the company Pierre & Vacances Maeva Distribution SA for €36 thousand;

- on 23 July 2010, acquisition by Pierre & Vacances SA of 16,237,012 shares representing 100% of the capital of the company Center Parcs Holding France SAS from Center Parcs Holding Belgium BV for €229,035 thousand;
- on 27 August 2010, contribution in kind by Pierre & Vacances SA, worth €143,919 thousand, to its subsidiary Pierre & Vacances Tourisme Europe, of 100% of its holding in the company Center Parcs Europe NV.

  By way of remuneration for this contribution, Pierre & Vacances SA received 1,957,250 shares in the company Pierre & Vacances Tourisme Europe SA at €143,919 thousand;
- on 30 September 2010, following the takeover of Center Parcs Holding France SAS by Pierre & Vacances Tourisme Europe SA, Pierre & Vacances SA received 756,091 new shares in its subsidiary Pierre & Vacances Tourisme Europe SA at €175,200 thousand.

  Following this transaction, Pierre & Vacances SA owns 3,506,021 shares representing 100% of the capital of Pierre & Vacances Tourisme Europe SA at €422,130 thousand.

During the financial year, the group sold all of its computer equipment and solutions to Lease Expansion. Within this framework, Pierre & Vacances SA signed rental agreements with Lease Expansion relating to the sale of these assets. On 30 September 2010, €38,690 thousand of computer assets, equipment, licences, software and software packages were thus sold by Pierre & Vacances SA. Prior to these sales, Pierre & Vacances SA announced its intention to purchase all of the computer assets owned by its subsidiaries for €38,195 thousand.

Accounting methods and rules

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 the 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, 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	3 to 10 years

The depreciation thus calculated is included in operating income.

- 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 allocate to employees or to stimulate the market under the liquidity agreement,
  - or otherwise in long-term investments;
- 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.

Additional information on the balance sheet and profit and loss

NOTE 1 FIXED ASSETS

Fixed assets	30/09/2009	Acquisitions	Disburse-ments	30/09/2010
Intangible fixed assets				
Brands, concessions, patents	1,773	4,509	6,186	96
Goodwill	19,469	-	-	19,469
Other intangible fixed assets	3,075	537	3,612	-
Intangible fixed assets in progress	1,053	31,655	32,708	-
Total intangible fixed assets	**25,370**	**36,701**	**42,506**	**19,566**
Tangible fixed assets				
Miscellaneous fixtures	4,264	291	115	4,440
Office equipment & computers, furniture	3,053	2,100	2,240	2,913
Tangible fixed assets in progress	-	-		
Total tangible fixed assets	**7,317**	**2,391**	**2,355**	**7,352**
Financial assets				
Equity investments and related receivables	384,505	505,779	330,070	560,214
Loans and other financial assets	4,069	71	659	3,481
Total financial assets	**388,574**	**505,850**	**330,729**	**563,696**
TOTAL GROSS FIXED ASSETS	**421,261**	**544,942**	**375,590**	**590,614**

Amortisation and provisions	30/09/2009	Increases	Reductions	30/09/2010
Brands, concessions, patents	767	1	672	96
Goodwill	-	-	-	-
Other intangible fixed assets	1,055	1	1,056	-
Total intangible fixed assets	**1,822**	**2**	**1,728**	**96**
Tangible fixed assets				
Miscellaneous fixtures	3,123	432	40	3,515
Office equipment & computers, furniture	2,549	178	132	2,595
Total tangible fixed assets	**5,672**	**610**	**172**	**6,110**
Financial assets				
Equity investments and related receivables	1,054	1,036	1,000	1,090
Loans and other financial assets	47	-	-	47
Total financial assets	**1,101**	**1,036**	**1,000**	**1,137**
Total amortisation and provisions	**8,595**	**1,648**	**2,900**	**7,343**
TOTAL NET FIXED ASSETS	**412,665**	**543,294**	**372,690**	**583,269**

During the year, Pierre & Vacances SA sold all of the computer equipment, rights of use, software licences and software packages that it owned after having acquired them, in particular, from the group's subsidiaries.

During 2009/2010, Pierre & Vacances SA thus sold the following fixed assets:

- Brands, concessions and patents: €4,509 thousand;
- Other intangible fixed assets: €537 thousand;
- Computer projects in progress: €31,655 thousand;
- Computer equipment: €1,988 thousand.

The net variation in shareholdings over the year is also mainly the result of the legal consequences of the operational reorganisation of tourism activities described above (see "Significant events") and initiated during the year:

- acquisition of 16,237,012 shares of the company Center Parcs Holding France SAS for €229,035 thousand;
- share exchange by contribution in kind of the holding of Center Parcs Europe NV to Pierre & Vacances Tourisme Europe for €143,919 thousand. For this contribution, Pierre & Vacances SA is remunerated through subscription to the increase in capital of 1,957,250 shares of the company Pierre & Vacances Tourisme Europe SA for €143,919 thousand;
- reduction of the capital of the company Center Parcs Holding France SAS for €43,135 thousand;
- share exchange as part of the takeover of the company Center Parcs Holding France SAS resulting in the substitution of the holding of €185,900 thousand for 756,091 shares of the company Pierre & Vacances Tourisme Europe SA subscribed as part of the increase in capital of €175,200 thousand.

NOTE 2 PROVISIONS

	30/09/2009	Increases	Reductions Used	Reductions Not used	30/09/2010
Provisions for contingencies and charges	4,374	1,083	964	2,437	2,056
Provisions for depreciation					
Goodwill					-
Shares	*1,054*	*36*			*1,090*
Financial assets	*47*				*47*
Trade receivables	*32*	*57*	*8*		*81*
Treasury stock	*407*	*1,010*			*1,417*
TOTAL	**5,914**	**2,186**	**972**	**2,437**	**4,691**

Provisions for contingencies and charges correspond:

- to provisions covering the net negative positions of the following subsidiaries totalling €934 thousand:
  - Orion Sas for €783 thousand,
  - Pierre & Vacances Courtage SARL for €151 thousand;
- to disputes at €642 thousand;
- to provisions covering the costs of future restructuration relating to the refitting of head office buildings at €300 thousand;
- to costs of support funds at €180 thousand (provisions relating to property development programmes received as part of the transfer of PVH SAS in 2008).

Provisions for depreciation of shares relate to the following shares:

- Parthouse SRL at €1,037 thousand;
- Orion SAS at €36 thousand;
- Pierre & Vacances Courtage SARL at €8 thousand;
- Miscellaneous other holdings outside the group at €9 thousand.

Provisions for depreciation of other assets correspond to:

- deposits at €47 thousand;
- trade receivables of €81 thousand (provisions relating to customer accounts for property development programmes received as part of the transfer of PVH SAS carried out the previous year);
- the depreciation of treasury stock of €1,417 thousand in order to restore the value of these Pierre & Vacances SA shares to the average stock exchange price for the month preceding the year-end.

NOTE 3 OTHER RECEIVABLES

	30/09/2010	30/09/2009
Current accounts	**337,908**	**204,716**
Pierre & Vacances FI SNC	325,128	195,168
Adagio Holding SAS	*8,856*	*6,309*
Pierre & Vacances Maroc	*2,592*	*1,860*
Part House SRL	*1,045*	*1,327*
Miscellaneous current accounts assets	287	52
State and other public authorities	**1,925**	**2,394**
Other receivables and miscellaneous debit accounts	**2,717**	**2,440**
TOTAL	**342,550**	**209,550**

Pierre & Vacances FI, a subsidiary of Pierre & Vacances SA, is responsible for central cash flow management for all subsidiaries in the group.

Receivables from the State correspond, in particular, to the VAT credit and rights of VAT rebate at €2,021 thousand.

The item Other receivables includes sums owed to Pierre & Vacances SA by subsidiaries under the balance of Corporation Income Tax in its capacity as head of the group Tax Consolidation.

NOTE 4 SUMMARY OF MATURITIES OF RECEIVABLES AND LIABILITIES

		Due date	
Receivables	**Amount**	**Less than a year**	**More than a year**
Loans	2,169		2,169
Other financial assets	1,312		1,312
Trade receivables and related accounts	13,336	13,336	
State and other public authorities	2,077	2,077	
Group and partners	337,908	337,908	
Other receivables	2,565	2,565	
Equalisation accounts	2,713	2,713	
	362,080	**358,599**	**3,481**

		Due Date		
Payables	**Amount**	**Less than a year**	**1 to 5 years**	**More than 5 years**
Loans and borrowings from banks	113,886	24,886	89,000	
Miscellaneous loans and long-term financial debts	237,824	237,398		426
Trade payables and related accounts	11,944	11,944		
Taxes and social security contributions payable	2,272	2,272		
Borrowings on fixed assets	101	101		
Other payables	5,346	5,346		
Equalisation accounts	122	122		
	371,495	**282,069**	**89,000**	426

Loans from banks mainly correspond to:

- a loan of €100 million taken out during 2009/2010 and linearly amortisable over 5 years;
- a loan of €9 million taken out on 18 November 2009 and repayable in a single instalment the 31 December 2011;
- bank support and bank credit balances of €4,161 thousand.

The loan of a nominal amount of €100 million is at a variable rate (Euribor 6 months + 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 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-Center Parcs 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".

NOTE 5 ACCRUED REVENUES AND COSTS

Accrued revenues	30/09/2010	30/09/2009
Customers	134	1,918
Repayment of Trade Tax	0	187
Interest on Adagio debt	35	24
Interest on MGM debt	12	14
Share of Snc Domaine du Lac de l'Ailette	45	
	226	**2,143**

Accrued costs	30/09/2010	30/09/2009
Interest incurred on loans and borrowings	725	
Suppliers	2,637	1,447
Group customer credit notes	0	0
	3,362	**1,447**

NOTE 6 SHORT-TERM INVESTMENTS AND LIQUID ASSETS

Short-term investments mainly consist of shares in treasury stock. These are valued at €8,779 thousand at 30 September 2010.

Over the course of 2009/2010, the Pierre& Vacances-Center Parcs Group distributed 13,010 free Pierre & Vacances SA shares to group employees.

At 30 September 2010, the group holds:

- 119,689 shares in treasury stock intended for appropriation to employees totalling €8,521 thousand;
- 5,100 shares acquired to adjust the stock market price for €258 thousand.

Depreciation of treasury stock is booked for the period at €1,417 thousand in order to value treasury stock at the average stock market price for the last month preceding the year-end.

There are €14,223 thousand in **liquid assets** at 30 September 2010, compared to €1,653 thousand at the end of the previous year.

The increase in liquid assets is down to the opening of a deposit account with the Spanish bank "Caixa" under the acquisition, from our partner, of 50% of the assets of the Spanish residence of Manilva it held up until then.

This deposit taken up on 28 June 2010 for €10,607 thousand is payable to our partner on the due date, 29 December 2010.

NOTE 7 CHANGE IN SHAREHOLDERS' EQUITY

	Share capital	Additional paid-in capital and merger premiums	Reserves and retained earnings	Income for the year	Total
Shareholders' equity at 30 September 2008	**88,109**	**8,703**	**472,523**	**19,165**	**588,499**
Contribution by merger	87	-87			
Dividends				-23,446	-23,446
Statutory reserve					
Retained earnings 1st application of CRC 2008-15			-888		-888
Retained earnings			-4,273	4,281	8
Income for the year				29,293	29,293
Shareholders' equity at 30 September 2009	**88,196**	**8,616**	**467,362**	**29,293**	**593,467**
Capital increase	19	75			94
Dividends				-13,047	-13,047
Statutory reserve			9	-9	
Retained earnings			16,237	-16,237	
Income for the year				11,437	11,437
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2010	**88,215**	**8,691**	**483,608**	**11,437**	**591,951**

NOTE 8 MISCELLANEOUS LOANS AND LONG-TERM DEBTS

	30/09/2010	30/09/2009
Loans related to holdings	**229,035**	
Center Parcs Europe NV	229,035	
Current accounts	**8,363**	**20,587**
Société d'Investissement Touristique et Immobilier	8,345	20,569
Miscellaneous current account liabilities	18	18
Deposits received	**426**	**426**
TOTAL	**237,824**	**21,013**

At 30 September 2010, Société d'Investissement Touristique et Immobilier (SITI) owns 44.25% of the capital of Pierre & Vacances SA.

During the course of the year, Pierre & Vacances SA repaid part of the sum it owed to SITI, €17,242 thousand. The company also distributed a dividend of €4,892 thousand paid through the SITI current account.

The financial borrowings held on Center Parcs Europe NV of €229,035 thousand correspond to the acquisition price of shares in the company Center Parcs Holding France SAS. This acquisition of a holding in the company Center Parcs Holding Belgium BV, carried out on 23 July 2010, is part of the operational reorganisation of the tourism activities of the Pierre & Vacances-Center Parcs Group described above (cf. paragraph 1 – Significant events during the financial year).

NOTE 9 OTHER PAYABLES

	30/09/2010	30/09/2009
GIE NPPV III	2,184	1,336
Payables relating to tax consolidation	3,841	3,925
Miscellaneous payables	322	39
TOTAL	**5,346**	**5,300**

Payables to GIEs correspond to rental maturities relating to securitisation.

Payables relating to tax consolidation are linked to the booking of tax advances resulting from tax consolidation at Pierre & Vacances SA in its capacity as parent company of the tax consolidation group.

Miscellaneous payables correspond to attendance fees in 2009-2010 of €150 thousand and to a provision for bank commission at €165 thousand.

NOTE 10 EQUALISATION ACCOUNTS

Assets	30/09/2010	30/09/2009
Rents and charges	1,791	1,436
Miscellaneous	922	798
TOTAL PREPAYMENTS	**2,713**	**2,234**

The item Miscellaneous includes, at 30 September 2010, €820 thousand in computer rental prepayments with respect to licences and maintenance.

Liabilities	30/09/2010	30/09/2009
Margin on securitisation	122	236
TOTAL DEFERRED INCOME	**122**	**236**

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

	30/09/2009	Increase	Reduction	30/09/2010
Charges and fees on securitisation	92		45	47
Commission on loan	1,211	2,038	1,211	2,038
TOTAL	**1,303**	**2,038**	**1,256**	**2,085**

The increase in Costs to be spread corresponds to bank charges and fees following the provision of new bank loans (cf. Note 4).

NOTE 12 FORMATION OF OPERATING INCOME

	30/09/2010	2008/2009
Services	1,620	5,120
Miscellaneous rentals	6,646	5,548
Total turnover	**8,266**	**10,668**
Invoicing of costs and fees	17,528	10,772
Miscellaneous	1,743	192
Total operating earnings	**27,537**	**21,632**
Rents and charges	7,709	7,026
Miscellaneous fees	5,562	5,489
Other external costs and purchases	13,535	14,108
Amortisation and provisions	2,032	4,541
Total operating costs	**28,838**	**31,164**
OPERATING INCOME	**-1,301**	**-9,532**

Turnover for the 2009/2010 period mainly consists of:

- €1,620 thousand in invoicing of services carried out at subsidiaries for the development of their activities;
- €5,568 thousand in invoicing subsidiary entities for their shares of rental costs for the occupation of premises at the head office of the Artois group in the 19th district of Paris;
- €1,078 thousand in invoicing subsidiary entities for computer rental fees under new contracts concluded for all computer solutions and hardware.

The operating loss is the result of costs inherent in the group holding activity.

Its variation from the previous year is mainly down to the invoicing, in 2009/2010 only, of various subsidiaries of the group employing staff receiving shares, of the costs borne by Pierre & Vacances SA in connection with the plan to allocate free shares.

NOTE 13 FINANCIAL INCOME

	2009/2010	2008/2009
Financial earnings from shareholdings	19,262	22,672
Writeback on provisions and cost transfers	1,022	5,757
Other interest and related earnings	3,659	5,180
Other financial income	375	153
Financial earnings	**24,318**	**33,762**
Financial allocation to amortisation and provisions	1,829	
Interest and related charges	4,821	3,053
Net expenses on transfers of short-term investments	35	77
Other financial expenses	-	
Financial expenses	**6,685**	**3,130**
FINANCIAL INCOME	**17,633**	**30,632**

Financial income for the 2009/2010 period is €17,633 thousand. It mainly consists of the following:

- revenue of €19,262 thousand in subsidiary dividends, including:
  - €10,700 thousand from Center Parcs Holding France SAS, a sub-holding of the Center Parcs business in France, merged on 30 September 2010 with Pierre & Vacances Tourisme Europe,
  - €4,551 thousand from PV Marques, a subsidiary owning the group's brands apart from the "Les Senioriales" brand and those exploited by the Center Parcs sub-group (mainly Pierre & Vacances, Maeva and Multivacances) and all of the related intangible elements,
  - €1,996 thousand from the operating company of Center Parcs in France, CP France SCS,
  - €1,032 thousand from PVIH, a sub-holding of the property development business,
  - €936 thousand from PV Transactions, a property development subsidiary operating as an estate agent;
- revenue of €3,409 thousand in interest on the current account of Pierre & Vacances Fi, a subsidiary responsible for centrally managing the group's cash flow;
- income of €736 thousand corresponding to the invoicing of Center Parcs Europe NV for fees on guarantees and interest rate swaps;
- a financial cost of €6,687 thousand, including, in particular:
  - amortisation of financial assets of €1,829 thousand, including:
    - €820 thousand on shares and risks on corresponding net negative positions,
    - €1,010 thousand on treasury stock,
  - interest on bank loans worth €1,143 thousand,
  - interest and commission on short-term financing of €1,018 thousand,
  - charges of €1,418 thousand relating to refinancing operations carried out during the year,
  - €1,141 thousand in commission and fees on guarantees and interest rate swaps.

Financial income for the 2008/2009 period was €30,632 thousand. It mainly consists of the following:

- revenue of €22,672 thousand in subsidiary dividends, including:
  - €16,997 thousand from PVIH,
  - €4,612 thousand from PV Marques,
  - €609 thousand from Center Parc division, CP France SCS,
  - €454 thousand from the company PV Transactions;
- revenue of €4,380 thousand in interest on the Pierre & Vacances Financière SNC current account;
- income of €5,710 thousand corresponding to the amortisation of financial assets, including:
  - €4,387 thousand on shares and risks on corresponding net negative positions,
  - €1,323 thousand on treasury stock;
- a financial cost of €3,130 thousand, including, in particular:
  - interest on bank loans worth €1,061 thousand,
  - charges of €1,009 thousand relating to refinancing operations carried out during the year,
  - €750 thousand in commission and fees on guarantees and interest rate swaps.

NOTE 14 EXTRAORDINARY INCOME

	2009/2010	2008/2009
Extraordinary income on management transactions	-1,446	-127
Extraordinary income on capital transactions	-10,751	-1,045
Extraordinary allocations and writebacks, provisions and cost transfers		-155
EXTRAORDINARY INCOME	**-12,197**	**-1,327**

Extraordinary income on capital transactions generated during 2009/2010 corresponds mainly to the capital loss of €10,700 thousand resulting from the exchange of shares of Pierre & Vacances Tourisme Europe for those of Center Parcs Holding France SAS following the takeover thereof.

Extraordinary income on management transactions of -€1,446 thousand mainly consists of Costs and fees of restructuring.

Extraordinary income on capital transactions generated during 2008/2009 included a capital loss of €1,000 thousand realised during the sale of Pierre & Vacances Développement shares. This capital loss was covered by a provision for financial depreciation.

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 30/09/2010:

- 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 SAS;
- Pierre & Vacances Transactions SARL;
- Pierre & Vacances 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;
- PV-CP Holding Exploitation SASU (formerly PVI XXXIX);
- PV-CP Résidences Exploitation SASU (formerly PVI XXXX);
- PV-CP Resorts France SASU (formerly PVI XXXXI);
- PV-CP Holding Gestion de l'Exploitation SASU (formerly PVI XXXXII);
- Sénioriales Promotion et Commercialisation SAS;
- Pierre & Vacances Immobilier Holding SE (formerly PVI XXV SAS);
- Paris Côté Seine Développement SAS (formerly PVI XII);
- SICE SNC;
- Parking de Val d'Isère la Daille SAS;
- Holding Rénovation Tourisme SAS (formerly PVI XXVIII SAS);
- Orion (formerly PV Investissement XXIX SAS);
- Pierre & Vacances Sénioriales Programmes Immobiliers 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;

- Commerces Patrimoine Cap Esterel SNC;
- Pierre & Vacances Esterel Développement SAS;
- Tourism Real Estate Services Holding SE (permanent French establishment).

Breakdown of the tax charge:	
Tax passed on by subsidiaries	6,292
Tax proceeds from previous years	1,010
Net tax (income)	**7,302**

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 amount of tax that would have been borne by Pierre & Vacances SA in 2009/2010 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 as well as on the subsequent developments, the company closely with its legal and tax advisers, considering decisions taken by the group and planned actions do not anticipate any financial risk .

NOTE 16 INCREASES AND REDUCTIONS IN THE FUTURE TAX DEBT

The tax position at 30 September 2010 of the consolidation group of which Pierre & Vacances SA is the head shows a total of €63,433 thousand corresponding to a deficit on the shared tax rate that can be carried forward.

NOTE 17 AFFILIATED UNDERTAKINGS

Elements coming under balance sheet items	Affiliated undertakings	Undertakings in which the company has a shareholding
Net shareholdings	**559,640**	**514**
Trade receivables and related accounts	8,910	271
Other receivables(*)	329,715	9,090
Miscellaneous loans and long-term borrowings(*)	8,789	
Trade payables and related accounts	4,966	
Other payables	2,841	
Elements under items in the Profit and loss account		
Financial expenses	147	
Financial earnings	22,678	

(*) These items mainly include current accounts.

Financial commitments and other information

NOTE 18 OFF-BALANCE SHEET COMMITMENTS

	30/09/2010	30/09/2009
Guarantees:	**901,218**	**957,975**
Rent payment guarantee in leases	699,537	711,903
Guarantee given on behalf of P&V Italia Srl in the acquisition of Résidence de Garden	440	250
Counter-guarantee given to BNP Paribas for the company Starke Objekteinrichtungen GmbH carrying out work for SNC Bois des Harcholins Cottages	0	1,640
Counter-guarantee given to Société Générale for the company Cunin SA carrying out work for SNC Bois des Harcholins Cottages	0	1,477
Rent payment guarantee following the sale of CPE computer equipment	8,613	0
First-call guarantees to Eurosic under the unilateral undertakings of sale between Eurosic and SNC Hauts de Bruyères Cottages and Bois Francs Cottages	2,817	0
Counter-guarantee given to Société Générale for PV Exploitation Belgique, under a superficy right agreement	620	0
Guarantee on behalf of SNC Chamonix Loisirs to Sté Cie du Mont Blanc	110	110
Guarantee on behalf of PVCI to M. Noyrez	44	0
Guarantee on behalf of PVD SA to Mr de Bolle for the purchase of land in Neuville sur Ailette	128	0
Guarantee on behalf of PVD SA to the local authority of Roybon for the purchase of land	30	0
Guarantee on behalf of PVD SA to the local authority of St cast Le Guildo for the purchase of land	100	0
Guarantee on behalf of PVD SA to the local authority of Courseulles sur Mer for the purchase of land	25	0
Guarantee on behalf of P&V Développement SA to a private individual for the purchase of land in Arles	0	40
Counter-guarantee given on behalf of Unicredit Bank Austria AG to Uniqua under the operation of a holiday apartment in Vienna	1,200	0
Counter-guarantee given on behalf of Société Générale to Crédit Suisse under the operation of a holiday apartment in Bâle	433	0
First-call guarantee for finance contracted by Center Parcs Europe NV	0	39,270
First-call guarantee to Sogefinerg (Ailette financing lease)	185,211	187,589
Guarantee on behalf of SNC Avoriaz – Résidences MGM	0	594
Guarantee on behalf of SNC Paris Bastille	0	8,955
Guarantee on behalf of Senioriales – Lombez	0	2,112
Guarantee on behalf of Senioriales – Jonquières	1,910	4,035
Rent payment guarantee on securitisation transactions:	**1,092**	**2,807**
Payment of rent on GIE NPPV3 T1 securitisation transactions	0	29
Payment of rent on GIE NPPV3 T2 securitisation transactions	96	683
Payment of rent on GIE NPPV3 T3 securitisation transactions	996	2,095
COMMITMENTS GIVEN	**902,310**	**960,782**
Guarantees:	**2,210**	**1,393**
Guarantee received from Accor for 50% of the counter-guarantee sum at Unicredit Bank Austria AG under the operation of a holiday apartment in Vienna	600	0
Guarantee received from Accor for 50% of the counter-guarantee sum at Société Générale under the operation of a holiday apartment in Bâle	217	0
Artois rent guarantee deposit	1,161	1,161
Artois Bât. 26 rent guarantee deposit	72	72
Aubervilliers rent guarantee deposit	160	160
COMMITMENTS RECEIVED	**2,210**	**1,393**
RECIPROCAL COMMITMENTS	**0**	**37,125**

Rent payment guarantee in leases

Pierre & Vacances SA has provided a guarantee of €699,737 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 2010, rental commitments still to be paid over the remaining term of the leases for these 7 villages come to €346.0 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 €136.4 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 €14.5 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 €18.2 million;
- to the owner Uniqua of the Vienna residence, for payment of rental commitments still to be met over the remaining term of the lease coming to €9.2 million;
- to the owner Spectrum Real Estate GmbH of the Munich residence, for payment of rental commitments still to be met over the remaining term of the lease coming to €9.1 million;
- to the individual owners of the Bonmont residence, for payment of rental commitments still to be met over the remaining term of the lease coming to €6.4 million;
- to the individual owners of the Calédonia residence, for payment of rental commitments still to be met over the remaining term of the lease coming to €2.9 million;
- to the owner Llopuig S.L. of the Tossa Del Mare residence, for payment of rental commitments still to be met over the remaining term of the lease coming to €0.5 million;
- to the owner Diesco De Restauracio S.L. of the Calacristal residence, for payment of rental commitments still to be met over the remaining term of the lease coming to €0.5 million;
- to the owner of the Garden a Rome residence, for payment of rental commitments still to be met over the remaining term of the lease coming to €2.2 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 €153.6 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 €185,211 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 for a total sum of €1,910 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 2010 are shown in the table below:

At 30 September 2010, the notional amounts and market values of the swap contracts taken out to cover variable rate loans are as follows:

Rate received	Rate paid	Notional at 30/09/2010 *(in thousands of euros)*	Market value of hedging contracts *(in thousands of euros)*	Start date	Maturity date
6-month Euribor	1.7425%	0(1)	-118	28 December 2010	28 December 2013
6-month Euribor	1.7325%	0(2)	-105	28 December 2010	28 December 2013
TOTAL		**0**	**-223**		

The market value of the hedging instruments is -€223 thousand at 30 September 2010, compared with -€530 thousand at 30 September 2009.

(1) Notional changing according to the following repayment schedule:

Rate received	Rate paid	Notional *(in thousands of euros)*	Start date	Maturity date
6-month Euribor	1.7425%	45,000	28 December 2010	28 June 2011
6-month Euribor	1.7425%	40,000	28 June 2011	28 December 2011
6-month Euribor	1.7425%	35,000	28 December 2011	28 June 2012
6-month Euribor	1.7425%	30,000	28 June 2012	28 December 2012
6-month Euribor	1.7425%	25,000	28 December 2012	28 June 2013
6-month Euribor	1.7425%	20,000	28 June 2013	28 December 2013

(2) Notional changing according to the following repayment schedule:

Rate received	Rate paid	Notional *(in thousands of euros)*	Start date	Maturity date
6-month Euribor	1.7325%	45,000	28 December 2010	28 June 2011
6-month Euribor	1.7325%	40,000	28 June 2011	28 December 2011
6-month Euribor	1.7325%	35,000	28 December 2011	28 June 2012
6-month Euribor	1.7325%	30,000	28 June 2012	28 December 2012
6-month Euribor	1.7325%	25,000	28 December 2012	28 June 2013
6-month Euribor	1.7325%	20,000	28 June 2013	28 December 2013

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 of Directors in 2009 for 2009/2010 were €150 thousand compared to €180 thousand for 2008/2009.

For the years ending 30 September 2010 and 30 September 2009, 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 owned by the Chairman, founder and majority shareholder of Pierre & Vacances SA) as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Sven Boinet, 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 Center Parcs Group.

During the course of 2009/2010, the Executive Committee was replaced by a Group General Management Committee. This is made up of just 5 members vs. 9 before.

In 2009/2010, all five members of the Group General Management Committee received total gross remuneration (including benefits in kind) of €2,512,893, including €1,889,240 for the fixed portion of remuneration and €413,090for the variable portion (mainly bonuses payable for 2007/2008 paid in the first half of 2008/2009).

The table below shows the total gross remuneration paid to members of the Group General Management Committee during 2009/2010 and that paid to members of the Executive Committee during 2008/2009 (in euros):

	2009/2010	2008/2009
Fixed remuneration(1)	1,889,240	2,938,111
Variable remuneration(2)	413,090	935,142
Benefits after leaving office(3)	25,060	38,708
Remuneration in shares(4)	185,503	2,072,252
TOTAL	**2,512,893**	**5,984,213**

(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 and free 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	Share capital	Shareholders' equity other than share capital *(excluding income)*	Share of capital held *(%)*	Gross value of shares held
SUBSIDIARIES (more than 50% holding):				
Pierre & Vacances Immobilier Holding SAS	68,814	1,373	100.00	68,814
Pierre & Vacances FI SNC	15	7,216	99.00	15
La Financière Pierre & Vacances et Cie SNC	15	0	99.02	15
Cobim SARL	76	378	100.00	0
Financière P&V I SNC	15	1	98.36	15
Financière P&V II SNC	15	1	98.36	15
Part-House Srl	99	-68	55.00	1,054
Pierre & Vacances Courtage SARL	8	-445	99.80	8
PVMT Haute Savoie	8		100.00	8
Orion SAS	38	-875	95.28	36
Pierre & Vacances Investissement XXXVIII SAS	38	-2	100.00	38
Pierre & Vacances Investissement XXXXIII SAS	38	-2	100.00	38
Pierre & Vacances Investissement XXXXV SAS	10	0	100.00	10
Pierre & Vacances Investissement XXXXVI SAS	10	0	100.00	10
Pierre & Vacances Investissement XXXXVII SAS	10	0	100.00	10
Pierre & Vacances Maroc SAS	27	-1,629	99.97	28
Multi-Resorts Holding BV	18	782	100.00	18
Pierre & Vacances South Europe Holding BV	18	0	100.00	18
Pierre & Vacances Tourisme Europe	52,590	239,223	99.99	422,129
Pierre & Vacances Marques SAS	62,061	1,282	97.78	60,686
SUBSIDIARIES (more than 10% holding)				
GIE PV-CP Services	150	2	16.00	24
Adagio SAS	1,000	707	50.00	500
Les Villages Nature de Val d'Europe SAS	18	0	50.00	9
Villages Nature Management SARL	10	0	50.00	5

NOTE 22 SIGNIFICANT EVENTS SINCE THE END OF THE YEAR

There have been no significant events since the end of the year.

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
68,814	0	0	0	62,093	1,032	30/09/2010
15	325,128	0	0	23	0	30/09/2010
15	0	0	0	0	0	30/09/2010
0	0	0	0	-68	0	30/09/2010
15	0	0	0	0	0	30/09/2010
15	0	0	0	0	0	30/09/2010
17	1,045	0	893	30	0	30/09/2010
0	0	0	294	286	0	30/09/2010
8	0	0	0	0	0	30/09/2010
0	0	0	320	-964	0	30/09/2010
38	0	0	0	-1	0	30/09/2010
38	0	0	0	-1	0	30/09/2010
10	0	0	0	-1	0	30/09/2010
10	0	0	0	-1	0	30/09/2010
10	0	0	0	-1	0	30/09/2010
28	2,592	0	0	-593	0	30/09/2010
18	0	0	0	-206	0	30/09/2010
18	0	0	0	0	0	30/09/2010
422,129	0	0	7	25,577	0	30/09/2010
60,686	0	0	0	4,203	4,551	30/09/2010
24	0	0	0	0	0	30/09/2010
500	8,856	0	22,226	-1,913	0	31/12/2010
9	235	0	0	-435	0	30/09/2010
5	0	0	0	0	0	30/09/2010

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 30 September				
Information type	**2006**	**2007**	**2008**	**2009**	**2010**
I- Financial situation of the company					
a) Share capital	87,818	88,109	88,109	88,196	88,216
b) Number of shares issued	8,781,836	8,810,911	8,810,911	8,819,576	8,821,551
c) Par value *(in euros)*	1000	10.00	10.00	10.00	10.00
II- Transactions and income for the year					
a) Turnover excluding tax	7,084	9,200	11,143	10,668	8,266
b) Income before tax, amortisation and provisions	147,136	64,705	15,045	14,543	4,886
c) Corporate income tax	(20,126)	(22,211)	(10,509)	(9,520)	(7,302)
d) Income after tax, amortisation and provisions	165,762	81,929	19,165	29,293	11,437
e) Total distributed profits	21,955	23,789	23,813	13,229	6,175*
III- Income per share *(in euros)*					
a) Income after tax, but before amortisation and provisions	19.05	9.86	2.90	2.73	0.55
b) Income after tax, amortisation and provisions	18.88	9.30	2.18	3.32	1.30
c) Dividend allocated to each share	2.50	2.70	2.70	1.50	0.70
IV- Personnel					
a) Number of employees					
b) Total wage bill			none		
c) Total paid in welfare benefits					

(*) Distribution of dividends put to the Ordinary General Meeting of the 3 March 2011.

REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

Exercice clos le 30 septembre 2010

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 30 September 2010, on:

- the audit of the accompanying financial statements of PIERRE & VACANCES;
- the justification of our assessments;
- the specific verifications and information required by law.

These 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 financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection. to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 30 September 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of the assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter:

- section 2 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, their correct application and the related information disclosed in the financial statements;
- these assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific information and verification

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of the Article L. 225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare the financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris and Neuilly-sur-Seine, 10 January 2011

The Statutory Auditors

AACE ÎLE DE FRANCE	ERNST & YOUNG ET AUTRES
Patrick Ughetto	Marie-Henriette Joud

SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED-PARTY AGREEMENTS

Exercice clos le 30 septembre 2010

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report our report on certain related party agreements and commitments.

Authorised agreements and commitments concluded in the year:

In accordance with Article L. 225-40 of the French Commercial Code *(Code de commerce),* we have been advised of certain related party agreements and commitments which were authorised by your Board of Directors.

We are not required to ascertain the existence of any other agreements and commitments but to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us. We are not required to comment as to whether they are beneficial or appropriate. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce),* to evaluate the benefits resulting from these agreements and commitments prior to their approval.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie Nationale des Commissaires aux Comptes)* relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Your Board of Directors meeting of 26 May 2010 authorised your Company to purchase from the **CENTER PARCS HOLDING BELGIUM B.V.** Company 16,237 shares of the CP HOLDING France SAS (that is 100% of the capital) for €229,035,000. This purchase was made on 23 July 2010.

Persons to whom this agreement relates: Messrs Gérard BREMOND and Sven BOINET.

Agreements and commitments authorised in prior years and which remain current during the year:

However, in accordance with the French Commercial Code *(Code de commerce),* we have been advised that the following agreements and commitments which were approved in prior years remain current during the 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 initially within ten years. Over the fiscal year this deadline was extended by 5 years following the signing of a park program renovation dealing with 564 cottages for €14.5 million. Thereof 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 31 October 2023, 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 to 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 Neuilly-sur-Seine, 10 January 2011

The Statutory Auditors

A.A.C.E. ILE-DE-FRANCE	ERNST & YOUNG ET AUTRES
Patrick Ughetto	Marie-Henriette Joud

III

Corporate Governance

ADMINISTRATION – MANAGEMENT

Composition of the Board of Directors

Name	Function	Date first appointed	End ofcurrent term of office	Main function within the company	Main function outside the company	Independence criteria(1)	Number of shares held in the company(2)
Gérard BREMOND	Chairman of the Board of Directors	03/10/1988	Until the General Meeting called to vote on the financial statements for the year ending 30/09/2012	Chairman	/	No	10
Sven BOINET	Chief Executive Officer	24/02/2003		Chief Executive Officer	/	No	25
Olivier BREMOND	Director	10/07/1995		/	Company director	No	10
SA SITI, represented by Thierry HELLIN	Director	03/10/2003		Group Deputy CEO	/	No	3,903,548 3,015
Marc R. PASTURE	Director	10/09/1998		/	Founder and director of TV Gusto	No	10
Ralf CORSTEN	Director	11/03/2004		/	Attorney	Yes	10
G.B. DEVELOPPEMENT SAS, represented by Patricia DAMERVAL	Director	10/10/2005		Group Deputy CEO	/	No	10
3,015							
Andries Arij OLIJSLAGER	Director	06/10/2008		/	Chairman of the Supervisory Board of Eriks B.V. and of Heijmans NV	No	500
Delphine BREMOND	Director	02/12/2008		/		No	10

(1) *The criteria used to assess an independent director are those given in the Bouton report of September 2002. The position of each director with regard to the independence criteria has been examined by the Board during the self-assessment of their function.*
(2) *The minimum number of shares that must be held by Directors of the company is 10.*

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 at least the last five years;
- been made bankrupt, placed in compulsory administration or liquidation during at least the last five years;
- been charged for an offence and/or had an official public penalty pronounced against him or her by the statutory or regulatory authorities during at least the last five years.

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 at least the last five years.

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.

Functioning of the Board of Directors

The company complies with the governance regime applicable in the French Republic.

Moreover, the company chose, as its reference code, the corporate governance code for listed companies laying down the corporate governance principles resulting from the consolidation of the AFEP and MEDEF report of October 2003 and their recommendations of January 2007 and October 2008 on the remuneration of executive officers of listed companies.

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 (pages 161 to 174 of this reference document).

Offices held in other companies in the last five years

Gérard BREMOND, Chairman of the Board of Directors:

Date of birth: 22/09/1937

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris cedex 19

Mr Gérard Brémond is:

- Chairman and Chief Executive Officer of SA Société d'Investissement Touristique et Immobilier – SITI
- Chairman of GB Développement SAS
- Director of Lepeudry et Grimard
- General Manager of SCI SITI R
- Member of the Supervisory Board of Maroc Télécom

Mr Gérard Brémond was:

- until 29 May 2006, director of Holding Green BV
- until 30 June 2006, permanent representative of GB Développement SA at the company Ciné B
- until 27 January 2006, permanent representative of OG Communication at the companies Marathon and Marathon International
- until 23 March 2007, permanent representative of SA SITI at the company CFICA
- until 30 May 2007, permanent representative of SA SITI at the company SERL
- until 12 December 2008, permanent representative of SA SITI at the company Lepeudry et Grimard
- until 30 April 2010, director of Vivendi Universal

Sven BOINET, Chief Executive Officer:

Date of birth: 11/04/1953

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris cedex 19

Mr Sven Boinet is:

- Deputy Chief Executive Officer of SA Société d'Investissement Touristique et Immobilier – SITI
- Director of Dinard Golf SA
- Director of EasyJet plc

Mr Sven Boinet was:

- until 31 October 2009, Director of SHCD (Lucien Barrière Group)
- until 31 October 2009, Chairman of the Board of the Lucien Barrière Group
- until 25 March 2009, director of SEETE (Lucien Barrière Group)
- from February 2005 to July 2006, director of Société Française des Papiers Peints
- from 2003 to August 2008, director of Géodis

Olivier BREMOND:

Date of birth: 03/10/1962

Business address: Kisan – 125 Green Street – New York, NY 10012

Mr Olivier Brémond is:

- Director of:
  - SA Société d'Investissement Touristique et Immobilier – SITI
  - Kisan (Iceland)
  - Kisan INC. (United States)

Mr Olivier Brémond was:

- until December 2009, director of Caoz (Iceland)
- until 27 January 2006:
  - Chairman of the Board of:
  - SA Marathon
  - Chairman and Chief Executive Officer of:
  - SA Marathon International
  - SA Cinéa
  - SA Marathon Animation
  - General Manager of:
  - SARL O.G. Communication
  - SARL Marathon Méditerranée
  - Marathon GmbH

Marc R. PASTURE:

Date of birth: 19/12/1947

Business address: Wilhelmstrasse 5 AD – 53840 Troisdorf – Germany

Mr Marc Pasture is:

- Member of the Supervisory Board of:
  - Maritim Hotelgesellschaft mbH (Germany)
  - Dolce Media GmbH (Germany)
  - Société de Production Belge SA (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, member of the Supervisory Board of RWE-Harpen AG (Germany)
- until 2007, Director of Jöma Beteiligungsgesellschaft mbH (Germany)

Ralf CORSTEN:

Date of birth: 21/02/1942

Business address: Seeleitn 23, D 82541 Seeheim – Germany

Mr Ralf Corsten is:

- Chairman of the Supervisory Board of:
  - Steigenberger Hotels AG (Germany)
  - Messe Berlin GmbH (Germany)

Mr Ralf Corsten was:

- until 25 May 2009, Chairman of the Supervisory Board of Messe Berlin GmbH (Germany)
- until 30 June 2006, Director of TUI China Travel Co (China)

Thierry HELLIN, Group Deputy Chief Executive Officer[(1)]

Date of birth: 11/11/1963

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris cedex 19

Mr Thierry Hellin is:

- Chairman and Chief Executive Officer of SA Lepeudry et Grimard
- Chairman of S.A.S. Compagnie Foncière et Immobilière de la Côte d'Azur – CFICA
- General Manager of SARL Le Duc des Lombards
- Joint general manager of the companies SARL TSF Jazz and SARL TSF Côte d'Azur

Mr Thierry Hellin was:

- until 23 March 2007, permanent representative of SA Peterhof on the Board of SA CFICA
- until 30 May 2007, Chairman and Chief Executive Officer of SA SERL
- until 14 March 2008, director of GB Développement SA
- until 15 September 2008, permanent representative of GB Développement S.A.S. on the Board of SA SITI
- until 12 September 2010, joint general manager of SARL Médiason

(1) In charge of Human Resources, Development, Sustainable Development, Legal Affairs, Risk Management and General Services.

Patricia DAMERVAL, Group Deputy Chief Executive Officer[2]

Date of birth: 28/04/1964

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris cedex 19

Ms Patricia Damerval is:

- Permanent representative of SA SITI on the Board of SA Lepeudry et Grimard

Ms Patricia Damerval was:

- until 23 March 2007, permanent representative of SA Clubhotel Multivacances on the Board of SA CFICA
- until 30 May 2007, director of SA SERL
- until 14 March 2008, permanent representative of SA SITI on the Board of GB Développement SA
- until 16 November 2009, permanent representative of GB Développement SAS on the Board of SA SITI

Andries Arij OLIJSLAGER:

Date of birth: 01/01/1944

Business address: Olax beheer BV, Postbus 49, NL – 9062 ZH Oentsjerk, Netherlands

Mr Andries Arij Olijslager is:

- Vice-Chairman of the Supervisory Board of AVEBE UA
- Chairman of the Supervisory Board of Eriks BV
- Chairman of the Supervisory Board of Heijmans NV

Mr Andries Arij Olijslager was:

- until 31 December 2009, member of the Supervisory Board of Samas-Groep NV
- until 31 March 2010, Vice-Chairman of the Supervisory Board of ABNAMRO Holding NV

Delphine BvMOND:

Date of birth: 14/07/1966

Business address:/

Ms Delphine Brémond does not hold any office in any other company

Directors' interests

Payments made to officers of the parent company and to members of the Group General Management Committee

The payments made to company officers are detailed on page 118 "Payments made to directors and members of the Board".

Total gross payments made to members of the Group General Management Committee 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 Group General Management Committee or of the Board of Directors.

(2) *In charge of Finance, Development, Audit and Asset Management.*

Interests of the directors in the capital of Pierre & Vacances SA

This information is given on page 111 in the section entitled "Ownership of shares and voting rights", on page 156 "Composition of the Board of Directors" and on pages 122-127 "Share options and free allocations of shares".

There is no convention, agreement or partnership between the Company and the members of the Group General Management Committee or of the Board of Directors concerning a restriction on the sale of their investments within a period of time.

Privileged information – share transactions

Because of the particular knowledge they have of the company, its plans and its results, the directors are required to exercise strict vigilance in their transactions involving the company's shares.

The directors undertake to keep, in registered form, throughout their term of office, the shares they acquired when they took up office; they also undertake to register in their name all shares subsequently acquired.

The directors more generally undertake to observe strictly the recommendations of the AMF (French financial markets regulator) concerning officers of the 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 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(3), carried out during the past year, is provided on page 127.

(3) Trades made in the Company's shares by the directors, similar persons and their 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 Board composition, 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, approved the content thereof in accordance with the provisions of Article L. 225-37 of the French Commercial Code at its meeting on 29 November 2010.

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.

Over the last few months, the group has implemented a transformation plan resulting, in particular, in the merger of Tourisme Pierre & Vacances and Center Parcs, and shared Group functions. This report describes the internal control procedures and organisation in force in 2009/2010. The changes made as a result of the reorganisation of services from 2010/2011 are described at the end of the report.

Governance – Composition of the Board of Directors – Conditions for the preparation and organisation of the work of the Board of Directors

Choice of reference code

In accordance with Article L. 225-37 of the French Commercial Code, the company states that it has chosen, as its reference code, the corporate governance code for listed companies laying down the corporate governance principles resulting from the consolidation of the AFEP and MEDEF report of October 2003 and their recommendations of January 2007 and October 2008 on the remuneration of executive officers of listed companies.

The company refers to the AFEP-MEDEF code and the recommendations of this code fall within the framework of the corporate governance system of the Pierre & Vacances-Center Parcs Group, it being stated that their application has to be tailored to the size and background of the company.

The company complies with all aspects of the AFEP-MEDEF code apart from the following:

- the proportion of independent directors is not one third: this situation is the result of a change in the position of Sven Boinet within the Pierre & Vacances-Center Parcs Group and of Marc Pasture seniority within Board of Directors. The company considers, however, that Marc Pasture and Andries Olijslager are individuals outside the group, whose judgment freedom is not affected, even though they can not be considered as independent directors according to AFEP-MEDEF code;
- the absence of specific committees on the Board of Directors: this situation will end no later than the 1 June 2011 by the creation of an Audit Committee and a Remuneration Committee. The Pierre & Vacances-Center Parcs Group thinks that, given its size, other types of committees are not necessary;
- the staggering of terms of office of directors: the various cooptations and appointments over the last few years have effectively made it impossible to organise the staggered renewal of terms of office.

Composition and functioning of the Board of Directors

The Board of Directors of Pierre & Vacances SA has nine members, one of whom is considered to be independent based on the criteria laid down in the Bouton report of September 2002.

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 159 of the Reference Document.

Pursuant to the amendments to the by-laws adopted by the Extraordinary General Meeting of the Company of 11 March 2004, the term of office of Board members has been reduced from six to three years. The terms of all the directors were renewed until the end of the meeting held to approve the financial statements for the period ending 30 September 2012.

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 ended, the Board of Directors met six times, with an overall attendance rate of 88.88%. 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 one occasion during the 2009/2010 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 Combined General Meeting of 11 March 2004 and by the Combined 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 et seq. of the French Commercial Code.

In accordance with its internal rules, the Board of Directors carried out its self-assessment at its meeting of 29 November 2010. This assessment found the functioning of the Board of Directors and the decision-making process within the company to be satisfactory. Given the size of the company, the Board of Directors does not accept the AFEP-MEDEF provisions concerning the mechanism of assessment carried out by en external consultant.

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:

- the Group General Management Committee includes managers mostly from the Pierre & Vacances structure and the Center Parcs structure;
- the other committees include operational staff from Pierre & Vacances and Center Parcs ensuring that decisions are shared.

Role of the Board of Directors

The principal role of the Board of Directors is to determine the group's key strategies and to ensure their proper implementation and execution. 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 six occasions. In addition to the examination of the annual and half-yearly 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 operations (particularly the Village Nature project), corporate governance (distribution of directors' attendance fees, self-assessment of the Board of Directors) and the group reorganisation plan.

Powers of the General Management

The meeting of the Board of Directors held on 6 October 2009 opted to split the functions of Chairman and Chief Executive Officer as from 16 November 2009.

Since 16 November 2009:

- Mr Gérard Brémond was Chairman of the Board of Directors for the duration of his term of office as a director, that is to say until the end of the meeting approving the financial statements for the year ending 30 September 2012;
- Mr Sven Boinet was Chief Executive Officer for the duration of his term of office as a director, that is to say until the end of the meeting approving the financial statements for the year ending 30 September 2012.

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 General Meeting. He ensures that the Company'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 Sven Boinet 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.

Other decision-making bodies

Group General Management Committee (CODIR)

During the course of 2009/2010, the Executive Committee was replaced by a Group General Management Committee .The CODIR has 5 members, the Chairman, the Chief Executive Officer, the two Group Deputy Chief Executive Officers and the Group Chief Executive Officer for Tourism. It meets once a week to discuss strategic and operational matters that involve all or virtually all of the group's business activities, such as brand management, product segmentation, the geographical spread of the development zones for the various brands, human resources, consolidated risk management and key financial indicators (turnover, income, cash flow, data consolidation, etc.). This Committee is also in charge of anticipating future changes in the group's businesses, strategic planning and developing internal synergies within the group.

Group Management Committee

The Group Management Committee meets once a month. This Committee consists of the CODIR and the principal Managers of operational functions and corporate departments. The aim of the Group Management Committee is to discuss strategic and operational issues concerning the group and report its main decisions at CODIR meetings.

PV Europe Tourism Management Committee

The PV Europe Tourism Management Committee meets once a month. This Committee consists of the Chairman and Chief Executive Officer, the Group Chief Executive Officer for Tourism and his principal deputies and the Group Deputy Chief Executive Officer in charge of Finance, Development, Audit and Asset Management. The Committee discusses all matters relating to turnover changes in the Tourism division, makes decisions concerning product and pricing strategy, and deliberates on developments (the acquisition of new apartment buildings, for management under leasing or mandate agreements, etc.). It also implements the strategy for the Pierre & Vacances Tourisme Europe division's own 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 the Pierre & Vacances Center Parcs Group (Chairman and Chief Executive Officer of Pierre & Vacances Développement) and Accor (Chief Executive Officer for hotel development and Legal Director).

Property Development Committee

The Property Development Committee meets once a month. This Committee consists of the Chairman and Chief Executive Officer, the main managers of the property development division (Pierre & Vacances Développement and Pierre & Vacances Conseil Immobilier) and the Manager of the Treasury/Finance department. 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 consists of the Chairman, the Chief Executive Officer, the Chief Executive Officer of Pierre & Vacances Développement, the Director of development and the Chief Executive Officer of Les Senioriales. It discusses the business and the current projects and authorises the purchase of land.

IT Strategy Committee

The IT strategy committee meets every 6 to 8 weeks and met for the first time on 13 April 2010. Consisting of representatives of the Group General Management, the Group Finance Department for Operations and Services, the Tourism division and the Computer Services Departments of Pierre & Vacances and Center Parcs Europe, this Committee is responsible for monitoring the main IT developments and for making the necessary budgetary decisions.

Development Committee

Formed during 2005/2006, this Committee includes representatives from tourism, property, development and finance. Its job is to make decisions on development projects.

HoldCo of Center Parcs Europe

HoldCo meets once a month under the management of the Chairman and, since 16 November 2009, the Chief Executive Officer of the group. It consists of the Group Deputy Chief Executive Officer responsible for Finance and Development, the Group Chief Executive Officer for Tourism, the Chief Executive Officer for Operations, the Deputy Chief Executive Officer in charge of Finance and the Development and Innovation Manager of Center Parcs Europe.

It draws up the human resources policy of Center Parcs Europe and decides on any strategic alterations that are required to adapt to a constantly changing environment.

HoldCo discusses the budget and monitors compliance with it throughout the year. It runs the business using key financial indicators monitored in four-week periods: accommodation turnover, on-site expenditure, profit and loss account, monitoring of the budget, investment budget, cash flow). It manages changes in turnover and takes decisions relating to product and price strategy. It is responsible for implementing the trade mark strategy.

It discusses the latest developments (construction and launch of new villages under the Center Parcs or Sunparks brands, signing of management contracts for Sunparks, agreements with tour operators, etc.).

Board of Management and Supervisory Board of Center Parcs Europe

Center Parcs Europe NV is a Dutch 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 a Supervisory Board.

Until 30 June 2010, the Board of Management of Center Parcs Europe NV had 3 members: the Chief Executive Officer, the Chief Executive Officer for Operations and the Deputy Chief Executive Officer in charge of Finance of Center Parcs Europe. Since 1 July 2010, it has had two members: the Chief Executive Officer and the Deputy Chief Executive Officer in charge of Finance of Center Parcs Europe.

The members of the Board of Management meet each week and have a special monthly meeting to discuss developments. The Board of Management 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, consisting of 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 general conduct of the company's business. It generally meets four times a year.

Center Parcs Europe Executive Committee

This Committee, managed by the Chief Executive Officer of Center Parcs Europe, consists of six members meeting every fortnight. All departments of the company are represented on it, General Management, the Sales and Marketing Department, the Operations Department, the Development Department, the Finance Department, the IT Department, the Human Resources Department and the Legal Department. This Committee conducts a full review of business of Center Parcs Europe 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, consisting of 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 remuneration policy for members of the Board of Management, according to the performance objectives set for Center Parcs Europe.

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 99-100 of this Reference Document.

According to Article 16 of the by-laws, any shareholders, irrespective of the number of shares they hold, is entitled, on proof of their identity and their capacity, to participate in General Meetings subject to entry of their shares in the books at midnight (Paris time) at least three working days before the general meeting. The recording or entry in the books of shares of bearer shares held by an authorised intermediary is proven by a certificate of participation issued by the latter in accordance with legal and regulatory provisions.

Remuneration of the company officers

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 MEDEF and AFEP on 6 October 2008. The Board of Directors has undertaken to ensure strict enforcement of these recommendations.

Company officers whose remuneration is detailed in the Board of Directors' report to the General Meeting receive fixed and variable remuneration according to their contract of employment with SITI[(4)] The variable remuneration is determined on the basis of the financial performance of the Pierre & Vacances-Center Parcs 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 company officers. 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 CODIR.

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 (CODIR, Group Management Committee, PV Europe Tourism Management Committee, Adagio Development Committee, Property Development Committee, Les Senioriales Strategic Committee, IT Strategy Committee, Development Committee) are chaired by the Chairman and Chief Executive Officer of the Pierre & Vacances-Center Parcs 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.

Group Internal Audit

To improve the efficiency of the internal control system, the decision was made, in 2009/2010, to create an Audit Department within the group attached jointly to the Group Deputy Chief Executive Officer in charge of Finance and Development and to the Group General Management. This Department is responsible for improving and consolidating internal audit missions that have hitherto be carried out separately by Pierre & Vacances and Center Parcs.

Corporate Departments

A number of the Pierre & Vacances Center Parcs 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 General Management in charge of Finance and Development and the Legal Department, the Insurance and Risk Management Department and the Human Resources Department that form part of the Corporate Secretariat Deputy General Management 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-Center Parcs Group.

(4) It should be noted that neither Gérard Brémond nor Sven Boinet have a contract of employment with SITI, nor with any of the companies in the Pierre & Vacances-Center Parcs 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 of the Pierre & Vacances Center Parcs Group;
- 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 approving 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 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 Développement, 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 the 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 Development, Legal Affairs, Human Resources and Sustainable 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 group level (including Center Parcs Europe) in order to optimise risk management (conservation/externalisation) and oversee the declarations of risks and claims.

The Group Internal Audit, in partnership with the Risk Department, last year launched a mission to map the risks facing the group.

Summary of internal control procedures relating to the preparation of financial and accounting information

The essential internal control procedures relating to the preparation of financial and accounting information are overseen by the Group Deputy General Management in charge of 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 General Management 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 in charge of Finance and Development is directly responsible for the activities of Pierre & Vacances Tourisme Europe and Property Development. For Center Parcs Europe, these functions report to the Deputy Chief Executive Officer in charge of Finance 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 and Development. 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's **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 operational departments, and ensure the overall coherence of financial information disclosures.

The group's **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 tax entities located in the Netherlands, Germany and Belgium. The group's tax department advises and assists the operating divisions in all issues relating to tax law.

The group's **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 group's **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 accounts 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 IT 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.

Pierre & Vacances Tourisme Europe

Pierre & Vacances Tourisme Europe is organised around the Brand Operating Department which deals with the marketing and exploitation of the Pierre & Vacances and Maeva brands. A specific department carries out equivalent functions for the Résidences MGM and Hôtels Latitudes brands. 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: the commercial division and the brand exploitation division. 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, 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 also divided into three main departments: accounting services, owner financial management and sales administration. The accounting services department includes three business divisions: supplier accounting, bank accounting and financial accounting. The accounting services are organised at two centres. The head office, 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 and payment 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 account management, management of disputes and processing refund claims of direct customers (call centres, Internet, etc.) and indirect customers (tour operators, travel agents, works councils, etc.). Sales administration is also responsible for keeping accounts for sales made at the various sites (management of cash received and reminders).

Holding Company and Property Development Division

The organisation of the Accounting Department and the Operational Finance Department allows each programme manager or service manager to work with a single contact in his field of responsibility.

Center Parcs Europe

The financial functions of Center Parcs Europe have been centralised in the Netherlands over the course of the year with the merging of shared French and German departmental centres into the share Dutch departmental centre. These functions have been placed under the responsibility of the Deputy Chief Executive Officer in charge of Finance of Center Parcs Europe, who operationally reports to the group Deputy Chief Executive Officer in charge of Finance and Development. His role is to supervise and centralise, with the assistance of his central team based in Rotterdam, the budget, reporting, central accounting, consolidation, tax affairs, cash flow 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 the Business Control department that is responsible for global reviews and inter-site optimisation. The latter is under the direct authority of the Operating Manager and reports functionally to the Deputy Chief Executive Officer in charge of Finance of Center Parcs Europe. 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 the Deputy Chief Executive Officer in charge of Finance of Center Parcs Europe are also responsible for reporting according to Pierre & Vacances-Center Parcs Group standards.

During the course of 2009/2010, the accounts of the French and German entities, which had hitherto been kept locally by dedicated administrative centres (shared departmental centres), were centralised at the Dutch shared departmental centre. Because of its geographical proximity, Belgium's accounts had already been centralised with those of the Netherlands. In each of these countries, a small and dedicated financial team had been maintained to ensure compliance with local standards (taxes, parent company financial statements, legal provisions, etc.). The Financial Department of the Netherlands is also responsible for the consolidation, tax and cash flow of Center Parcs Europe and for maintaining the accounting system (ERP – JD Edwards).

During the 2008/2009 period, the financial functions of Sunparks centralised at its head office in De Haan (Belgium) were incorporated into the financial organisation of Center Parcs Europe. Accounting for the villages was transferred to the departmental centres shared between the Netherlands and Belgium. Responsibility for monitoring customer receivables, budget, reporting, general accounting, consolidation, tax affairs and cash flow was transferred to the head office in Rotterdam. At the same time, the (accounting and budgetary) financial flows of Sunparks were transferred to the same ERP as Center Parcs: JD Edwards.

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 various businesses. It translates the financial objectives of the group and of each business 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, 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.) and ensures the financial synthesis of the group's economic performance.

It also advises on development issues, both in France and worldwide (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 detailed 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

The new Group Internal Audit structure will manage and coordinate all audit missions that have to be carried out under the 2010/2011 annual audit programme. The missions and subjects addressed may concern all of the businesses and subsidiaries in the group.

The information provided below refers to the period 2009/2010 before the new Group Internal Audit structure was introduced.

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 and is optimised. 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 an internal audit department (consisting of two experts) which is responsible for carrying out audits in Center Parcs and Sunparks villages. Internal auditors assess the quality of operational controls through audits targeted at risks, reviewing of financial reports and conformity checks. The main aim of these audits is to ensure compliance with group procedures, 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. This department also carries out audits on specific subjects (application of ISO 14001 quality standards, reliability of IT tools, compliance with rules, etc.). These audits are carried out at the request of the Board of Management or on the Internal Audit Department's own initiative. The internal audit manager is answerable to the Deputy Chief Executive Officer in charge of Finance 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.

The Internal Audit Department works in close collaboration with the Security Manager in order to prevent and detect fraud. Theft and fraud prevention procedures have been put in place. These procedures include a quarterly self-assessment questionnaire for each village covering the key control indicators. Visits by the Security Manager and the Internal Audit Department to villages also allow them to check whether these questionnaires are accurate. Surprise visits are also made to villages by the Internal Audit Department or an external company. They may be made for preventative reasons or prompted by suspicions of fraud.

Reporting system

The operations monitoring and control process is built upon: medium-term business plan, 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 the group General 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 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 given to the Operation Manager 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 Sales manager and the Marketing manager.

Reporting data for each "business" are presented to Group General Management at meetings of the specialist committees set up for each business activity (Tourism Management Committee, Property Development Committee, Board of Management and Supervisory Board of Center Parcs Europe).

Reorganisation plan

The main aspects of the plan to reorganise the Pierre & Vacances-Center Parcs Group, announced in the second half of the year, are as follows:

Group Tourism Department

The Group Chief Executive Officer for Tourism will be responsible for five departments:

- three General Operational Departments:
  - residences (Pierre & Vacances, Maeva and Latitudes Hôtels brands and Pierre & Vacances Premium label),
  - BNG resorts (Belgium, the Netherlands and Germany/brands: Center Parcs and Sunparks),
  - French resorts (Center Parcs France brand and Pierre & Vacances Resorts label);
- a Group Distribution Department responsible for setting out the multi-channel distribution strategy (in particular the web strategy) for all of the group's brands;
- a Department Delegated to the General Tourism Department in charge of shared tourism projects (including the joint venture for refurbishment of Center Parcs Europe).

Group Corporate Departments:

- The Chief Executive Officer will oversee:
  - the Group Purchasing Department;
  - the Corporate Secretariat of the IT Strategy Committee;
  - the Group IT Department.
- The following will report to the Deputy General Management in charge of Finance, Development, Audit and Asset Management:
  - Financial Communication and Strategic Operations;
  - a Group Finance Department for Operations and Services;
  - an Internal Audit Department, under the joint responsibility with the Chief Executive Officer;
  - a Treasury and Financing Department;
  - an Asset Management Department;
  - a Development department.
- The Deputy Chief Executive Officer in charge of Development, Legal Affairs, Human Resources and Sustainable Development will be responsible for a Group Human Resources Department and two Legal Affairs Departments (BNG and France/Southern Europe).

The organisation and attachment of Property Development and Construction of Pierre & Vacances Espagne and Pierre & Vacances Maroc remain as before.

The plan to reorganise the group is currently being notified to staff representative bodies with the intention of implementing it in the first half of 2010/2011.

REPORT OF THE STATUTORY AUDITORS, DRAWN UP IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF PIERRE & VACANCES

Exercice clos le 30 septembre 2010

To the Shareholders,

In our capacity as statutory auditors of Pierre & Vacances and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce),* we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)* for the year ended 30 September 2010.

It is the Chairman responsibility to prepare and submit for the Board of Directors a report on internal control and risk management procedures implemented by the company and to provide the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required under Article L. 225-37 of the French Commercial Code. It should be noted that our role is not to the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce).*

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required under Article L. 225-37 of the French Commercial Code *(Code de commerce).*

Paris and Neuilly-sur-Seine, 10 January 2011

The Statutory Auditors

AACE ÎLE DE FRANCE	ERNST & YOUNG ET AUTRES
Patrick Ughetto	Marie-Henriette Joud

IV

Resolutions presented to 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 2009/2010 as presented in this document and during the Annual General Meeting of 3 March 2011.

Appropriation of earnings

Net of all charges, taxes and amortisation, the parent company financial statements show a net profit of €11,437,089.57.

It is proposed that this profit be appropriated as follows:

▪ income for the year	€11,437,089.57
▪ plus retained earnings from the previous year	€472,479,974.21
Total	**€483,917,063.78**
▪ to the statutory reserve	€1,975.00
▪ to the shareholders in dividends	€6,175,085.70
▪ to retained earnings	€477,740,003.08

The dividend to be distributed for the year is therefore €0.70 per share.

This dividend will be payable on 18 March 2011.

Following this appropriation, shareholders' equity at 30 September 2010 will break down as follows:

▪ share capital	€88,215,510.00
▪ additional paid-in capital	€8,635,020.43
▪ merger prevmiums	€55,912.36
▪ statutory reserve	€8,821,551.00
▪ other reserves	€2,308,431.46
▪ retained earnings	€477,740,003.08
Total	€585,776,428.33,

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:

Period	Numberof shares[(1)]	Par value	Amount distributed	Net dividend per share	Distribution eligible for reduction as in Article L. 158-3-2 of the General Tax Code (CGI)
2008/2009	8,696,887	€10	€13,045,330.50	€1.50	€13,045,330.50
2007/2008	8,683,682	€10	€23,445,941.40	€2.70	€23,445,941.40
2006/2007	8,712,863	€10	€23,524,730.10	€2.70	€23,524,730.10

(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.

More detailed 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:

Les Villages Nature de Val d'Europe Sarl

On 14 December 2009, acquisition by Pierre & Vacances from Pierre & Vacances Développement SA of 461 shares (or 50% of the capital) of Sarl Villages Nature de Val d'Europe for €9,220.

Villages Nature Management Sarl

On 17 June 2010, following the creation of Villages Nature Management Sarl, Pierre & Vacances SA subscribed for 500 shares in the said company (of the 1,000 shares constituting the share capital).

Pierre & Vacances Investissement XXXXIV (now PV Sénioriales Exploitation)

On 23 June 2010, following the creation of Pierre & Vacances Investissement XXXXIV, Pierre & Vacances SA subscribed for 1,000 shares (or 100% of the capital) in the said company.

Pierre & Vacances Investissement XXXXV

On 23 June 2010, following the creation of Pierre & Vacances Investissement XXXXV, Pierre & Vacances SA subscribed for 1,000 shares (or 100% of the capital) in the said company.

Pierre & Vacances Investissement XXXXVI

On 23 June 2010, following the creation of Pierre & Vacances Investissement XXXXVI, Pierre & Vacances SA subscribed for 1,000 shares (or 100% of the capital) in the said company.

Pierre & Vacances Investissement XXXXVII

On 23 June 2010, following the creation of Pierre & Vacances Investissement XXXXVII, Pierre & Vacances SA subscribed for 1,000 shares (or 100% of the capital) in the said company.

CP Holding France SAS

On 23 July 2010, acquisition by Pierre & Vacances SA from Center Parcs Holding Belgium BV of 16,237,012 shares in CP Holding France SAS for €229,035,000.

Pierre & Vacances Tourisme Europe

On 27 August 2010, issue of 1,957,250 shares in Pierre & Vacances Tourisme Europe all allocated to Pierre & Vacances SA (in remuneration for the contribution by Pierre & Vacances SA to Pierre & Vacances Tourisme Europe of 364,735 shares in Center Parcs Europe NV).

On 30 September 2010, issue of 756,091 shares in Pierre & Vacances Tourisme Europe all allocated to Pierre & Vacances SA (in remuneration for the takeover of CP Holding France SAS by Pierre & Vacances Tourisme Europe).

SNC Domaine du Lac de l'Ailette

On 30 September 2010, allocation by Center Parcs France SCS to Pierre & Vacances SA of 191 shares in SNC Domaine du Lac de l'Ailette (or 5% of the capital) as part of the distribution in kind of part of the income of Center Parcs France SCS.

Significant disposals

During the last financial year, the company disposed of the following investments:

Pierre & Vacances Transactions

On 26 April 2010, Pierre & Vacances SA sold 2,499 shares in Pierre & Vacances Transactions (or 99.96% of the capital) to Tourism Real Estate Services Holding SE, for a total of €67,822.86.

Pierre & Vacances Investissement XXXIX (now PV-CP Holding Exploitation)

On 31 May 2010, Pierre & Vacances SA sold 3,696 shares in Pierre & Vacances Investissement XXXIX (or 100% of the capital) to Pierre & Vacances Tourisme Europe at par value, that is to say a total of €36,960.

Pierre & Vacances Investissement XXXX (now PV-CP Résidences Exploitation)

On 31 May 2010, Pierre & Vacances SA sold 3,613 shares in Pierre & Vacances Investissement XXXX (or 100% of the capital) to Pierre & Vacances Maeva Distribution at par value, that is to say a total of €36,130.

Pierre & Vacances Investissement XXXXI (now PV-CP Resorts France)

On 31 May 2010, Pierre & Vacances SA sold 3,614 shares in Pierre & Vacances Investissement XXXXI (or 100% of the capital) to Pierre & Vacances Maeva Distribution at par value, that is to say a total of €36,140.

Pierre & Vacances Investissement XXXXII (now PV-CP Gestion Exploitation)

On 31 May 2010, Pierre & Vacances SA sold 3,616 shares in Pierre & Vacances Investissement XXXXII (or 100% of the capital) to Pierre & Vacances Maeva Distribution at par value, that is to say a total of €36,160.

Pierre & Vacances Investissement XXVIII (now Holding Rénovation Tourisme)

On 21 June 2010, Pierre & Vacances SA sold the 3,812 shares constituting the capital of Pierre & Vacances Investissement XXVIII to Pierre & Vacances Tourisme Europe on the basis of the par value, that is to say for €38,120.

Pierre & Vacances Investissement XXXXIV (now PV Sénioriales Exploitation)

On 20 July 2010, Pierre & Vacances SA sold the 1,000 shares constituting the capital of Pierre & Vacances Investissement XXXXIV to PV Sénioriales Promotion et Commercialisation at par value, that is to say a total of €10,000.

Significant investments and disposals since the year-end

None.

Attendance fees

The Meeting is asked to approve €180,000 in attendance fees to be paid to members of the Board of Directors for 2010/2011, the Board being free to distribute the attendance fees between its members.

Related-party agreements

Agreement 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.

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

None.

Agreements governed by Article L. 225-39 of the French Commercial Code

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.

Share buy-back programme

Since the authorisation given by the General Meeting of 18 February 2010 is valid until 18 August 2011, 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 18 February 2010 to trade in its own shares.

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 31 December 2010, the Company holds 123,239 of its own shares, or 0.07% of the capital:

- 3,550 shares as part of the AMAFI liquidity agreement;
- 75,476 shares were allocated to the free share allocation plan of 12 January 2009;
- 2,879 shares were allocated to the free share allocation plan of 12 February 2009;
- 6,575 shares were allocated to the free share allocation plan of 12 February 2009;
- 26,000 shares were allocated to the share purchase option plan of 26 September 2005;
- 8,759 shares were allocated to the share purchase option plan of 21 July 2006.

Objectives ofve 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 AMAFI;
2) grant free shares and/or share 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 short-term investments 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 the 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 31 December 2010, 882,155 shares at a par value of €10 each. Because of the 123,239 shares already held in treasury stock on 31 December 2010, the maximum number of shares that may be acquired as part of this buy-back programme is therefore 758,916, reflecting a theoretical maximum investment of €75,891,600 on the basis of the maximum buying price of €100 specified in the 6th resolution put to the vote of the General Meeting on 3 March 2011. It should however be noted that the buy-back programme's main objective is to steady the share price, so this maximum investment should not be reached.

Duration of the buy-back programme

Eighteen months from approval by the Combined General Meeting of 3 March 2011, that is until 3 September 2012.

Extract from the Board report on the proposed resolutions put before 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 6th 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.

Among the objectives of this is, where necessary, to cancel the shares thus acquired. Consequently, your Board, through the 7th 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 18 February 2010.

(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 shareholders owning bearer shares who have requested it.

Authorisation of the Board of Directors to increase the amount of share issues, with or without preferential subscription rights, pursuant to the 21st, 22nd and 23rd resolutions of the Extraordinary General Meeting of 18 February 2010

At the Extraordinary General Meeting of 18 February 2010, you granted the Board of Directors certain authorisations to increase the share capital with the option of sub-delegation to the Chief Executive Officer.

Owing to an oversight, the Extraordinary General Meeting of 18 February 2010 was not requested to renew the authorisation in order to increase the amount of share issues, with or without preferential subscription rights.

You are therefore requested to grant the Board of Directors authority to increase, under the legal and regulatory conditions in force, the number of shares to be issued if capital is increased with or without preferential subscription rights within the framework of the delegation of authority referred to in the 21st, 22nd and 23rd resolutions of the Extraordinary General Meeting of 18 February 2010.

This authorisation will be valid until 18 April 2012.

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 12 February 2009, 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 Board of Directors has never used this authorisation. 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 250,000 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 12 February 2009.

Authorisation for the Board of Directors to proceed with capital increases reserved for members of a company savings plan

Pursuant to the authorisation to be given to the Board of Directors to grant options to subscribe shares, the shareholders must vote on a proposed resolution in order to increase the capital 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 above-mentioned 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 18 February 2010.

Changes to be made to the Company by-laws

It is proposed that the by-laws be amended regarding the age limit for holding the post of Chairman of the Board of Directors which we suggest should be set at 80 years of age.

The company's by-laws also need to be harmonised with the requirements of decree No. 2010-684 of 23 June 2010. Accordingly, it is proposed that the by-laws be amended regarding the proxy of a shareholder at the General Meeting.

RESOLUTIONS PUT TO THE COMBINED GENERAL MEETING OF 3 MARCH 2011

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 2010, 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 €11,437,089.57, plus retained earnings from the previous year to the value of €472,479,974.21, making a total of €483,917,063.78, as follows:

- to the statutory reserve €1,975
- to the shareholders in dividends €6,175,085.70
- to retained earnings €477,740,003.08

The dividend to be distributed for the year is therefore €0.70 per share. This dividend will be payable on 18 March 2011.

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:

Period	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 General Tax Code (CGI)
2008/2009	8,696,887	€10	€13,045,330.50	€1.50	€13,045,330.50
2007/2008	8,683,682	€10	€23,445,941.40	€2.70	€23,445,941.40
2006/2007	8,712,863	€10	€23,524,730.10	€2.70	€23,524,730.10

(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 2010, 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 2010 show a consolidated turnover of €1,427 million and a net attributable consolidated profit of €7,275 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 an agreement specified in Articles L. 225-38 *et seq.* of the French Commercial Code, approves the conclusions of the said report and the agreements specified therein.

Sixth 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 €100 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 €100, would be €75,891,600 based on the share capital at 31 December 2010, 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 AMAFI;
2) grant free shares and/or share 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 short-term investments 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 the 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 in particular 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 18 February 2010.

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)

Seventh 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 seventh 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 18 February 2010 which was not used and which is thereby replaced.

Eight resolution

(Authorisation to increase the amount of share issues, with or without preferential subscription rights, pursuant to the 21st, 22nd and 23rd resolutions of the Extraordinary General Meeting of 18 February 2010)

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, with the option of sub-delegation to the 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, decided on by virtue of the 21st, 22nd and 23rd resolutions of the Extraordinary General Meeting of 18 February 2010, within the 30 days leading up to the subscription deadline, up to a limit of 15% of the number of shares in the initial issue and at the same price as that fixed in the initial issue.

The par value of the increase for the issue decided on by virtue of the present resolution will be based on the general capital increase ceiling of €44,000,000 laid down in the 21st, 22nd and 23rd resolutions of the Extraordinary General Meeting of 18 February 2010.

The present authorisation is valid until 18 April 2012.

Ninth 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 250,000 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.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 12 February 2009 which was not used and which is thereby replaced.

Tenth 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 18 February 2010 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-Center Parcs Group under the terms required by law.

The present authorisation supersedes the previous authorisation given by the Extraordinary General Meeting on 18 February 2010 which was not used.

Eleventh resolution

(Modification of Article 11 of the by-laws)

The Extraordinary General Meeting, having heard the report of the Board of Directors, decides to modify the second paragraph of Article 11 of the by-laws so that it reads as follows:

"The Chairman can be re-elected any number of times. He may continue in his post until the age of 80, after which he will be considered to have retired."

The rest of the article remains unchanged.

Twelfth resolution

(Modification of Article 16 of the by-laws: moving into line with decree No. 2010-684 of 23 June 2010)

The Extraordinary General Meeting, having heard the report of the Board of Directors, decides to insert the following new paragraph between the 1st and 2nd paragraphs of Article 16.5:

"Shareholders can, under the conditions and within the deadlines laid down by law and in the regulations, send their proxy by any means of remote transmission (including electronically). When use is made of such means, the electronic signature may take the form of a process that meets the conditions laid down in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code. The proxy of a shareholder at the meeting may be revoked in the same forms as those required to appoint the representative".

The rest of the article remains unchanged.

Thirteenth 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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V

Notes

PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS AND THE REFERENCE DOCUMENT

Name of the person assuming responsibility for the reference document

Gérard BREMOND, Chairman of the Board of Directors.

Sven BOINET, 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.

The consolidated financial statements presented in the 1st section of this document were subject to the Statutory Auditors report given in the same section. This report contains an observation on the new accounting standard impacts related to change in presentation of the profit and loss statement (IAS 1 revised) and to the group operating segments presentation (IFRS 8).

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, 21 January 2011

Gérard BREMOND,

Chairman of the Board of Directors

Sven BOINET,

Chief Executive Officer

Statutory Auditors

Principal Auditors:

ERNST & YOUNG & Autres
Marie-Henriette JOUD
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 18 February 2010

AACE – ÎLE DE FRANCE
Patrick UGHETTO
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 18 February 2010

Deputy Auditors:

Pascal MACIOCE
41, rue Ybry – 92576 NEUILLY-SUR-SEINE
First appointed by the General Meeting of 11 March 2004
Reappointed for six years by the General Meeting of 18 February 2010

Jean-Baptiste PONCET
10, rue de Florence – 75008 PARIS
First appointed by the General Meeting of 11 March 2004
Reappointed for six years by the General Meeting of 18 February 2010

FEES PAID TO THE STATUTORY AUDITORS AND THE MEMBERS OF THEIR NETWORK

	Ernst & Young & Autres				AACE – Île-de-France			
	Amount		%		Amount		%	
(in thousands of euros)	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009
Audit								
Statutory Auditors services, certifications, examination of individual and consolidated financial statements	1,172	1,211	73%	75%	331	376	100%	100%
Issuer	314	281	20%	17%	37	34	11%	9%
Fully integrated subsidiaries	858	930	53%	58%	294	342	89%	91%
Other examinations and services directly associated with the task of the Statutory Auditor	100	68	6%	4%				
Issuer	50		3%					
Fully integrated subsidiaries	50	68	3%	4%				
Sub-total	**1,272**	**1,279**	**79%**	**79%**	**331**	**376**	**100%**	**100%**
Other services provided by networks to fully integrated subsidiaries								
Legal, fiscal, social								
Others (to be specified if >10% of the audit fees)	337	338	21%	21%				
Sub-total	**337**	**338**	**21%**	**21%**				
TOTAL	**1,609**	**1,617**	**100%**	**100%**	**331**	**376**	**100%**	**100%**

The annual and consolidated financial statements of the Center Parcs Europe subgroup for 2009/2010 and 2008/2009 have been audited by the auditors of the Ernst & Young network in the Netherlands, Germany and Belgium and by Ernst & Young & Autres in France.

Furthermore, the fees for the tax services cover the work done in 2009/2010 and 2008/2009 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-Center Parcs 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:

- Half-yearly balance sheet of the Pierre & Vacances-Center Parcs Group liquidity agreement as of 31 December 2009, published on 11 January 2010;
- 2008/2009 reference document filed with the AMF on 13 January 2010 under No. D. 10-0008;
- Notice of invitation to the Combined General Meeting of 18 February 2010, published in the *Bulletin des Annonces Légales Obligatoires* of 13 January 2010 (bulletin n°6);
- Notice of invitation to the Combined General Meeting of 18 February 2010, published on 13 January 2010;
- Terms of provision of the 2008/2009 reference document, published on 14 January 2010;
- Financial information – 1st quarter of 2009/2010, published on 21 January 2010;
- Notice of invitation to the Combined General Meeting of 18 February 2010, published in the Journal Spécial des Sociétés of 30 January 2010;
- Launch Press release – Placing of a block of Pierre & Vacances shares owned by SITI, published on 26 January 2010;
- Press release – SITI placed a block of Pierre & Vacances shares, published on 26 January 2010;
- Provision of the preparatory documents at the Combined General Meeting of 18 February 2010, published on 3 February 2010;
- Correction of the notice of invitation to the Combined General Meeting of 18 February 2010, published in the *Bulletin des Annonces Légales Obligatoires* of 5 February 2010 (bulletin n°16);
- Vote on the resolutions result, Combined General Meeting of 18 February 2010, published on 23 February 2010;
- Press release – Partnerships for managing catering at the Center Parcs and Sunparks domains, published on 4 March 2010;
- Annual financial statements – Certifications of the statutory auditors on the annual financial statements and the consolidated financial statements, published in the *Bulletin des Annonces Légales Obligatoires* of 17 March 2010 (bulletin n°33);
- Financial information – 2nd quarter of 2009/2010, published on 15 April 2010;
- Half-yearly results presentation, published on 27 May 2010;
- Half-yearly Financial Report, published on 31 May 2010;
- Half-yearly balance sheet of the Pierre & Vacances-Center Parcs Group liquidity agreement as of 30 Jun 2010, published on 8 July 2010;
- Financial information – 3rd quarter of 2009/2010, published on 15 July 2010;
- Press release – Agreement with Eurosic, published on 28 July 2010;
- Press release – Signing of the development agreement for Villages Nature with state authorities, published on 15 September 2010;
- 2009/2010 annual turnover, published on 19 October 2010;
- Press release – Euro Disney and Pierre & Vacances disclose Les Villages Nature, a new sustainable tourism concept, published on 24 November 2010;
- 2009/2010 annual income, published on 2 December 2010;
- Monthly declaration of the number of shares and rights on 31 December 2009, 31 January, 28 February, 31 March, and 30 September 2010.

(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 32 to 100 (financial report) of the 2008/2009 reference document registered with the AMF on 13 January 2010 under number D. 10-0008;
- the consolidated financial statements and corresponding audit reports shown on pages 33 to 102 (financial report) of the 2007/2008 reference document registered with the AMF on 29 January 2009 under number D. 09-040;
- the group management report shown on pages 4 to 31 (financial report) of the 2008/2009 reference document registered with the AMF on 13 January 2010 under number D. 10-0008;
- the group management report shown on pages 4 to 32 (financial report) of the 2007/2008 reference document registered with the AMF on 29 January 2009 under number D. 09-040;
- parts not included in these documents are either irrelevant to the investor or covered elsewhere in the Reference Document.

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