FINANCIAL REPORT 2010 - 2011

Groupe
Pierre & Vacances
Center Parcs

PIERRE & VACANCES CENTER PARCS GROUP

Annual Financial Report 2010 / 2011

AUTORITÉ DES MARCHÉS FINANCIERS
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* French market regulator

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Pierre & Vacances-Center Parcs Group

GROUP MANAGEMENT REPORT

Founded in 1967 by Gérard Brémond, the Pierre & Vacances-Center Parcs Group is the European leader in local tourism with five main brands: Pierre & Vacances, Maeva, Center Parcs, Sunparks and Adagio.

Each year, the Group accommodates more than 7.5 million customers in the 51,000 apartments and holiday homes which it operates, principally in France (in mountain resorts, sea resorts, in the countryside, in towns and in the Caribbean), as well as in the Netherlands, Germany, Belgium, Italy and Spain.

During the 2010/2011 financial year, the Group achieved 75% of its revenue from marketing and operating leisure residences or holiday villages, and 25% in property development.

Presentation of Group business and results and their change during financial year 2010/2011

Significant events

Financial structure/shareholding

OCÉANE bond issue

On 25 January 2011, Pierre & Vacances Group issued a bond, convertible into new shares or exchangeable for existing shares (OCÉANE), maturing on 1 October 2015, for the amount of €100 million. This transaction was significantly oversubscribed. The amount was raised to €115 million on 27 January 2011, following the exercise in full of the over-allotment option by the transaction's leading banks.

The funds raised by this issue will be used to meet the Group's general financing needs, to finance external growth opportunities, to diversify its sources of finance and to extend its debt maturity.

Breaching of thresholds

- Ameriprise Financial Inc., acting on behalf of managed funds, breached:
  - upwards, on 27 April 2011, the threshold of 5% of Pierre et Vacances SA capital, holding, on behalf of the said funds, 443,600 shares as of that date and representing an equivalent number of voting rights, namely 5.03% of the capital and 3.47% of voting rights;
  - downwards, on 2 August 2011, the threshold of 5% of Pierre et Vacances SA capital, holding, on behalf of the said funds, 440,540 shares as of that date and representing an equivalent number of voting rights, namely 4.99% of the capital and 3.45% of voting rights.
- Financière de l'Échiquier, acting on behalf of managed funds, declared having breached upwards, on 16 November 2011, the threshold of 5% of Pierre et Vacances SA voting rights, holding, on behalf of the said funds, 667,047 shares as of that date and representing an equivalent number of voting rights, namely 7.56% of the capital and 5.22% of voting rights.

Development/Sale of tourism offer

Acquisitions/Development

Acquisition of Citéa by Adagio City Aparthotel

On 15 June 2011, the Group bought the following from Lamy (Nexity Group):

- 50% of Citéa (manager under a management agreement of 2* city holiday residences), bringing its holding in Citéa to 100%;
- the operating division of 31 holiday residences managed by Citéa.

On 1 July 2011, the Group sold 100% of Citéa to Adagio.

Following this acquisition, Adagio announced the creation of the Adagio Access range, which brings a more economic product to the middle and upmarket Adagio aparthotel network. Citéa residences will be part of this new range, with new openings gradually expanding it up to a target of 69 Adagio Access residences by 2015.

The purchase of Citéa makes Adagio City Aparthotel the European leader in city holiday residences, with 84 residences generating revenue of around €160 million.

The development plan for Adagio and Citéa combined is primarily focused on Europe (France, Germany, UK) as well as Russia and the Middle East. By 2015, Adagio is expected to operate close to 130 residences with revenue of €330 million.

Project development – Center Parcs in Germany

- On 29 March 2011, the Group signed the final agreements with public and local authorities in the Sarre region for the creation of Center Parcs in Bostalsee. This 500-cottage project, which is expected to be delivered in 2013, represents an investment of €130 million. The third-party financing was finalised on 2 December 2011.
- On 2 May 2011, the Group signed a framework agreement with the town of Leutkirch for the development of a new Center Parcs in southern Germany (Baden Württemberg), as well as for the acquisition of the corresponding land. This signature follows the allocation by the Baden Württemberg authorities of an investment grant at the end of April 2011. The park is expected to open in spring 2015.

Project development – Center Parcs in Isère, France

The appeal against planning permission for the Center Parcs in the Domaine de la Forêt de Chambaran (commune of Roybon in Isère), lodged on 22 September 2010 by a group opposed to the project, was subject to two judgements on 23 June 2011.

In the first judgement, the Grenoble Administrative Court rejected the opponents' application and affirmed the authorisation for land clearing given by the Isère prefect. In the second judgement, the simplified revision of the Roybon town plan and the planning permission granted a year earlier by the town hall were cancelled on procedural grounds, all other substantive pleas having been rejected.

Since then, the town has complied with procedural regulations and on 23 September 2011 it once again approved the local town plan.

The Group then requested confirmation of planning permission. This process, launched on 3 November, resulted in the granting of new planning permission, with the full approval of the State, on 21 December 2011.

Disposals

During financial year 2010/2011, three Latitudes hotels were sold as part of the Group's strategy to withdraw from hotel activities:

- on 22 December 2010, the business goodwill and tangible assets of the Beach Hôtel in Trouville were sold to the Sofisol Group for €2.2 million;
- on 1 June 2011, the Group sold the business goodwill of the Hôtel du Golf in Courchevel 1650 for €4.2 million;
- on 29 September 2011, the business goodwill and tangible assets of the Hôtel Latitudes in Toulouse were sold for €3.5 million.

Operation/Renovation

Renovation of two Center Parcs in France

On 8 October 2010, the Group signed an agreement with Eurosic, owner of the Center Parcs in the 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 ten-year leases on central facilities and the remaining 967 cottages.

The renovation programme for the Domaine des Hauts de Bruyères was followed by a new agreement, signed on 22 November 2011, concerning:

- the acquisition of 350 cottages from Eurosic;
- a new 11.5-year lease on Eurosic's remaining property, namely 140 cottages and the central facilities.

Partnerships for managing catering at Center Parcs and Sunparks

Partnership agreements concluded in March 2010 with Elior et Albron for the management of catering at Center Parcs and Sunparks continued to be implemented during financial year 2010/2011 and now include 16 villages in the Netherlands, Belgium, Germany and France.

These partnerships have no impact on margins, which are paid back to the Group as commissions by the service providers.

Property development

Since 2009 the Group's property development business has benefited from a tax incentive for service-residences and, in particular, holiday residences (Censi-Bouvard arrangement), similar to the Scellier Law. In 2009 and 2010, this arrangement provided for an income tax reduction of 25% of the net property price before taxes (maximum €300,000), spread over nine years. This rate was reduced to 18% in 2011.

The 2012 Finance Law lowered the tax reduction rate to 11% for investments made after 1 January 2012 (the rate of 18% continues to be applicable to investments completed by 31 March 2012, provided that the reservation contract was signed prior to 31 December 2011).

The Scellier arrangement, applicable to investment spending for rental as a principal residence, has also been amended. The tax reduction rate for properties which meet the BBC standard (*bâtiment basse consommation* or low-consumption building) was reduced from 22% in 2011 to 13% from 1 January 2012. Buildings which do not meet the BBC standard only qualify for a 6% rate of reduction (compared with 13% en 2011), for planning permissions filed by 31 December 2011.

The 2012 Finance Law cancels the Scellier et Censi-Bouvard Laws with effect from 1 January 2013[1]. However, our investors continue to benefit from the deduction of VAT and the Non-Professional Furnished Rental tax scheme *(Loueur en Meublé Non Professionnel),* under which depreciation of the property and furniture can be deducted from rental revenues. This tax status is not affected by the 2012 Finance Law.

Moreover, the Group is investigating alternative means of financing, such as real estate investment trusts *(Sociétés Civiles de Placement Immobilier)* and institutional investors.

(1) While conserving a limited extension of the Censi Bouvard measures until end 2014 for transactions already committed at 1 January 2012 (transactions for which at least one apartment has been bought prior to this date).

Group revenue

Over the full financial year from 1 October 2010 to 30 September 2011, Group revenue totalled €1,469.6 million.

(in millions of euros)	2010/2011	2009/2010 on a like-for-like basis (*)	Change on a like-for-like basis	2009/2010
Tourism	**1,097.0**	**1,057.9**	**+3.7%**	**1,163.7**
Rental revenue	702.9	662.5	+6.1%	640.8
Pierre & Vacances Tourisme Europe(1)	569.9	560.5	+1.7%	564.1
Center Parcs Europe(2)	527.1	497.4	+6.0%	599.6
Property development	**372.6**	**263.5**	**+41.4%**	**263.5**
TOTAL, FINANCIAL YEAR	**1,469.6**	**1,321.4**	**+11.2%**	**1,427.2**

(1) Pierre & Vacances Tourisme Europe houses the Pierre & Vacances, Adagio City Aparthotel, Maeva and Latitudes Hôtels brands.
(2) Center Parcs Europe houses the Center Parcs and Sunparks brands.

*(*) **On a like-for-like basis, revenue has been adjusted for differences:***
1. For Pierre & Vacances Tourisme Europe:
- *the acquisition of the business goodwill of 31 Citéa residences from Lamy on 1 July 2011 (namely +€10.5 million in 2009/2010, including +€10 million of rental revenue). Revenue from accommodation in the 11 Citéa residences operated by the Group prior to this acquisition and previously entered under "Revenue from services" has been reclassified as "Rental revenue" (€11.7 million in 2009/2010);*
- *reclassification of rebilling of expenses from external management agreements as "Other operating income";*

2. For Center Parcs Europe, the outsourcing of catering in Center Parcs villages (€102.2 million in 2009/2010).

Tourism businesses generated revenue of €1,097.0 million, up 3.7% on a like-for-like basis. Rental revenue rose by 6.1% to €702.9 million on a like-for-like basis, due to an increase of 3.4% in the average net letting rate and 2.7% in the number of nights sold. The average occupancy rate (66.6%) rose by 0.4%.

Revenue rose in the second half of the financial year, with business excluding the Domaine des Trois Forêts being stable in the first half.

The increase in the number of foreign customers, notably Dutch, German and Belgian, was particularly marked on the French coast (+22.9%), notably as a result of cross-selling and partnerships concluded with foreign tour operators to promote the Pierre & Vacances brand in international markets.

Sales generated by on-line sites rose by over 10%, including nearly 7% in direct sales. They represented 42% of rental revenue.

- **Pierre & Vacances Tourisme Europe** generated revenue of €569.9 million, up by 1.7% on a like-for-like basis.

Rental revenue rose by 4.9% to €380.7 million (+€17.9 million) as a result of an increase in the number of nights sold (+3.6%) and an improvement in the average net letting rate (+1.3%). The average occupancy rate (63.3%) rose by 1.7%.

This growth was mainly due to:

- city residences: +€15.7 million (+17.6%), including nearly +€3.5 million from the operation of five new residences;
- seaside resorts: +€10.3 million (+6.3%), including +€3.2 million from the lease of five new residences in Spain and +€1.1 million generated by the Houlgate residence in France during its first year of operation.

Sales generated by on-line sites rose by over 10%, including nearly +3% in direct sales. They represented 31% of rental revenue.

- **Center Parcs Europe** generated revenue of €527.1 million, an increase of 6.0% on a like-for-like basis.

Rental revenue rose by 7.5% to €322.2 million (+€22.5 million), driven mainly by an increase in the average net letting rate (+6.0%). The average occupancy rate stood at 72.5% over the financial year (compared with 73.7% in 2009/2010).

This growth was mainly due to the Domaine des Trois Forêts, which generated rental revenue of €31.7 million, up €19.8 million from financial year 2009/2010. Excluding the Domaine des Trois Forêts, rental revenue rose by 1.0% (€2.7 million), driven by German, French and Belgian customers.

Sales from on-line sites rose by over 8%, driven by direct sales. They represented 54% of rental revenue.

Revenue from **property development** increased to €372.6 million, notably as a result of the renovation programme of the Center Parcs Bois Francs and Hauts de Bruyères (€107.9 million), the extension of Avoriaz (€78.2 million) and the contribution of Senioriales (€75 million).

Tourism businesses

Key indicators

(in millions of euros)	2010/2011	2009/2010 on a like-for-like basis	Change on a like-for-like basis	2009/2010
Revenue	**1,097.0**	**1,057.9**	**+3.7%**	**1,163.7**
Rentals	702.9	662.5	+6.1%	640.8
Services(1)	394.1	395.4	-0.3%	522.9
Average Net Letting Rate (ALR)(2) *(in euros)*	**599**	**579**	**+3.4%**	**592**
No. of weeks sold	**1,173,533**	**1,143,597**	**+2.7%**	**1,083,293**
Occupancy rate	**66.6%**	**66.3%**	**+0.4%**	**66.4%**

(1) Catering, events, mini market, stores, marketing, etc.
(2) Average letting rate per week of accommodation net of distribution costs.

Tourism rental revenue (€702.9 million) rose by 6.1%, driven by:

- a +2.7% increase in the number of weeks sold, due to new offers that were well received (annualisation of the Center Parcs in the Domaine des Trois Forêts, operation of five new city residences and the taking of a lease on five residences in Spain). Average occupancy rate rose by 0.4%;
- an improvement of +3.4% in the average net letting rate, stemming from both the Center Parcs Europe villages (+6.0%) and the Pierre & Vacances Tourisme Europe villages and residences (+1.3%, including an increase of +2.5% in seaside resorts notably as a result of the marketing strategy reducing early booking offers on summer high season).

Revenue rose in the second half of the financial year, with business excluding the Domaine des Trois Forêts being stable in the first half.

Breakdown of Group rental revenue by client origin

	Pierre & Vacances Tourisme Europe		Center Parcs Europe		Total	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
France	61.8%	66.9%	30.9%	28.6%	47.6%	49.0%
The Netherlands	4.7%	3.3%	29.5%	33.0%	16.1%	17.2%
Germany	3.1%	3.1%	23.2%	22.5%	12.3%	12.2%
Belgium	3.6%	4.0%	12.2%	12.2%	7.6%	7.8%
UK	5.7%	6.1%	1.3%	1.4%	3.6%	3.9%
Spain	2.9%	2.3%	0.0%	0.0%	1.6%	1.2%
Italy	2.3%	2.4%	0.0%	0.0%	1.2%	1.3%
Other	15.9%	11.9%	2.9%	2.3%	10.0%	7.4%

For financial year 2010/2011, 52.4% of the Group's rental revenue stemmed from foreign clients and 47.6% from French clients.

Foreign clients were mainly Dutch and German holidaymakers (16.1% and 12.3%, respectively) given the presence of Center Parcs Europe in the Netherlands (eight villages) and Germany (four villages). In addition, these customers are increasing their share of Pierre & Vacances Tourisme Europe: they represented 7.8% of rental revenue for financial year 2010/2011, compared with 6.4% for financial year 2009/2010.

Characteristics of the holiday residence portfolio operated in financial year 2010/2011

Breakdown of tourism residence portfolio by brand/label

	Pierre & Vacances[(1)]	Maeva[(2)]	PV Premium[(3)]	Hôtels Latitudes	Adagio	Adagio Access	Center Parcs	Sunparks	Total
Residences/Villages	101	81	20	6[(4)]	34	50	19	3	314
Apartments/homes	17,729	7,531	2,134	269	4,342	5,040	12,705	1,281	51,031
Beds	91,300	34,193	12,124	590	13,466	12,730	63,883	6,871	235,157

(1) 17,932 apartments and 92,315 beds including the marketing business.
(2) 12,913 apartments and 61,103 beds including the marketing business.
(3) PV Premium is a Pierre & Vacances label.
(4) At 30 September 2011, only the Hôtel Latitudes in Valescure was still operated by the Group.

The holiday residence portfolio operated by the Group during financial year 2010/2011 was around 220 apartments larger than the previous year, on a like-for-like basis (excluding the effect of the Citéa transaction). The effect of the opening of four new Adagio residences (+430 apartments) and the leasing of five new residences in Spain (+740 apartments) was offset in part by the reduction in offer due to the sale of the Latitudes hotels (around 300 apartments) and the loss of leases on the Maeva and Pierre & Vacances brands.

During financial year 2010/2011, five Sunparks villages were transferred to the Center Parcs brand and two Latitudes hotels were transferred to the Pierre & Vacances brand.

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

	Pierre & Vacances Europe	Center Parcs Europe	Total
Mainland France	33,145	3,286	36,431
French West Indies	851	-	851
The Netherlands	-	5,263	5,263
Belgium	140	3,124	3,264
Germany	252	2,313	2,565
Switzerland	77	-	77
Italy	482	-	482
Spain	1,974	-	1,974
Austria	124	-	124
TOTAL	**37,045**	**13,986**	**51,031**

During financial year 2010/2011, 73% of the Pierre & Vacances-Center Parcs Group operations related to sites in France, in many different locations: Alpes du Nord, Pyrénées, Côte d'Azur, Atlantic and Channel coasts, Provence, cities, French West Indies. In Europe, the Group is also present in the Netherlands (10.3% of the portfolio), Belgium (6.4%) and Germany (5.0%) *via* the Center Parcs and Sunparks villages.

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

	Pierre & Vacances Tourisme Europe	%	Center Parcs Europe	%	Total	%
Individual investors	31,632	85.4%	1,974	14.1%	33,606	65.9%
Leases	31,064		1,974		33,038	
Management agreement	568		0		568	
Institutional investors	5,305	14.3%	12,012	85.9%	17,317	33.9%
Leases	4,127		12,012		16,139	
Management agreement	1,178		0		1,178	
Group portfolio	108	0.3%	0	0.0%	108	0.2%
TOTAL	**37,045**	**100%**	**13,986**	**100%**	**51,031**	**100%**

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

- under lease agreements, the lessee (a Pierre & Vacances-Center Parcs Group company) agrees 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; the Group also manages variable rent sites (depending on the operating performance), with or without a guaranteed minimum rent, mainly in Spain;
- 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 customer). 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 2011, 65.9% of apartments operated were owned by individual investors, 33.9% by institutional investors and the remaining 0.2% by the Group.

At Pierre & Vacances Tourisme Europe where the majority of the tourism residence portfolio is located in France, 85.4% of the apartments belong to individual investors and 14.3% to institutional investors, while just 0.3% 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

Revenue in financial year 2010/2011 was €569.9 million, up 1.7% on a like-for-like basis.

Rental revenue rose by +4.9% to €380.7 million due to:

- an increase of +3.6% in the number of nights sold in the context of a product offering which was 0.7% larger. The financial year was marked by the leasing of five sites in Spain and by the operation of five new city residences (four Adagio et one Adagio Access). The reduction in the number of apartments marketed in mountain resorts (disposal of business goodwill on two Latitudes properties at the end of the winter season 2009/2010 and the loss of leases) offsets this positive product effect.

  The average occupancy rate for all brands stood at 63.3%;
- an improvement in the average net letting rate of 1.3% to €566, including an increase of +2.5% in seaside resorts notably as a result of the marketing strategy reducing early booking offers on summer high season.

Sales to foreign customers rose by 16.1%, driven by indirect sales (+23.2%). Growth was particularly strong for Dutch and German customers notably as a result of cross-selling and partnerships concluded with foreign tour operators to promote the Pierre & Vacances brand in these markets.

Sales in the French market were almost unchanged.

Sales generated by on-line sites rose by over 10%, including nearly +3% in direct sales. They represented 31% of rental revenue.

By destination, rental revenue broke down as follows:

Seaside resorts

The revenue from seaside resorts rose by 6.3%, reflecting:

- an increase of +3.8% in the number of nights sold in the context of a product range which grew by 1.1% (leases taken on five sites in Spain and delivery of 113 units on the Pont Royal site and around 130 units on the Houlgate site in July 2010);
- growth of +2.5% in the average net letting rate.

Mountain resorts

Revenue from mountain resorts fell by -9.2%. Financial year 2010/2011 was marked by a significant reduction in the size of the product offering (-6.1%) as a result of the withdrawal of the Pierre & Vacances Group from the Latitudes hotels in les Arcs 1800 and les Menuires at the end of the winter season 2009/2010, and the loss of leases.

The average net letting rate fell by -3.0%.

City residences

Revenue grew by +17.6% in the context of a product offering which grew by +6.5%, due in particular to the opening of four new Adagio residences in Munich, Caen, Paris Vincennes and Toulouse and one Adagio Access residence in Poitiers. The average net letting rate rose by almost 5%.

Revenue growth was mainly due to foreign customers, with an increase of around 50% in English and Russian customers.

Adagio Access sites (previously marketed under the Citéa brand) represented 25% of city destination sales in financial year 2010/2011.

French West Indies

Revenue from the French West Indies increased by +9.4% reflecting a rise of +5.2% in the number of nights sold and of +4.0% in the average letting rate. Growth was mainly driven by on-site sales and tour operators in France.

Number of apartments by destination

	2010/2011	2009/2010 on a like-for-like basis	Change	2009/2010
Seaside resorts	18,458	18,123	+335	18,123
Mountain resorts	8,354	8,854	-500	8,854
City residences	9,382	8,999	+383	9,340
French West Indies	851	851	0	851
TOTAL	**37,045**	**36,827**	**+218**	**37,168**

Rental revenue by destination

(in millions of euros)	2010/2011	2009/2010 on a like-for-like basis	Change	2009/2010
Seaside resorts	173.2	162.9	+6.3%	162.9
Mountain resorts	90.0	99.1	-9.2%	99.1
City residences	105.4	89.6	+17.6%	67.9
French West Indies	12.1	11.1	+9.4%	11.1
TOTAL	**380.7**	**362,7**	**+4.9%**	**341.0**

Average net letting rates (for one week of rent)

(in euros before VAT)	2010/2011	2009/2010 on a like-for-like basis	Change	2009/2010
Seaside resorts	546	533	+2.5%	533
Mountain resorts	620	640	-3.0%	640
City residences	556	530	+4.8%	624
French West Indies	577	554	+4.0%	554
AVERAGE	**566**	**558**	**+1.3%**	**579**

Number of weeks sold and occupancy rates

	Number of weeks sold				Occupancy rate			
	2010/2011	2009/2010 on a like-for-like basis	Change	2009/2010	2010/2011	2009/2010 on a like-for-like basis	Change	2009/2010
Seaside resorts	317,126	305,709	+3.8%	305,709	56.4%	55.8%	+1.0%	55.8%
Mountain resorts	145,095	155,037	-6.4%	155,037	75.1%	75.6%	-0.6%	75.6%
City residences	189,571	169,054	+12.1%	108,750	71.0%	67.5%	+5.2%	69.7%
French West Indies	21,030	19,999	+5.2%	19,999	60.5%	55.9%	+8.3%	55.9%
TOTAL	**672,822**	**649,799**	**+3.6%**	**589,495**	**63.3%**	**62.2%**	**+1.7%**	**62.1%**

Center Parcs Europe

Revenue in financial year 2010/2011 was €527.1 million, up 6.0% excluding the effect of outsourcing catering. The major part of this growth came from the Domaine des Trois Forêts, whose contribution to 2010/2011 revenue was €45.8 million, compared with €17.1 million in financial year 2009/2010.

Excluding the Domaine des Trois Forêts, Center Parcs Europe revenue was stable (+0.3%).

Rental revenue rose by +7.5% to €322.2 million (+1.0% excluding the Domaine des Trois Forêts) as a result of:

- growth of +6.0% in the average net letting rate to €643 per week, driven in particular by the German and French villages (+8.5% and +7.4% respectively);
- an increase of +1.5% in the number of nights sold in the context of a product offering which was +3.1% larger, following the opening of the Domaine des Trois Forêts on 22 May 2010, while elsewhere the offering was reduced by -0.8% (renovation work at the French Hauts de Bruyères and Bois Francs sites, and the Dutch Eemhof site).

  The average occupancy rate stood at 72.5% over the financial year.

Revenue grew for all destinations except the Netherlands, where accommodation sales fell by -0.8% due to renovation work at the Eemhof site.

In France, occupancy rates remained high (81.4%), in the context of a product offering which increased in size with the addition of the Domaine des Trois Forêts. Rental revenue generated by the French villages rose by over 20%. German and Belgian villages posted growth of +6.7% and +2.0% respectively.

Growth was driven by French, German and Belgian customers (+15.8%, +11.0% and +7.9% respectively).

In 2010/2011, direct sales (Internet, call centre, seminars, Works Councils and on-site sales) rose by 8.4% to represent 91.5% of rental revenue, compared with 90.8% in 2009/2010, as a result of Internet sales which grew by 9.1%. Direct Internet sales were 50.4% of rental revenue for the financial year (compared with 49.7% in 2009/2010).

Revenue from services (catering, sports and leisure, stores, children's clubs, etc.) increased by 3.7% on a like-for-like basis, which was a higher increase than that seen in the number of nights sold during the financial year.

By destination, 2010/2011 rental revenue broke down as follows:

The Netherlands

While the product offering was reduced by 1.3% as a result of renovation work at Eemhof, rental revenue was only 0.8% down, at €110.5 million.

Despite a highly competitive market, average net letting rates rose 3.2% to €589 per week. However the average occupancy rate fell by 2.6%, to 72%.

Growth was driven by German and Belgian customers, who only partially offset the reduction in Dutch customers.

Internet sales growth lead the increase in the share of direct sales from 88.4% in 2009/2010 to 88.8% in 2010/2011. The share of sales made *via* the Internet has now reached 51% (compared with 50% in 2009/2010).

France

In 2010/2011, France benefited from the annualisation effect of the Domaine des Trois Forêts (opened on 22 May 2010) and saw overall growth of 20.9% to €113.8 million. At constant scope, rental revenue for French villages was stable, despite a reduction in the product offering due to renovation work at the Hauts de Bruyères and Bois Francs sites.

Occupancy rates remained high (81.4%), at a time when the Domaine des Trois Forêts had increased the size of the product offering.

Growth of 7.4% in the average net letting rate (€852 per week) was due to (i) changes in the product-mix (the Domaine des

Trois Forêts played a large part, with its average net letting rate up 8.4%) and (ii) the pricing strategy and changes in the distribution-mix.

The share of direct sales remained high at 97.5% of sales, as a result of Internet sales which grew 23.1% to account for 46% of sales in 2010/2011 compared with 45% in 2009/2010.

Belgium

The growth of +2.0% in rental revenue for Belgian villages was due to an increase of 1.3% in the average net letting rate and 0.7% in the number of nights sold.

Direct sales rose to 91.2% of rental revenue compared with 90.6% in 2009/2010. Internet sales accounted for 60% of revenue compared with 59% in the previous financial year.

Germany

Rental revenue for German villages was up 6.7%, driven by an 8.5% increase in the average net letting rate (due in particular to the improvement in the average net letting rate for the five Sunparks villages transferred to the Center Parcs brand during the financial year).

Direct sales accounted for 82.7% of sales compared with 81.3% en 2009/2010. The share of Internet sales was unchanged at 48%.

Number of apartments

	2010/2011	2009/2010	Change
The Netherlands	5,263	5,263	0
France	3,286	3,286	0
Belgium	3,124	3,124	0
Germany	2,313	2,313	0
TOTAL	**13,986**	**13,986**	**0**

Rental revenue

(in millions of euros)	2010/2011	2009/2010	Change
The Netherlands	110.5	111.4	-0.8%
France	113.8	94.2	+20.9%
Belgium	56.3	55.2	+2.0%
Germany	41.6	39.0	+6.7%
TOTAL	**322.2**	**299.8**	**+7.5%**

Average net letting rates (for one week of rent)

(in euros before VAT)	2010/2011	2009/2010	Change
The Netherlands	589	571	+3.2%
France	852	793	+7.4%
Belgium	554	547	+1.3%
Germany	533	492	+8.5%
AVERAGE	**643**	**607**	**+6.0%**

Number of weeks sold and occupancy rates

	Number of weeks sold			Occupancy rate		
	2010/2011	2009/2010	Change	2010/2011	2009/2010	Change
The Netherlands	187,483	194,969	-3.8%	72.0%	73.9%	-2.6%
France	133,657	118,691	+12.6%	81.4%	83.7%	-2.8%
Belgium	101,597	100,869	+0.7%	67.6%	67.6%	0%
Germany	77,974	79,271	-1.6%	67.4%	69.1%	-2.5%
TOTAL	**500,711**	**493,800**	**+1.4%**	**72.5%**	**73.7%**	**-1.7%**

Property development

Revenue from property development increased to €372.6 million, notably as a result of the renovation programme of the Center Parcs Bois Francs and Hauts de Bruyères (€107.9 million), the extension of Avoriaz (€78.2 million) and the contribution of Les Senioriales (€75 million).

Breakdown of 2010/2011 property development revenue by programme

(in millions of euros)

New	131.6
Avoriaz (Amara + Crozats)	78.2
CP Moselle 2	11.4
Branville Normandy Garden	9.7
Courseulles sur Mer	8.9
Caen	7.5
Le Hameau de Pont Royal	5.6
Douarnenez	5.1
Other	5.2

Renovation	147.3
CP Hauts de Bruyères	58.9
CP Bois Francs	49.0
Aix en Provence	18.1
Plagne Lauzes	10.1
Belle Plagne Gémeaux	5.0
La Tania Christiania	4.9
Other renovations	1.3

New Les Senioriales	75.0
Équemauville	8.6
Montélimar en Ville	7.1
Montagnac	6.5
Gonfaron	6.3
Montélimar	5.8
Lucé en Ville	5.6
Agde en Ville	5.1
Soulac	5.0
Lacanau	4.6
Jonquières Saint Vincent	4.5
Rambouillet	3.6
Paradou	3.0
Other	9.3

Other	18.7

Revenue from new programmes (including Les Senioriales) remained stable at €206.6 million compared with €206.7 million in 2009/2010. This result was due in particular to:

- the Avoriaz programme (475 units marketed in three residences), with delivery in December 2011 and 2012;
- the extension of the Domaine Center Parcs des Trois Forêts in the Moselle region, with 109 units delivered in December 2011;
- programmes delivered during financial year 2010/2011 including Caen (120 units), operated under the Adagio brand and the extension of Pont Royal (115 units);
- the new programmes at Branville (54 new units), Courseulles sur Mer (102 units) and Douarnenez (64 units), which will be delivered during financial year 2011/2012;
- Les Senioriales, two of whose programmes were delivered during financial year 2010/2011 (Paradou and Équemauville).

Renovation activity represented 39.5% of property development revenue in financial year 2010/2011, compared with 15.3% in 2009/2010. It consisted of purchasing residences in prime locations, mainly from institutional investors, and then reselling them to individual investors after renovation.

The main contributions to renovation revenue during the financial year came from:

- Center Parcs at Bois Francs (173 marketed units) and Hauts de Bruyères (213 marketed units) which were renovated during the financial year;
- the Aix en Provence site, operated under the Adagio brand and delivered during the financial year;
- the "Mountain resorts" sites Plagne Lauzes (111 units), Belle Plagne Gémeaux (65 marketed units) and La Tania Christiania (44 marketed units).

"Other" revenue totalled €18.7 million during financial year 2010/2011 compared with €16.6 million in 2009/2010 and was primarily made up of non-Group marketing fees and the write-back of support funds from property programmes already delivered.

Deliveries in financial year 2010/2011

	New (N)/ Renovation (R)	No. of housing units 2010/2011	No. of housing units 2009/2010
Le Hameau de Pont Royal	N	115	
Total Seaside Resorts		**115**	**177**
Belle Plagne Gémeaux	R	65	
La Tania Christiania	R	44	
Total Mountain Resorts		**109**	**0**
Bois Francs	R	173	
Hauts de Bruyères	R	213	
Total Center Parcs		**386**	**870**
Aix en Provence	R	89	
Caen	N	120	
Nantes	N	113	
Total City Residences		**322**	**237**
Paradou	N	45	
Équemauville	N	51	
Total Les Senioriales		**96**	**234**
TOTAL		**1,028**	**1,518**

Property reservations including VAT

Group and non-Group property development revenue (amount of reservations including VAT signed over the financial year, net of cancellations during the same period) reached €373.6 million, corresponding to 1,571 reservations. Excluding Les Senioriales, reservations totalled €301.9 million (including €60.9 million in re-sales) corresponding to 1,298 reservations compared with €529.1 million in 2009/2010 for 1,821 reservations (including €37.7 million in re-sales).

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

	2010/2011	2009/2010	Change
New			
Reservations *(in millions of euros)*	241.0	491.4	-51.0%
Number of apartments	906	1,570	-42.3%
Average price *(in euros)*	266,004	312,994	-15.0%
Re-sales			
Reservations *(in millions of euros)*	60.9	37.7	61.5%
Number of apartments	392	251	56.2%
Average price *(in euros)*	155,357	150,199	+3.4%
Les Senioriales			
Reservations *(in millions of euros)*	71.7	84.8	-15.4%
Number of apartments	273	372	-26.6%
Average price *(in euros)*	262,637	227,957	+15.2%
Total			
RESERVATIONS *(in millions of euros)*	**373.6**	**613.9**	**-39.1%**
NUMBER OF APARTMENTS	**1,571**	**2,193**	**-28.4%**
AVERAGE PRICE *(in euros)*	**237,810**	**279,936**	**-15.0%**

The reduction in revenue from reservations is due to (i) a reduction in volume of -28.4% and (ii) a fall of -15% in the average price, which is a reflection of the importance of the small city residence units and re-sales.

The Group's re-sale business is a means of moderating a secondary market of apartments operated 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. This business enables the Group to maintain more than 80% of its leases over the year and generates commission of around 5% on the selling price.

Principal stock of apartments marketed at 30 September 2011

Programme by destination	New/Renovation	Delivery date	No. of units	% reserved
Channel				
Belle Dune Argousiers	N	June 2012	58	48%
Branville Normandy Garden	N	December 2011	54	98%
Deauville Presqu'île de la Touques	N	May 2014	134	8%
Atlantic				
Le Pouliguen	R	July 2008	68	99%
Douarnenez	N	June 2012	64	98%
Seaside resorts			**378**	**59%**
Avoriaz Amara	N	December 2011 and December 2012	204	92%
Avoriaz Crozats	N	December 2011	271	97%
Flaine Hélios	N	December 2014	75	17%
Mountain resorts			**550**	**85%**
CP Sologne	R	December 2010	213	99%
CP Sologne 2	R	December 2011	182	91%
CP Sologne 2B	R	June 2012	175	17%
CP Moselle – Lorraine extension 3	N	December 2013	59	58%
Center Parcs			**629**	**70%**
Le Havre	N	June 2013	111	34%
City residences			**111**	**34%**
Cala Rossa tranche 4	N	February 2008	53	87%
Manilva	N	December 2008 and March 2009	328	31%
Marrakech	N	April 2014	58	31%
International			**439**	**34%**
TOTAL (EXCL. LES SENIORIALES)			**2,107**	**63%**
Bracieux	N	September 2013	49	20%
Lucé	N	March 2012	86	85%
Pont Aven	N	July 2013	47	28%
Rambouillet	N	October 2012	52	77%
Saint Avertin	N	June 2013	63	57%
Total Les Senioriales North-West			**297**	**46%**
Lacanau	N	April 2012	45	80%
Lombez	N	May 2010	53	96%
Montagnac	N	January 2012	51	88%
Soulac	N	November 2011	57	86%
St Julien des Landes	N	May 2012	49	57%
St Laurent de la Prée	N	April 2013	51	31%
Total Les Senioriales South-West			**306**	**74%**

Programme by destination	New/Renovation	Delivery date	No. of units	% reserved
Agde	N	April 2012	59	97%
Bassan	N	March 2013	67	42%
Grasse	N	September 2009	59	97%
Jonquieres St Vincent	N	July 2010	75	95%
Juvignac	N	June 2013	66	39%
La Celle	N	June 2013	47	68%
Marseille Saint Loup	N	June 2013	89	54%
Montélimar	N	April 2012	59	86%
Montélimar en Ville	N	April 2012	75	92%
Paradou	N	December 2010	45	93%
Ruoms	N	November 2009	65	95%
Saint Privat des Vieux	N	June 2009	53	98%
Total Les Senioriales South-East			**759**	**60%**
Total Les Senioriales			1,362	73%
TOTAL GROUP			**3,469**	**67%**

Presentation of Group income

Operating profit (loss) from ordinary activities

Operating profit (loss) from ordinary activities increased by 8.5% to €29.3 million, compared with €27.0 million in the previous financial year.

(in millions of euros)	2010/2011	2009/2010
EBITDA(1)	70.1	61.4
Depreciation, amortisation and provisions net of write-backs	-40.8	-34.4
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**29.3**	**27.0**
Operating margin	2.0%	1.9%

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

Operating profit (loss) from tourism activities

Note: the transformation plan resulted in the merger during the financial year of the operating and legal divisions of Pierre & Vacances Tourisme Europe and Center Parcs Tourisme Europe into a single business segment, called "Tourisme Europe". Given the pooling of all functions, back-office tools and corresponding costs, the economic performance of each of the former business segments is now considered globally.

	Tourism	
(in millions of euros)	2010/2011	2009/2010
Revenue	1,097.0	1,163.7
Operating profit (loss) from ordinary activities	**-2.8**	**3.2**
Operating margin	-0.2%	0.3%

Operating profit (loss) from tourism businesses was -€2.8 million, compared with €3.2 milion in 2009/2010.

- Operating profit (loss) in financial year 2010/2011 benefited from the positive change in contribution from the Domaine des Trois Forêts (+€5 million) and growth in rental revenue excluding the effect of new product offerings (city residences, Spain), whose impact on operating profit (loss) was around +€8 million.
- In addition, the Group's transformation plan generated a reduction in rent expenses (€4.5 million) and purchasing savings (€1 million). Savings of around €3 million related to the organisational restructuring were offset by additional staff costs during the transition period. Furthermore, the costs of implementing new front- and back-office systems represented an additional expense of €8.5 million.
- Finally, operating profit (loss) was reduced by the change in expenses linked to inflation (nearly €12 million), and an unfavourable judgement from the legal action relating to the delayed delivery of the Domaine du Lac de l'Ailette village in 2007 (-€2.3 million on income from tourism activities).

Operating profit (loss) from property development activities

The property development business contributed €32.1 million compared with €23.8 million in the previous financial year.

	Property development	
(in millions of euros)	**2010/2011**	**2009/2010**
Revenue	372.6	263.5
Operating profit (loss) from ordinary activities	**32.1**	**23.8**
Operating margin	8.6%	9.0%

The increase in operating profit (loss) from property development businesses reflects the growth in revenue and gains from construction costs (+€4 million) realised as part of the transformation plan, which brought the average operating margin for the financial year's operations to 8.6%.

Profit (loss) attributable to owners of the Company

(in millions of euros)	**2010/2011**	**2009/2010**
Revenue	1,469.6	1,427.2
Operating profit (loss) from ordinary activities	**29.3**	**27.0**
Net financial expenses	-16.6	-14.2
Taxes(1)	-4.6	-5.4
Profit (loss) from ordinary activities attributable to owners of the Company(1)	**8.1**	**7.4**
Other operating income/expenses net of tax(2)	2.4	-0.1
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY	**10.5**	**7.3**

(1) Profit (loss) from ordinary activities attributable to owners of the Company corresponds to operating profit (loss) from ordinary activities, net financial income (expenses) and taxes excluding non-recurring items which are reclassified under other operating income/expenses.
(2) Other operating income/expenses net of tax includes factors contributing to earnings which due to their non-recurring nature are not considered to be part of profit (loss) from ordinary activities (non-recurring tax savings or expenses, update of Group's tax position, restructuring costs, etc.).

Net financial expenses totalled €16.6 million in 2010/2011 compared with €14.2 million in 2009/2010. This change is mainly due to interest on the new financing taken out by the Group since the second half of 2009/2010 to improve its liquidity and extend the maturity of the debt:

- refinancing of the corporate debt in June 2010: new credit of €100 million to refinance the existing €37 million credit;
- OCÉANE bond issue in January 2011 for an amount of €115 million.

Income tax (excluding non-recurring items) in financial year 2010/2011 rose to €4.6 million, representing an effective rate of 36%.

Profit (loss) from ordinary activities attributable to owners of the Company totalled €8.1 million compared with €7.4 million in the previous financial year.

Other operating income/expenses net of tax represent income of €2.4 million. These include in particular restructuring costs resulting from the closure of the Center Parcs Europe registered office in Rotterdam (-€12.0 million, net), offset by the income from the sale of business goodwill for Latitudes hotels and the acquisition of business goodwill managed by Citéa (+€8.4 million, net) and by non-recurring tax savings related to the updating of the Group's tax position.

After taking into account these factors, **profit (loss) attributable to owners of the Company totalled €10.5 million.**

The weighted average number of shares outstanding totalled 8,727,940 for 2010/2011 compared with 8,695,357 for 2009/2010. Basic earning per share attributable to owners of the Company rose to €1.2 (compared with €0.84 in the previous financial year).

A dividend of €0.70 per share is to be proposed, representing a total payout of €6.2 million, unchanged from 2009/2010.

Investments and financial structure

Main cash flows

The surplus cash generated in financial year 2010/2011 (€76.5 million) stemmed primarily from the OCÉANE bond issue of 25 January 2011, for an amount of €115 million.

Summary statement of cash flows

(in millions of euros)	2010/2011	2009/2010
Cash flows after interest and tax	42.7	32.1
Change in working capital requirements	-32.6	-25.7
Cash flow from operating activities	**10.1**	**6.4**
Investment spending	-34.7	-42.4
Asset disposals	14.3	58.3
Net cash allocated to assets due to be sold off	8.0	-3.7
Cash flow from investment activities	**-12.4**	**12.2**
Capital increase	0.0	0.1
Acquisitions and disposals of treasury shares	-1.2	0.1
Dividends paid	-6.1	-13.0
Change in loans and other borrowings	86.1	38.1
Cash flow from financing activities	**78.8**	**25.3**
Increase (decrease) in cash and cash equivalents	**76.5**	**43.9**

The Group's tourism and property development businesses generated a cash surplus of €10.1 million in financial year 2010/2011.

The rise in **cash flows** was €10.6 million, resulting primarily from the increase in EBITDA (€8.7 million).

Financing requirements generated in 2010/2011 by changes in **working capital requirements** (€32.6 million) stemmed mainly from property development. They reflected:

- an increase in stocks of property programmes for €12.5 million; (in particular the Center Parcs sites under development in Germany);
- an increase in net current assets related to property development for €19.5 million, including:
  - €7.2 million for payment of the balance due for work carried out, following the unfavourable judgement in the legal action relating to the delayed delivery of the Domaine du Lac de l'Ailette village in 2007,
  - €5.4 million in fixed asset indemnity payments to Eurosic in the first half of 2011, as part of a unilateral sales agreement for cottages at Domaine des Hauts de Bruyères (agreement signed for the purchase of 350 cottages on 22 November 2011).

Net cash flows allocated to investments totalled -€12.4 million and primarily concerned:

- net investments of €33.8 million carried out within tourism business operations, including:
  - investment of €19.3 million to improve the product-mix of all Center Parcs Europe villages (€7.5 million for the Dutch villages, €5.1 million for the French villages, €3.4 million for the German villages and €3.3 million for the Belgian villages),

    Moreover, renovation work on the Dutch village of Eemhof was carried out and financed by the site owner for €14.5 million;
  - €12.4 million of investment on residences and villages operated under Pierre & Vacances Tourisme Europe brands, principally for renovation and modernisation work on operating sites:
    - €7.2 million for French residences and villages (€4.9 million for residences and €2.3 million for villages), primarily on the coast,
    - €1.6 million for Spanish sites,
    - Adagio residences (€1.2 million – excluding assets acquired as part of the Citéa transaction);
- cash generated by the sale of certain IT assets pre-financed by the Group, as part of the outsourcing of IT solutions and equipment (sale and leaseback) for €8 million.

  Note that an investment of €22 million was made over the financial year for IT assets by partner sale and leaseback companies and made available to the Group *via* lease contracts;
- cash generated by the sale of Latitudes hotels in Trouville, Courchevel and Toulouse, for an amount of €10.0 million (€7.3 million for business goodwill and €2.7 million for fixed assets);
- net income of €2.8 million from the acquisition of business goodwill for Citéa.

An increase of €86.1 million in sundry loans and other borrowings (excluding bank overdrafts) at 30 September 2011, compared with 30 September 2010, was mainly due to:

- the OCÉANE bond issue of 25 January 2011 for €110.0 million net;
- annual amortisation for €20 million of the Corporate debt taken out by the Group in June 2010;
- reimbursement net of property bridging loans of €4.5 million on Les Senioriales programmes.

Change in the structure of the statement of financial position

Given the 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 consolidated statement of financial position.

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, sports and leisure facilities, 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. It should be noted, however, that leases signed with institutional investors at Center Parcs are triple net: Investment spending on central facilities and cottages is paid for by the Group.

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

Concerning the Group's **property development businesses,** the construction of new property programmes should be distinguished from property renovation activities.

New construction programmes 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 working capital requirement items on the statement of financial position (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 statement of financial position as current liabilities. At the same time, expenses incurred on these same transactions are booked as work in progress. Marketing costs are booked as prepaid expenses. Revenue and margins on property development programmes are booked in the income statement under the percentage-of-completion method. The percentage of completion is calculated by multiplying the percentage of construction progress by the percentage of revenue from property sales signed at a notary's office. In contrast, stocks of completed properties and land are kept low by the Group's pre-selling strategy (properties sold off-plan for delivery on

completion) as well as its policy of marketing 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 formulae. 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 registered office in Paris, for which the Group pays a total annual rent of €6 million.

The cash flows generated by the Group's business in 2010/2011 helped maintain a solid financial position. The net debt-to-equity ratio attributable to owners of the Company stood at just 20.8%.

Simplified statement of financial position

(in millions of euros)	30/09/2011	30/09/2010	Change
Goodwill	155.3	156.3	-1.0
Net fixed assets	500.2	510.4	-10.2
INVESTMENTS	**655.5**	**666.7**	**-11.2**
Shareholders' equity	493.7	486.8	+6.9
Provisions for risks and charges	38.5	36.7	+1.8
Net financial debt	102.6	92.2	+10.4
Other	20.7	51.0	-30.3
RESOURCES	**655.5**	**666.7**	**-11.2**

The net carrying amount of goodwill totalled €155.3 million, a fall of €1.0 million compared to the previous financial year, due to the sale of the business goodwill relating to the Hôtel Latitudes in Courchevel in June 2011.

The main goodwill items broke down as follows:

- Tourisme Europe €135.7 million;
- Les Senioriales €17.8 million.

The €10.2 million reduction in **net tangible and intangible assets** was mainly due to:

- disposal of the Latitudes hotels at Trouville and Toulouse (gross amount of fixed asset disposal was €6.1 million);
- net depreciation, amortisation and impairment loss in the period (€31.4 million);
- deduction of net investments made for tourism business operations of €33.8 million.

Net tangible and intangible assets at 30 September 2011 comprise principally:

- intangible assets for €114.4 million; this amount is mainly the net amount of the Center Parcs brand for €85.9 million;
- €359.4 million for property, plant and equipment; this includes for the most part assets used in the operation and marketing of villages under the Center Parcs and Sunparks brands for a net amount of €270.8 million and villages and residences from the Pierre & Vacances Tourisme Europe brands for a net amount of €86.9 million;
- €26.2 million in non-current financial assets.

The amount of **equity attributable to owners of the Company** totalled €493.7 million at 30 September 2011, compared with €486.8 million on 30 September 2010, after taking into account:

- profit (loss) over the period of €10.5 million;
- a dividend payout of -€6.1 million;
- shareholders' equity in the OCÉANE bond, for a net amount of +€2.6 million;
- the reduction in treasury shares of -€1.2 million (net disposal of 19,949 shares);
- a net increase in equity before earnings of +€1.1 million due to IFRS accounting of stock options, treasury stock and financial hedging instruments.

Provisions for risks and charges totalled €38.5 million at 30 September 2011, compared with €36.7 million at 30 September 2010.

At 30 September 2011, provisions for risks and charges broke down as follows:

- provisions for renovation: €20.8 million;
- provisions for pensions: €12.8 million;
- provisions for disputes, restructuring and various risks: €4.9 million.

Net debt reported by the Group at 30 September 2011 broke down as follows:

(in millions of euros)	30/09/2011	30/09/2010	Change
Gross debt	335.1	248.2	86.9
Cash and cash equivalents (net of credit balances)	-232.5	-156.0	-76.5
Net debt	**102.6**	**92.2**	**+10.4**

The increase in gross debt is detailed in the Main cash flows paragraph above.

Net debt reported by the Group at 30 September 2011 (€102.6 million) corresponded mainly to:

- the OCÉANE bond issue for a net amount of €110.0 million;
- the principal amount outstanding (€80.0 million) on the corporate loan initially contracted by the Group for €100 million in June 2010.

  The refinancing of the corporate loan includes a new, confirmed line of credit for €100 million.

  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 at 30 September;
- adjusted net debt: adjusted net debt designates net financial debt increased by the Group's rental commitments over five years following the end of the reporting period and discounted at 6%;
- EBITDAR designates EBITDA increased by annual rents.

This ratio, which must be equal to or lower than 3.75 at 30 September 2011, has been met;

- the amount of financial liabilities prompted by adjustments for sale and lease-back contracts for €119.9 million, including €113.0 million for the central facilities at Center Parcs Domaine du Lac d'Ailette;
- the bridging loans contracted by the Group to finance property programmes destined to be sold off for €6.9 million (concerns only the Les Senioriales programmes at 30 September 2011);
- net bank overdrafts of €4.6 million;
- net of available cash.

Information on social and environmental questions

A leader in responsible tourism

A unique economic model combining property development and operations enables the Pierre & Vacances-Center Parcs Group to reconcile short-term performance with long-term vision. This particularity ensures the Group's social, community and environmental responsibility and is the basis of its commitment to sustainable development, which today is at the very heart of the Group's strategic decisions.

Moving forward

2011 was an important year for the Group's sustainable development initiative, marked by the end of the first sustainable action plan (2008/2011), which enabled it to anchor social and environmental commitment firmly into every aspect of the Group's business by focusing on three key areas: climate change, conservation of natural resources and social responsibility.

Key actions were undertaken in 2010/2011, using an increasingly cross-disciplinary approach, and with performance outcomes which gave greater visibility and enabled initiatives to become entrenched in the Group's daily activities:

- definition and monitoring of annual sustainable development objectives for each department;
- implementation of sustainable development management system (BEST!) to measure the performance of sites in this area and implement an integrated HSE initiative;
- continuing labelling and certification programmes: for buildings (the French HQE or High Quality Environmental Standard, and BBC or Low Energy Consumption Building) and operations (Clef Verte and Ecolabel for environmental issues and Tourism & Handicap for accessibility);
- increased progress in terms of ecological management of green spaces;
- responsible purchasing policy confirmed: individual objectives linked to sustainable development, selection of companies employing disabled people in adapted and protected work environments, supplier evaluation, social audits of direct suppliers in Asia;
- satisfaction questionnaires for Group employees;
- improvement of actions promoting diversity and equal opportunity;
- strengthening actions promoting awareness, involvement and mobilisation of Group stakeholders (customers, teams at the registered office and at sites, owners, etc.);
- change in extra-financial reporting.

These main actions and the progress achieved in 2010/2011 are detailed in the Group's business report.

One ambition, built together

In order to build the next steps in its commitment, the Group has chosen a participative approach, bringing its internal stakeholders (employees), external stakeholders (customers, owners, suppliers, French regional authorities, etc.) and tourism and sustainable development experts together for a day of reflection and exchange and to answer the following question: "What do we want the Group's stakeholders (internal and external) to say about its sustainable development commitment in 2014?"

Breakdown of staff by business

	Tourism France	Tourism BNG	Tourism Spain & Morocco	Adagio & Adagio Access	Property (development and marketing)	Les Senioriales	Support functions	Total
Full-time equivalents (FTE)	2,892	2,557	255	844	219	104	584	7,455

The reduction in staff of nearly 1,500 FTEs compared with the previous financial year was primarily due to the outsourcing of catering and the management of food businesses at Center Parcs and Sunparks villages under the implementation of partnerships signed in March 2010 with Elior and Albron.

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 foreign exchange risk) are described in Note 23 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 economic outlook which, during a downturn, may have an impact on the Group's income.

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: (i) it is based on a concept of local tourism aimed at a European clientèle, which reduces the expenses and uncertainties inherent in transport energy costs, and (ii) the diversity of its products, broken down into five main brands and divided between prime destinations in seaside, mountain, urban and country locations, mainly in the form of villages and holiday residences, meets a wide range of requirements from 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 market. The marketing of apartments managed by the Pierre & Vacances-Center Parcs Group gives investors a guaranteed return on a long-term investment in the underlying property market and constitutes a secure investment alternative to a classic portfolio of securities or assets.

Specific risks relating to the Group's activities

Risks relating to the seasonality of the business

Tourism business

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 city residences (Adagio).

Pierre & Vacances Tourisme Europe

The Pierre & Vacances Tourisme Europe business is based around 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 financial year. Revenue from this business segment (residences, villages and hotels operated under the Pierre & Vacances, Maeva, Adagio City Aparthotel et Latitudes Hôtels brands) in the first half of 2010/2011 represented only 39% of the annual revenue, while fixed operating expenses (including rents) were spread on a straight-line basis across the whole financial year.

The following strategic initiatives, put in place within Pierre & Vacances Tourisme Europe, are expected to help to reduce the seasonality of this business segment:

- strengthening sales abroad, both in European markets bordering France and in territories further towards Eastern Europe, in particular with the signing of partnership agreements with foreign tour operators; as a result of this, 38% of Pierre & Vacances Tourisme Europe's rental revenue in 2010/2011 was generated by foreign customers compared with 33% in 2009/2010;
- promoting initiatives to increase sales outside of school holidays as a way of leveraging higher occupancy rates in low season with a range of short-stay offers for individuals and business seminars;
- developing the product offering in the city residences market (in particular with the acquisition of the business goodwill for 31 Citéa residences during the financial year), which are open year-round and have high occupancy rates, and with two complementary customer targets: long-stay business customers and short-stay tourists.

Moreover, the Group operates using tariffs which vary according to the different periods, with large variations between high and low seasons.

Center Parcs Europe

The Center Parcs and Sunparks villages business is less seasonal (41% of total revenue in 2010/2011 is achieved in the first half of the year). 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 only small swings in occupancy rates throughout the financial year.

All this should help to reduce the sensitivity of tourism revenue to seasonal differences. Overall, the revenue split between the first half and the second half of financial year 2010/2011 was 40% and 60% respectively.

Property development

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

Nevertheless, some seasonality remains, in particular for Pierre & Vacances programmes:

- 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 progress of the work for the delivery of the mountain programmes (mid-December);
- the second quarter (1 January - 31 March) usually shows the weakest level of business for the year;
- the third quarter (1 April - 30 June) benefits from strong growth in the rate of progress of the work for delivery of the seaside and country programmes (mid-June);
- the fourth quarter (1 July - 30 September) sees a large number of signings before the year-end.

In this financial year, the first quarter was particularly productive due to the renovation work at Center Parcs des Bois Francs and Hauts de Bruyères.

As such:

- the first quarter represented 46.5% of revenue in 2010/2011;
- the second quarter represented 10.7% of revenue in 2010/2011;
- the third quarter represented 18.7% of revenue in 2010/2011;
- the fourth quarter represented 24.1% of revenue in 2010/2011.

Risk relating to interest rate fluctuations in the property development business

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

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

- using diversified sales formulae (commercial furnished property leasing (LMP), non-commercial furnished property leasing (LMNP) and Scellier) which help to optimise the profit earned by the buyers of residences thanks to tax incentives.

  Since 2009, the Group's property development businesses benefit from the Censi-Bouvard initiative which provides for an income tax reduction for buyers. The rate of reduction was 25% of the price paid in 2009 and 2010, and 18% in 2011. The 2012 Finance Law introduced a decrease in this rate to 11% for investments carried out after 1 January 2012 and removed it completely from 1 January 2013[1]. However, our investors continue to benefit from the deduction of VAT and the non-commercial furnished property leasing tax scheme *(Loueur en Meublé Non Professionnel),* under which depreciation of the property and furniture can be deducted from rental revenues. This tax status is not affected by the 2012 Finance Law;
- diversification of its investors, in both geographic terms (British, Irish and Spanish) and investment profiles including marketing in partnership with financial establishments, in particular real estate investment trusts *(Sociétés Civiles de Placement Immobilier);*
- a more flexible cost structure by making use of external companies for construction and architects' plans, and tightening cost controls on 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 stock of property programmes are detailed in Note 12 of the notes to the consolidated financial statements.

The Pierre & Vacances-Center Parcs Group carries out property development projects according to strict and prudent rules. Definitive authorisations without the right to revoke are obtained from the appropriate authorities for all land purchases, with the result that the Group is only committed to the fees due for obtaining planning permission. Land acquisitions are generally subject to pre-selling conditions above 50%.

As a result, the real estate policy, the marketing method (selling off-plan) and the pre-selling conditions 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 2011, only 244 completed apartments had not had their sales finalised (including 227 apartments in the Manilva programme in Spain, which has been particularly affected by the property crisis).

The table of "Main stocks marketed at 30 September 2011", which appears in the management report, presents the percentage sold. On average, almost 67% of the programmes are sold.

Thanks to extensive pre-selling, very few unsold units remain. To sell the remaining units, the Group may decide, on an *ad hoc* basis, to offer certain benefits to the last few buyers (payment of notary 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 counter-party 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 revenue is achieved by direct sales (81% for 2010/2011), a marketing method in which payment for the service is made in advance of consumption.

In relation to indirect sales, to reduce the risk of a default by a debtor or an unfavourable event in a given country affecting 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;

(1) While conserving a limited extension of the Censi-Bouvard measures until the end of 2014 for transactions already committed at 1 January 2012 (transactions for which at least one apartment has been bought prior to this date).

- use contracts set up by the Legal Department assisted by its advisers and check the solvency of the counter-parties.

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 €2,664 million at 30 September 2011, i.e. €1,968 million discounted at a 6% rate. (See Note 36 in the notes to the consolidated financial statements – Off-statement of financial position commitments).

Income generated by using the leased apartments and houses for tourism purposes offsets these rents payable to the owners which constitute, along with personnel expenses, the main source of fixed expenses associated with the tourism business.

Depending on the country concerned, the indexation applicable to the rent is set according to the principle of contractual freedom 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 of expired leases under the same contractual conditions. 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 indexation) which are then incorporated into new leases, as in countries where renegotiations are governed by the principle of contractual freedom.

Rents paid by the Group to individual investors are usually indexed to the French Construction Costs Index (ICC). Over the past nine years, the ICC has increased by 40% while the Consumer Price Index has only risen by 20% in the same period. The significant difference in the growth of these indexes has had a negative impact on the operating profit (loss) of the Group's tourism businesses.

In this context, the Group has started to introduce a policy of reducing rents, primarily through:

- renegotiation of leases when they are renewed, maintaining the ICC indexation but limiting it to a maximum rise of 2 to 3%; cash rents are reduced and offset by increased occupancy for owners;
- new contracts signed with individual investors are indexed to the Rent Reference Index (IRL) which, since the February 2008 law on purchasing power, corresponds to the average change in consumer prices (excluding tobacco and rents) over the past 12 months. Furthermore, the Group establishes an annual indexation of no more than 2 to 3% in new contracts.

This policy has reduced rental expenses by €4.5 million in financial year 2010/2011. Nearly 29% of rent payments made by the Group to individual investors are capped as of 30 September 2011. This proportion is expected to rise to nearly 75% of rent payments to individuals by 2017.

Rents paid by the Group outside France (Center Parcs lessors) are indexed to consumer price indexes in the country in which the site is located, with the most important leases increasing by between 1.75% and 3.75% per year.

Legal risks

The Group's Legal Department is organised into two divisions, which report to the Group's Executive Management: Legal Affairs and Risk Management, based in Paris and Legal Affairs BNG (Belgium/Netherlands/Germany), based in Rotterdam. It checks the way the Group's legal and particularly contractual commitments are formed and monitors the disputes of all the operating subsidiaries. A link has been set up between the two departments to coordinate risk management and insurance cover.

General risks

Property development

Risk relating to failure to obtain local government authorisations

The legal risk associated with failure to obtain local government authorisations for new programmes is strictly limited to preliminary study costs, pre-selling expenses and internal fees since the Pierre & Vacances-Center Parcs Group only purchases land if the local government authorisations have been obtained. With respect to renovation 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 it takes to obtain such authorisations without the right to revoke can delay the programme and increase the property development costs.

Risk relating to construction defects

The construction-sale companies that develop property projects take out the customary insurance to cover the construction risk (developer 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 in line with industry standards. They do not usually take out policies relating to "anticipated operating losses", other than for the largest property development programmes.

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 pre-sold so that, when the programme is delivered and begins operations, the Group usually does not have full ownership of a significant volume 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-owners, individuals or legal entities, in the context of co-ownership management, under the terms and conditions of the leases agreed with the Group; these agreements may stipulate for example that certain types of co-ownership expenses are covered by the Pierre & Vacances-Center Parcs Group. This is particularly the case with long-term leases with institutional investors signed by the Group.

Tourism operations and management

Risks relating to tourism operations

The Pierre & Vacances-Center Parcs Group's policy is to apply, as strictly as possible, 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 subject to specific conditions of capability or guarantees (co-ownership syndicate activity for the subsidiaries Sogire and SGRT, travel agency activity by the PV-CP Distribution subsidiary, etc.).

Nevertheless, the Group remains dependent on the owners' decisions regarding investment in residences it operates.

The Pierre & Vacances-Center Parcs Group has the resources to comply in principle with all these requirements so it does not, in our opinion, run any significant legal risks with respect to the companies concerned and against which it is not covered by customary insurance policies or appropriate preventive procedures.

The risks associated with tourism operations therefore relate mainly to the Pierre & Vacances-Center Parcs Group's public liability, property damage (personal injury, material and immaterial damage) and operating losses for which a policy of prevention and cover through appropriate insurance policies with the customary caps and excesses is followed.

Labour risks

Finally, the Pierre & Vacances-Center Parcs Group – because of its service business – employs a large workforce both at its registered office and in its secondary establishments or at its tourism sites. The Group Human Resources Department works very carefully, under the direction of a member of the Group Executive Management Committee, to comply with the applicable legal requirements both from individual and collective points of view. The number of industrial relations disputes is extremely low (see specific 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 specific crisis management system 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 property damage and personal injury caused by incidents such as fire, explosions and spillage of maintenance products, etc.

The Group has introduced a prevention plan intended to limit the consequences of such risks as far as possible. This is organised based on crisis team procedures to deal with risks to its customers or damage to 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 example).

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 by conducting preliminary ground surveys before the building land is bought and seeks to pass on to third parties its commitments relating to possible legitimate causes for work being suspended.

The Group tries to reduce the environmental impact of its activities through many initiatives and actions deployed within its various business segments. Examples of these actions are given in the Group's business report 2010/2011, in the "Sustainable development" section.

Description of ongoing disputes

At 30 September 2011, and for the past 12 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 globally, affects the position or profitability of the Group.

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

The amount of provisions for disputes at 30 September 2011 is detailed in Note 19 – Provisions for contingencies and charges, in the notes to the consolidated financial statements.

Property development

The risks currently managed on behalf of its wholly-owned subsidiaries, notably property development companies, are not significant for the Pierre & Vacances-Center Parcs Group.

- The Group manages a number of disputes relating to builders' liability. Claims have been made against the insurance policies taken out by the property development companies.
- The Group also manages a number of disputes relating to contested end-of-work balances with companies or sub-contractors whose responsibility is in question following sub-standard work.
- The Group also manages a number of 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 problem whenever possible.

Operation and management of tourism activities

- Customer disputes: out of more than one million weeks sold per year, the Group deals with on average less than 20 legal disputes before the local or district courts, 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, generally small ones, with cash flow difficulties.
- Disputes with service providers: the Group uses a number of service providers to supply particular services (catering, entertainment, maintenance, information technology, etc.), so some of them may default on their commitment and/or cause their payment to be disputed.
- Regulated activities: as a member of co-ownership syndicates, the Group may be involved either as a plaintiff or defendant, in co-ownership disputes in which the syndicate 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 risks

- The Group is not involved in any significant collective labour dispute.
- The Group is involved in about sixty individual cases that have been brought before industrial tribunals.
- The Group transformation plan, initiated during the financial year, continues in accordance with its objectives and gives rise to legal consultation procedures with social partners.

To the best of 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, income, financial position or the portfolio of the Pierre & Vacances-Center Parcs Group.

Risk insurance and cover

Insurance policy is defined at Group level, including BNG, by the Risk Management section reporting to the Legal Department.

The overall budget for this insurance stood at €5 million (excluding construction) for the financial year 2010/2011; it remains on a par with the previous year in terms of premium volumes and coverage levels.

Most of this budget goes on all-risks insurance covering operation of the tourism sites against damage and operating losses for all brands.

The Pierre & Vacances-Center Parcs Group is covered against property damage and operating losses 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 compensation 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 operating losses reflects the time required for the total reconstruction of a major site.

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 which are not covered by the 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 liability claims inherent in any failure to meet contractual commitments, etc.;
- special risks which are not included under any specific cover, such as risks of operating losses 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 four French Center Parcs sites) and, secondly, by the renewal of specific insurance cover for financial year 2010/2011 relating to all the Center Parcs Europe villages.

As regards hedging the risks of property damage and operating losses, the Royal Sun Alliance insurance company is the leading insurer in a pool of prominent insurers.

AXA was reappointed as the main insurer in the blanket cover programme for public liability.

The Group does not have a captive insurance or reinsurance company; studies to date looking at this type of structure have led to the deferral of this opportunity until market conditions are more closely aligned.

Major contracts

During the last three financial years and at the date of this Registration 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-statement of financial position commitments is provided 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. The departure of managers or employees responsible for essential functions within the enterprise or who have strategic and operational skills spanning all of the 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 Group Chief Executive Officer 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 Executive Management Committee.

Recent development and future prospects

Market and competition

Tourism businesses

Via its five main brands, Pierre & Vacances, Maeva, Center Parcs, Sunparks and Adagio, 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 distinguished 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 7.5 million customers.

Against the current economic backdrop, the Group's ability to meet the needs of each customer is a decisive factor, 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 per head prices).

The European tourism sector has a **seasonal nature** with considerable changes in business depending on the period (school holidays) and the destination (stronger 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 villages (Center Parcs, Sunparks) and city residences (Adagio and Adagio Access).

The demands of holidaymakers have changed in line with the following:

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

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

Among the distribution channels, the **Internet** is continuing to increase its power. A strategic and essential tool, the Internet represents:

- 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 study of more than 90,000 websites by Fevad, the French e-commerce and distance selling body, revealed that the e-tourism sector grew by 16% between January and September 2011. In financial year 2010/2011, the Pierre & Vacances-Center Parcs Group generated 35% of sales directly from the Internet.

With 314 sites, 51,000 apartments and 235,000 beds operated in Europe, the Pierre & Vacances-Center Parcs Group is the European leader in local tourism.

- In France, the Group is leader in the leisure residences market (138,000 beds in the Pierre & Vacances and Maeva brands out of a total of more than 470,000 beds in seaside and mountain resorts [source SNRT at 1 January 2011]). Its main competitors are: Odalys (65,000 beds), Lagrange (50,000 beds), Belambra (around 40,000 beds), Eurogroup (26,000 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 (around 100 villages, or 5,000 cottages, in the Netherlands, Germany, Denmark and Poland).
- The Group is also the leader in the city residences market, with 84 Adagio and Adagio Access residences, or around 10,000 apartments, out of a total of 587 residences, or around 48,000 apartments at 1 January 2011 (source Deloitte Conseil). City residences generally receive a mixed clientèle comprising managers, consultants and employees but also tourists who complement the business customers when this market is weaker, in particular in the summer months.

  The main operators in this market are: Dom'Villes'Services (Appart City Cap Affaires & Appart'Vacances – 18,000 beds), Résidétudes (Résidhome Séjours et Affaires, Relais Spa – 13,000 beds), Citadines (14,000 beds), and Résidhotel (6,900 beds) (source SNRT at 1 January 2011).

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 who lease them back to the Group's tourism business.

The Pierre & Vacances-Center Parcs Group also has a niche and marginal pure property development business with the Les Senioriales products. Revenue generated in 2010/2011 stood at €75.0 million out of a total property development revenue of €372.6 million, representing 20.1% of the total. Les Senioriales has developed an innovative residence concept meeting the needs of active and independent elderly people. These are not medical residences but provide comfort, security and conviviality and contain around 60 to 70 homes. Sold under property ownership, the residences are located very close to medium-sized towns. In this market, while potential client numbers are constantly increasing (more than one third of the French population will be over 60 by 2050), the segment is more sensitive to ups and downs in the property market in general.

The main rivals in this market are specialist retirement home property developers such as Aegide and Les Villages d'Or, and more general property developers such as Akerys Promotion, Bouwfonds Marignan, Bouygues Immobilier, Cogedim and Nexity.

Objectives for 2011/2012 and outlook

Transformation plan

In May 2010, the Group embarked on a comprehensive transformation plan aimed at developing its activities as an integrated Group, optimising costs and creating growth.

During 2010/2011, several initiatives were launched around two major areas:

- **revenue growth:**
  - sales and marketing initiatives were developed to increase sales of Pierre & Vacances brands abroad, in particular in BNG (mailing campaigns, television advertising, cross-selling on Internet sites, developing partnerships with foreign tour operators, etc.). Sales to BNG customers of Pierre & Vacances Tourisme Europe products rose by around 20% compared with the previous financial year,
  - portfolio optimisation for the Group's brands and product appeal: five Sunparks villages in Germany and the Netherlands were transferred to the Center Parcs brand; three Latitudes hotels were sold; the acquisition of the Citéa city tourist residences and the simultaneous creation of the Adagio Access range strengthened the Group's position in these high-potential markets,
  - a new on-line reservations website for Pierre & Vacances was launched in May 2011, boosting the growth in the share of sales made on the Internet;
- **cost reductions:**
  - the operating and transversal divisions of Pierre & Vacances Tourisme Europe et Center Parcs Europe were combined. Teams were regrouped in Paris, resulting in the closure of the Center Parcs Europe registered office in Rotterdam and the departure of around 100 people,
  - the policy of reducing rents when leases were renewed and the Group-wide purchasing department generated the first savings in the financial year.

In addition, a major investment effort was initiated to modernise the front-office and back-office systems. Almost all IT convergence projects were launched, with durations varying from 12 to 36 months (ERP, Group CRM, common web platform, etc.). These projects are expected to increase revenue and improve operational efficiency.

In an uncertain environment, the Group is focusing more than ever on its cost reduction policy and strategy of updating its brands, distribution tools and management.

Development, the Group's growth engine, will continue to use several methods of financing.

The specific objectives established in 2010 (tourism revenue growth of €100 million and cost reductions of €65 million) will be met by 2014.

Trends in reservations 2011/2012

Tourism reservations to date are at a comparable level with the previous financial year.

The rythm of reservations for property development programmes currently being marketed has been steady since the start of financial year 2011/2012.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in € thousands)	Notes	2010/2011	2009/2010
Revenue	26	1,469,605	1,427,235
Purchases and external services	27	-1,049,028	-967,346
Employee expenses	28	-317,411	-350,594
Depreciation, amortisation and impairment	29	-52,517	-48,645
Other operating income from ordinary activities	30	22,496	8,436
Other operating expenses on ordinary activities	30	-43,876	-42,116
Operating profit (loss) from ordinary activities	**3**	**29,269**	**26,970**
Other operating income	3/31	11,519	2,481
Other operating expenses	3/31	-20,991	-22,654
Operating profit (loss)	**3**	**19,797**	**6,797**
Financial income	32	3,703	2,999
Financial expenses	32	-20,266	-17,187
Net financial income		**-16,563**	**-14,188**
Income tax	33	7,296	14,682
Share of net income (loss) of equity-accounted investments	8	-33	-17
Profit (loss)		**10,497**	**7,274**
Of which:			
▪ *attributable to owners of the Company*		10,499	7,275
▪ *non-controlling interests*		-2	-1
Basic earnings per share, attributable to owners of the Company *(in €)*	34	1.20	0.84
Diluted earnings per share, attributable to owners of the Company *(in €)*	34	1.20	0.83

Consolidated statement of comprehensive income

(in € thousands)	Notes	2010/2011	2009/2010
Profit (loss) for the year		**10,497**	**7,274**
Translation adjustments		19	-20
Effective portion of gains and losses on hedging financial instruments		-98	307
Deferred tax		34	-78
Other comprehensive income, net of tax		**-45**	**209**
Total comprehensive income		**10,452**	**7,483**
Of which:			
▪ *attributable to owners of the Company*		10,454	7,484
▪ *non-controlling interests*		-2	-1

Consolidated statement of financial position

Assets

(in € thousands)	Notes	30/09/2011	30/09/2010
Goodwill	4	155,285	156,335
Intangible assets	5	114,371	108,586
Property, plant and equipment	7	359,374	374,204
Equity-accounted investments	8	253	-11
Available-for-sale financial assets	10	1,705	1,699
Other non-current financial assets	9	24,478	25,885
Deferred tax assets	33	64,156	56,216
Non-current assets	**3**	**719,622**	**722,914**
Inventories and work in progress	11/12	161,586	150,369
Trade receivables	13	309,499	239,827
Other current assets	14	228,672	237,751
Current financial assets	14	18,663	24,451
Cash and cash equivalents	15/23	237,061	167,566
Current assets	**3**	**955,481**	**819,964**
Non-current assets and disposal groups held for sale	16	-	8,047
TOTAL ASSETS	**3**	**1,675,103**	**1,550,925**

Equity and liabilities

(in € thousands)	Notes	30/09/2011	30/09/2010
Issued capital		88,216	88,216
Share premium		8,637	8,637
Treasury shares		-6,158	-8,779
Accumulated other comprehensive income (loss)		-149	-104
Reserves		392,688	391,593
Profit for the year		10,499	7,275
Equity attributable to owners of the Company	**18**	**493,733**	**486,838**
Non-controlling interests		4	7
Shareholders' equity		**493,737**	**486,845**
Long-term borrowings	20/23	294,679	214,829
Non-current provisions	19	27,597	26,203
Deferred tax liabilities	33	13,765	18,852
Other non-current liabilities	25	4,502	-
Non-current liabilities	**3**	**340,543**	**259,884**
Short-term borrowings	20/23	44,683	44,753
Current provisions	19	10,861	10,544
Trade payables	24	259,308	258,271
Other current liabilities	25	498,951	465,039
Current financial liabilities	25	27,020	25,589
Current liabilities	**3**	**840,823**	**804,196**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,675,103**	**1,550,925**

Consolidated statement of cash flows

(in € thousands)	Notes	2010/2011	2009/2010
Operating activities			
Consolidated profit (loss)		**10,497**	**7,274**
Depreciation, amortisation and impairment of non-current assets		47,007	36,248
Expenses on grant of share options		1,113	1,451
Gains (losses) on disposals of assets		-7,895	2,076
Share of net income (loss) of equity-accounted investments	8	33	17
Net borrowing costs	32	16,360	13,238
Tax expense (including deferred taxes)	33	-7,296	-14,682
Operating cash flows before change in working capital requirements		**59,819**	**45,622**
Net borrowing costs: net interest paid		-13,251	-12,841
Taxes paid		-3,816	-704
Cash flows after interest and tax		**42,752**	**32,077**
Change in working capital requirements (including in employee benefits liability)		**-32,603**	**-25,738**
Inventories and work in progress		-8,380	-13,216
Other working capital items		-24,223	-12,522
Net cash flows from operating activities (I)		**10,149**	**6,339**
Investing activities			
Acquisitions of property, plant and equipment, and intangible assets	5/7	-36,103	-35,929
Payments to acquire non-current financial assets		-1,139	-1,983
Acquisitions of business goodwill	4/17	-	-4,462
Acquisitions of subsidiaries (net of cash acquired)	17	2,535	-
Subtotal of disbursements		**-34,707**	**-42,374**
Proceeds from disposals of property, plant and equipment, and intangible assets		4,666	43,656
Proceeds from disposals of financial assets		2,244	11,320
Proceeds from disposals of business goodwill	17	7,274	3,316
Divestments of subsidiaries (net of cash paid)	17	85	-
Subtotal of receipts		**14,269**	**58,292**
Cash flows on assets and disposal groups held for sale	16	8,047	-3,671
Net cash flow from investing activities (II)		**-12,391**	**12,247**
Financing activities			
Capital increases in cash by the Company	18	-	93
Acquisitions and disposals of treasury shares	18	-1,249	102
Dividends paid to owners of the Company		-6,124	-13,045
Proceeds from new loans and other borrowings		119,667	113,651
Repayments of loans and other borrowings		-33,584	-75,560
Other cash flows from financing activities		-	102
Net cash flows from financing activities (III)		**78,710**	**25,343**
Net increase (decrease) in cash and cash equivalents (IV = I + II + III)		**76,468**	**43,929**
Cash and cash equivalents at beginning of year (V)	15/17	156,038	112,109
Cash and cash equivalents at end of year (VI = IV + V)	15/17	232,506	156,038

Consolidated statement of changes in equity

(in € thousands)	Number of shares	Share capital	Share premium	Treasury shares	Translation adjustment	Fair value reserves of hedging financial instruments	Reserves	Consolidated profit -loss	Equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
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 comprehensive income	-	-	-	-	-20	229	-	-	209	-	209
Profit (loss)	-	-	-	-	-	-	-	7,275	7,275	-1	7,274
Total comprehensive income	**0**	**0**	**0**	**0**	**-20**	**229**	**0**	**7,275**	**7,484**	**-1**	**7,483**
Capital increase	1,975	20	73	-	-	-	-	-	93	-	93
Dividends paid	-	-	-	-	-	-	-13,045	-	-13,045	-	-13,045
Change in treasury shares held	-	-	-	674	-	-	-766	-	-92	-	-92
Charges due to share-based payments	-	-	-	-	-	-	1,451	-	1,451	-	1,451
Other changes										2	2
Allocation of profit for the year	-	-	-	-	-	-	42,264	-42,264	0	-	0
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**
Other comprehensive income	-	-	-	-	19	-64	-	-	-45	-	-45
Profit (loss)	-	-	-	-	-	-	-	10,499	10,499	-2	10,497
Total comprehensive income		**0**	**0**	**0**	**19**	**-64**	**0**	**10,499**	**10,454**	**-2**	**10,452**
Capital increase	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-6,124	-	-6,124	-	-6,124
Change in treasury shares held	-	-	-	2,621	-	-	-3,833	-	-1,212	-	-1,212
Changes due to share-based payments	-	-	-	-	-	-	1,113	-	1,113	-	1,113
Issue of OCÉANE compound financial instruments	-	-	-	-	-	-	2,631	-	2,631	-	2,631
Other movements	-	-	-	-	-	-	33	-	33	-1	32
Allocation of profit for the year	-	-	-	-	-	-	7,275	-7,275	0	-	0
BALANCE AT 30 SEPTEMBER 2011	**8,821,551**	**88,216**	**8,637**	**-6,158**	**57**	**-206**	**392,688**	**10,499**	**493,733**	**4**	**493,737**

Notes to the consolidated financial statements

Preamble

Pierre et Vacances is a French Public Limited Company *(société anonyme)*, governed by a Board of Directors and listed on Euronext Paris.

The consolidated financial statements reflect the financial position of Pierre et Vacances and its subsidiaries (hereinafter referred to as "the Group"), as well as its interests in associates and joint ventures. The financial statements are presented in euros, rounded to the nearest thousand.

The Board of Directors approved the consolidated financial statements for the year ended 30 September 2011 on 29 November 2011.

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

1.1 - General framework

Pursuant to European regulation EC 1606/2002 of 19 July 2002, the consolidated financial statements for the financial year ended 30 September 2011 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union on 30 September 2011 (these standards are available at http://ec.europa.eu/internal_market/accounting/ias_en.htm).

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

These standards and interpretations are the same as those applied in the Group's financial statements for the financial year ended 30 September 2010, except for those adopted by the European Union which must be applied for the first time in the financial year beginning 1 October 2010 and for which the Group had not elected for early adoption (see section 1.2 – Changes in accounting standards).

1.2 - Changes in accounting standards

The new standards and interpretations used in the financial statements, which must be applied for the first time in the financial year beginning 1 October 2010, have not had any material impact on the Group's consolidated financial statements for financial year 2010/2011.

The new standards, interpretations and amendments applied by the Group for the 2010/2011 financial year and not anticipated in the 2009/2010 financial statements include the following:

- IFRIC 17 relating to the distribution of non-monetary assets to shareholders (applicable to financial years beginning on or after 31 October 2009);
- IFRIC 18 relating to the transfers of assets from customers (applicable to financial years beginning on or after 31 October 2009);
- IFRIC 15 on construction of real estate (applicable to financial years beginning on or after 31 December 2009);
- amendment to IFRS 2 "Share-based payment" relating to intra-group cash-settled share-based payment transactions (applicable to financial years beginning on or after 1 January 2010);
- amendment to IAS 32 on the classification of rights issues (applicable to financial years beginning on or after 1 February 2010);
- IFRIC 19 relating to the extinguishing of financial liabilities with equity instruments (applicable to financial years beginning on or after 1 July 2010).

The standards, interpretations and amendments to existing standards for which the Group has not elected early adoption in its financial statements are as follows:

- amendment to IFRIC 14, relating to prepayments of minimum financing requirements (applicable to financial years beginning on or after 1 January 2011);
- amendment to revised IAS 24 "Related party disclosures", concerning partial exemption for government-related entities and a new definition of a related party (applicable to financial years beginning on or after 1 January 2011);
- amendment to IFRS 7, concerning disclosures related to transfers of financial assets (applicable to financial years beginning on or after 1 July 2011);
- amendment to IAS 12 "Recovery of underlying assets" (applicable to financial years beginning on or after 1 January 2012);
- IFRS 10 relating to consolidated financial statements (applicable to financial years beginning on or after 1 January 2013);
- IFRS 11 "Joint arrangements" (applicable to financial years beginning on or after 1 January 2013);
- Revised IAS 19 "Employee benefits" (applicable to financial years beginning on or after 1 January 2013);
- IFRS 12 relating to disclosures of interests in other entities (applicable to financial years beginning on or after 1 January 2013);
- IFRS 13 concerning fair value measurement (applicable to financial years beginning on or after 1 January 2013);

- IFRS 9 "Financial instruments: classification and measurement", replacing the various rules under IAS 39 on the measurement and impairment of financial instruments (applicable to financial years beginning on or after 1 January 2013);
- amendment to IAS 28 "Investments in associates and joint ventures" (applicable to financial years beginning on or after 1 January 2013);
- amendment to IAS 1 "Presentation of other comprehensive income" (applicable to financial years beginning on or after 1 January 2013);
- amendment to IAS 27, relating to separate financial statements (applicable to financial years beginning on or after 1 January 2013);
- "Improvements to IFRS" (May 2010).

The Group is reviewing all these standards and interpretations, in particular revised IAS 19, IFRS 10 and IFRS 11, in order to measure their potential impact on the consolidated profit (loss), financial position and cash flows and to assess the required disclosures.

Revised IAS 19 will require the use of the "SORIE" method (immediate recognition of actuarial gains and losses in other comprehensive income). The Pierre & Vacances-Center Parcs Group currently recognises actuarial gains and losses on provisions for retirement and other post-employment benefits based on the "corridor" method (see Note 1.24 - Provisions for retirement and other post-employment benefits). The Group is assessing the impact of this change.

The new IFRS 10, IFRS 11 and amended IAS 28 provide for changes in the concept of control and restrictions in using the proportional consolidation method (for joint activities). The Group does not expect any material impact on the basis of consolidation of its financial statements. The Pierre & Vacances-Center Parcs Group is reviewing its contractual agreements with the companies that are proportionally consolidated, in particular with Adagio companies.

1.3 - Change in accounting policy: Segment information

The implementation of the Group's transformation plan, which aimed to merge the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe, prompted the Group to review the application of IFRS 8 "Operating segments" and change the presentation of its segment information (see Note 3 - Operating segment information).

1.4 - France's revised budget for 2011

France's revised budget for 2011, approved on 19 September 2011, changes the tax law provisions for loss carrybacks and carryforwards:

- carrybacks: losses may now only be carried back one financial year (rather than three) against profits, up to a maximum of €1 million;
- carryforwards: loss carryforwards for amounts exceeding €1 million are limited to 60% of the taxable profit for the year. However, tax loss carryforwards have no time limit.

These new tax provisions are applicable from financial year 2010/2011.

1.5 - Basis of presentation

Individual financial statements of the Group's consolidated companies, which are prepared according to the accounting regulations applicable in their respective countries, are restated to comply with the Group's accounting policies.

All fully or proportionally consolidated companies are consolidated on the basis of annual financial statements or positions at the reporting date of the parent company, namely 30 September.

The Group's consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which, if present at the reporting date, are recognised at their fair value: derivative financial instruments, financial assets held-for-trading and available-for-sale financial assets. The carrying amount of the assets and liabilities hedged against changes in fair value is adjusted to take into account such changes attributable to the risks hedged.

As provided for by IAS 1 "Presentation of financial statements", the Group reports income statement items according to their nature.

Operating profit (loss) includes "Other operating expenses" and "Other operating income". These line items essentially comprise non-recurring items such as gains and losses on disposals and restructuring expenses.

Statement of financial position items are classified into current and non-current assets, and current and non-current liabilities. The Group's current assets include cash and cash equivalents, assets held for sale and assets consumed in a normal operating cycle. All other assets are classified as non-current. Current liabilities consist of liabilities that mature in the Group's normal operating cycle or within 12 months after the reporting date. All other liabilities are classified as non-current.

The statement of cash flows is presented using the indirect method.

1.6 - Use of accounting estimates

The preparation of consolidated financial statements in accordance with 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 income in the income statement, as well as on any assets and liabilities mentioned in the notes. In particular, this involves determining the recoverable amount of goodwill, intangible assets with indefinite useful lives, assumptions on the recoverability of tax losses and classification of lease agreements as finance leases or operating leases. These estimates are made on a going concern basis 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.

1.7 - Basis of consolidation

The following consolidation methods have been used:

- full consolidation – all the companies over which the Group exercises exclusive control, directly or indirectly, in law or in fact;
- proportional consolidation – companies operated jointly in a joint arrangement;
- equity method – shares of companies over which the Group directly or indirectly exercises significant influence without, however, having control. Significant influence is presumed when the Group holds more than 20% of the voting rights.

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

1.8 - Transactions between consolidated companies

Intra-group transactions and balances are eliminated both in the statement of financial position and the income statement. Eliminations are made up to the limit of the ownership percentage reflected in the consolidated financial statements. Losses recognised between consolidated companies that are indicative of impairment loss are not eliminated.

1.9 - Foreign currency translation

Translation of foreign currency transactions

A company's functional currency is the currency of the primary economic environment in which the company operates. Transactions made in a currency other than the functional currency are translated at the exchange rate in effect at the time they occur. At the reporting date, receivables and corresponding payables are converted into the functional currency at the reporting date exchange rate. The resulting translation differences are recognised in profit or loss.

Translation of foreign currency financial statements

The statements of financial position of companies whose functional currency is not the euro are translated into euros at the reporting date exchange rate and their income statements at the average exchange rate for the year.

The resulting translation differences are shown in shareholders' equity and will be recognised in profit (loss) for the year during which control of the business ceases.

1.10 - Business combinations

As from 1 October 2009, business combinations are recorded in accordance with revised IFRS 3 "Business combinations" and revised IAS 27 "Consolidated and separate financial statements".

Acquisition costs

The cost of purchasing shares equals the fair value of the assets handed over, the 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 recognised as an expense for the period during which they are incurred.

Earn-outs, irrespective of their likelihood of payment, are recognised at fair value in liabilities or shareholders' equity as of the acquisition date; subsequent adjustments must be reported in profit (loss) if the initial entry was under liabilities.

Identifiable assets, identifiable liabilities and goodwill

When they integrate the Group, the assets and liabilities that can be measured separately are reported in the consolidated statement of financial position at their fair value. Assets intended for resale are measured at their fair values less the selling costs. Goods intended for use in operation are measured at their fair value.

The fair value of identifiable intangible components of the assets represented by brand names is determined using a multi-criteria approach generally accepted for the purpose ("relief from royalty" method, excess cash-flows method and cost approach).

The measurement of identifiable assets determines their new gross carrying amount. This serves as a basis for subsequent calculations of gains or losses on disposal, depreciation, and impairment losses.

Goodwill represents any amount in excess of the consideration transferred and, if applicable, the difference between the value of "non-controlling interests" and the net fair value of identifiable assets and liabilities of the acquired company. Depending on the option selected for measuring these interests at the date control is acquired (fair value or share of net assets 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 "Equity-accounted investments" for the companies over which the Group exercises significant influence. If the difference is negative, it is posted directly to profit or loss.

If, in the 12 months following the acquisition date, new information leads to a new assessment of the fair values of the assets and liabilities when they were included in the consolidated statement of financial position, the fair values are updated. The remeasurement will result in a change in the gross amount of the goodwill.

When a company is purchased in stages, the previous shareholding must be reassessed at fair value on the date control is acquired and the difference from the net carrying amount must be recognised in profit or loss.

Commitment to buy out non-controlling interests

When the Group grants purchase options on their investments to shareholders of its fully consolidated subsidiaries, it anticipates this additional purchase of shares. These commitments are recognised as financial liabilities at the discounted value of the buy-back price, along with an entry to non-controlling interests and any remaining balance being recorded in shareholders' equity.

1.11 - Non-current assets held for sale and associated liabilities

Assets and liabilities that the Group decided to sell during the year are presented on a separate line item of the statement of financial position ("Non-current assets and disposal groups held for sale"), if 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 and the related liabilities are measured overall at the lowest of the net carrying amount and the fair value net of the selling costs. Non-current assets classified as held for sale are no longer depreciated.

1.12 - Goodwill impairment tests

According to IFRS 3R "Business combinations", goodwill is not amortised. Goodwill is subject to impairment testing whenever there is an indication that it may be impaired and at least once a year at the end of the reporting period, namely at 30 September. This test is carried out in order to take account of any changes that may have reduced the profitability and value of the goodwill. Such events or circumstances include significant unfavourable changes of a permanent nature, affecting the economic environment or the assumptions and objectives adopted at the date of acquisition.

The assets are combined into cash generating units (CGUs). A CGU is the smallest group of assets generating cash flows largely independent of other asset groups. The CGUs adopted by Pierre & Vacances-Center Parcs for assessing the recoverable amount of goodwill are the Group's operating segments used to analyse its results for internal reporting purposes.

This impairment test involves comparing the recoverable amount of the cash generating units (CGUs), or of the CGU group, with the net carrying amount of the corresponding assets, including any goodwill. Through these measurement tests, the Group ensures that the recoverable amount of goodwill is not less than the net carrying amount. The recoverable amount is the higher of the fair value less selling costs or the value in use. If an asset is to be sold, the recoverable amount is determined based on the fair value less selling costs.

The fair value less selling 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 costs to sell 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 flows that would be generated by the CGU or group of CGUs. Cash flow projections come from the five-year business plans internally developed by the operating segments. For periods beyond five years, they are estimated using 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 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 amounts that are identical to those obtained using pre-tax rates applied to pre-tax cash flows.

An impairment loss is recognised in profit and loss if the carrying amount of a goodwill item is greater than its recoverable amount. Any impairment losses are recorded in "Other operating expenses". Any impairment loss recognised for a goodwill item may not be reversed in future periods.

1.13 - Intangible assets

Intangible assets individually acquired are stated in the statement of financial position at their purchase cost less accumulated amortisation and impairment losses. Intangible 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.

Intangible assets primarily consist of brand names.

They include:

- brand names that the Group has classified as intangible assets with indefinite useful lives. These assets are recorded in the statement of financial position on the basis of a valuation made at the date of acquisition by independent experts using a multi-criteria approach, which takes into account brand name awareness and expected future contribution to profits. They account for most of the net carrying amount of intangible assets recorded on the Group's consolidated statement of financial position. Brand names are not amortised but their value is subject to a test if there is an indication that they may be impaired and at least once a year at the reporting date, namely at 30 September. A provision for impairment losses is reported if the amount determined using the measurement methods is lower than their net carrying amount. The Group determines the value in use of each of its brand names by updating their carrying amounts using either the same method as that used for goodwill impairment tests, i.e., discounted future cash flows generated by the business covered by the brand, or the "relief from royalty" method (five-year projection of future royalties from the brand). Any impairment losses are reported in the income statement, under "Other operating expenses". The corresponding provision may subsequently be reversed if the value in use becomes higher than the net carrying amount;
- the other intangible assets that the Group has classified as intangible assets with definite useful lives. Essentially, these are concessions and patents that mainly include software licences and expenditure on computer programs. These non-current 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 loss, a valuation test is automatically carried out.

1.14 - Investment subsidies

Investment subsidies are shown on the statement of financial position as a reduction in the value of the asset for which they were received.

1.15 - Property, plant and equipment

Items of property, plant and equipment are reported in the statement of financial position at their historic acquisition cost or at their construction cost or else, for assets owned by entities consolidated for the first time, at their acquisition-date fair value less any accumulated depreciation and any reported impairment losses. Interest on capital borrowed to finance the production of property, plant and equipment items during the period prior to their being placed in service is considered to be an integral part of their construction costs.

Lease agreements are classified as finance leases and are restated in the consolidated financial statements when in substance they transfer to the Group virtually all the risks and benefits inherent in ownership of these properties. The level of risk transferred is measured by analysing the terms of the agreement.

Property, plant and equipment items acquired through finance lease agreements are presented in assets at the lower of the item's market value and the discounted value of future lease payments. Depreciation is recognised over the asset's useful life, the corresponding liability being reported along with the related interest expense.

Unlike finance leases, operating leases are reported in the income statement as lease payments under "Purchases and external services". Rent commitments, representing total future minimum payments over the remaining lease term, are indicated in Note 36 "Off-statement of financial position commitments".

From the date they are placed in service, property, plant and equipment items are depreciated over their useful lives, using a component-based approach and the straight-line method:

Buildings	20 to 54 years
Equipment, fixtures and fittings	5 to 16 years
Furniture	8 to 12 years
Other property, plant and equipment	3 to 4 years

Items of property, plant and equipment are considered impaired when their economic value appears lower than their net carrying amount as a result of events or circumstances occurring during the financial year.

Thus, at each reporting date, the Group assesses whether there is any indication of impairment loss 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 revenue or in operating profit (loss) generated by these cash-generating units. In the case of a material unfavourable change, the Group then determines the recoverable amount of all the assets concerned. This is the higher of the fair value less selling costs, and the value in use. The value in use is determined on the basis of the discounted future cash flows estimated using the same methodology as described for goodwill.

Any impairment losses are reported in the income statement, under "Other operating expenses" and the corresponding provision may be subsequently reversed if the economic value becomes higher than the net carrying amount.

1.16 - Non-current financial assets

This category mainly comprises available-for-sale financial assets, loans and receivables due from associates and non-consolidated entities, loans and security deposits that mature in more than 12 months.

Equity interests in unconsolidated companies are classified as "Available-for-sale financial assets" and therefore are recognised on the statement of financial position at their fair value. Positive and negative changes in value are recorded directly in other comprehensive income or loss. 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 recognised at their cost. If there is an objective indication that these shares may be impaired (a significant or prolonged decline in value), a provision for irreversible impairment is recognised along with an entry to income.

Other non-current financial assets are recorded at amortised cost using the effective interest rate method. If there is an objective indication of impairment loss, a provision for impairment is recognised for the difference between the net carrying amount and the recoverable value, along with an entry to income. This provision may be reversed if the recoverable amount subsequently improves.

1.17 - Inventories of finished goods and work in progress

Inventories mainly include the inventories of finished goods and work in progress for the property development business, assets held for sale and inventories of goods intended for resale as part of the Group's Tourism business.

Inventories of finished goods and work in progress are valued at the lower of their purchase price or production costs, and their probable net realisable amount. If the realisable amount of the inventories (price net of selling expenses) is less than their carrying amount, a provision for impairment loss is recorded accordingly.

The Group applies the percentage of completion method to report the revenue and margins of its property development business. Except for the marketing costs that are reported as prepaid expenses, all direct costs for ongoing property development programmes are capitalised in inventories, including any related financial expenses (net of any financial income) that may be attributable to operations. When the work is completed, committed expenditures that are not yet invoiced are capitalised in inventories.

1.18 - Trade receivables

Due to the nature of the Group's businesses, trade receivables are short term and are therefore recognised at their nominal amount.

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 programme 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, authorised by the owners. They are presented under "Other receivables and prepaid expenses".

1.19 - Prepaid expenses

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

For assets marketed off-plan, 50% of the marketing fees are invoiced when the customer makes the reservation and the remaining 50% when the deed of sale is signed in the notary's office. "Prepaid expenses" include in particular the share of the marketing fees invoiced by the subsidiaries Pierre & Vacances Conseil Immobilier and PV Senioriales Promotion et Commercialisation, relating to property development programmes for which the proportion of the margin based on the degree of completion has not been recorded at the reporting date. This proportion is determined for each property development programme based on the progress of the work and sales (signings of notarised deeds) relative to the total marketing fees budget for the programme.

1.20 - Cash and cash equivalents

The gross balance of cash and cash equivalents, as presented under assets on the statement of financial position, includes cash and demand deposits, as well as short-term investments (unit trusts – SICAV, and mutual funds) for terms of less than three months, which are classified as available-for-sale securities. These investments comply with the four criteria of the AMF, their terms are for less than three months, they are available for sale at any time for their nominal amount, and the foreign exchange risk is very low.

Cash and cash equivalents in the consolidated statement of cash flows represent gross amounts less overdrafts.

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

1.21 - Pierre et Vacances treasury shares

Shares in Pierre et 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 equity. The result of any sale of treasury shares is recognised directly to consolidated reserves at their value net of tax and does not impact profit (loss) for the year.

1.22 - Share-based payment

Share options granted by the Group to its employees and executives are reported as an employee expense representing services rendered by the beneficiaries of these plans. Thus, the recognised expense reflects the fair value of the options granted calculated on the date of their grant by the Board of Directors using the "Black & Scholes" method. This expense is spread over the vesting period along with an entry to increase reserves.

The grant of benefits to employees through a Group Share Ownership 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 at the grant date, an expense is recognised immediately or over the vesting period unless acquisition is immediate.

1.23 - Provisions

A provision is reported when, at the reporting date, 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, the obligation is treated as a contingent liability and is disclosed in the notes.

Thus, to take account both of its contractual commitments and maintenance policy for the property leased, the Group records provisions for renovation expenses in its financial statements. These provisions are intended to take account of, as the assets are used, future renovation costs to be paid by the Group. They are calculated on the basis of discounted future renovation costs.

Furthermore, in the case of restructuring, an obligation is recognised whenever the restructuring has been announced or included in a detailed, formal plan before the reporting date.

1.24 - Provisions for retirement and other post-employment benefits

Post-employment benefits

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

Group companies pay salary-based contributions to the appropriate institutions. As such, they carry no actuarial liability for these retirement plans. For these defined-contribution plans, payments made by the Group are recorded in profit (loss) as expenses for the period to which they relate.

Certain entities within the Group also have their own retirement plan for their employees. A provision for the corresponding actuarial liability is recorded in the consolidated financial statements. The same applies in France for Group commitments to employees for end of service awards. For these defined benefit plans, the cost of providing the benefits is estimated using a retrospective method based on end of service salaries. Under this method, the cost of the commitments is recognised as an expense in such a way as to spread it evenly over the employees' period of service. The amount of the provision includes the present value of estimated future payments taking into account length of service, mortality rate, employee turnover rate and valuation and discounting assumptions. For defined-benefit plans 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 in the statement of financial position after deducting the value of the plan assets that cover this obligation.

Actuarial differences result from changes in the actuarial assumptions used for valuations from one year to the next, and from any variance in the obligation or the value of the funds with respect to the actuarial assumptions made at the beginning of the financial 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 service period remaining for the personnel benefiting from the plan.

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 at the holiday residence portfolio 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 retirement provisions. Where necessary, the actuarial differences that are revealed in the year are amortised immediately in the year in which they are reported.

Past service costs

The modification or introduction of a new benefits plan 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 "past service costs". Past service costs are expensed using the straight-line method over the average period remaining until the corresponding rights become vested. The rights acquired when the plan is adopted or modified are immediately recognised in expenses for the financial year.

The expense representing the change in net commitments for retirement and other post-employment benefits is recognised in profit or loss from ordinary operations or in other financial income and expenses according to the nature of the underlying items. The effect of the reversal of the discounting of the retirement benefit obligation, net of expected return of plan assets, is reported under "Other financial income and expenses".

The portion at more than one year of the "Provisions for retirement and other post-employment benefits" is classified as non-current provisions and the portion at less than one year as current provisions. This current portion reflects the payments that the Group estimates it will have to make in the 12 months following the reporting date.

1.25 - Loans and other borrowings

Financial liabilities

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

The effective interest rate is the rate used to obtain the carrying amount of a loan at the outset by discounting the future cash payments and receipts over the life of the loan. The carrying amount of the loan at the outset includes the transaction costs and any associated premiums.

If the future interest expense is hedged, the financial liabilities whose cash flows are hedged continue to be measured at amortised cost, the change in value of the effective portion of the hedging instrument being recognised in other comprehensive income (loss).

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

Convertible bonds

Convertible bonds are financial instruments with two components: a liability component recorded under liabilities and an equity component reported in shareholders' equity. The liability component equals the discounted amount of the bond coupons payable at a yield similar to that of a regular bond that would have been issued at the same time as the convertible bond. The difference between the liability component and the nominal amount of the convertible bond at the time of issue represents the value of the equity component, which is recorded in equity. The difference between the financial expenses recognised and the actual payments is added at each reporting date to the liability component so that, at maturity, the amount due in the event of non-conversion equals the liability balance.

1.26 - Derivative financial instruments

Amounts due to credit institutions offering variable interest rates, the Pierre & Vacances-Center Parcs Group hedges its future interest expense by using derivative financial instruments such as interest rate swaps. The Group's policy is to reduce its exposure to interest rate fluctuations.

These risks are managed centrally, allowing the Group to define the main hedging guidelines. The positions are traded over the counter with first class banking counter parties.

Hedge accounting applies if:

- the hedging relationship is clearly documented at the date it is implemented; and
- the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively at each reporting date.

Derivative financial instruments are reported in the statement of financial position at their fair value. The market value is established on the basis of market data and is confirmed by stock market prices provided by financial institutions.

The changes in the fair value of the instruments acquired to hedge certain liabilities are recognised directly in other comprehensive income (loss) for the effective portion of the hedge and, in the absence of a hedging relationship or for the ineffective portion of the hedge, the changes in the value of the derivative financial instruments are reported in net financial income.

1.27 - Deferred tax

All temporary differences existing at the reporting date between the carrying amounts of the asset and liability items and the amounts of those same items for tax purposes are recorded as deferred taxes and calculated using 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 at the reporting date. The effects of tax rate changes are recorded in profit (loss) for the year during which the rate change is made.

Deferred tax benefits 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 (five years or less).

The tax expense is recognised in profit (loss) except for tax relating to items recognised in other comprehensive income or loss that is recorded directly in other comprehensive income or loss.

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

1.28 - Deferred income

Deferred income is income that is received or recorded before the underlying services have been performed or the underlying goods have been delivered.

This line item mainly includes:

- sales signed in the presence of a notary for property not yet delivered, for the proportion exceeding the revenue calculated by the percentage of completion method;
- "support funds" Specifically, the "Financial ownership" and "Ownership & Holidays" sales programmes 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 disposal, the excess rent, called "support funds", is recognised as a reduction to the selling price of the property. In this way, the excess portion of the property development margin is recorded in deferred income and, after the property is delivered, is recognised in profit or loss using a straight-line method over the lease term.

1.29 - Revenue

Consolidated revenue comprises:

- **tourism:** the pre-tax value of holidays and related income generated for holidays taken during the financial year and sales of holidays and fees made as part of its marketing activity. For residences run under management agreements, only management fees invoiced to the customer are included in revenue. Revenue for the part of Center Parcs' catering and food trade business which is outsourced only includes royalties from the service providers;
- **property development:**
  - property sales generated by the property development business and recognised according to the percentage of completion method (see Note 1.30 - Revenue recognition method – Property development) less, on the date the apartments are delivered, the "support funds" (see Note 1.28 - Deferred income). The amount is initially recorded in deferred income and then gradually recognised in revenue using the straight-line method over the term of the lease,
  - 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 revenue is valued at the fair value of the consideration received or to be received, net of rebates, discounts and allowances, VAT and other taxes. Services are recognised when rendered.

1.30 - Revenue recognition method – Property development

Revenue and margins on property development programmes are reported using 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 revenue 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 impairment.

1.31 - Employee expenses

Employee expenses include all the payments and commitments made by the Group, including employee profit-sharing and the expenses associated with share-based payments.

1.32 - Other operating income and expenses

Other operating income and expenses are reported in accordance with the AMF guidelines. They only include unusual, irregular and infrequent events. This includes gains and losses on disposals of non-current assets, impairment losses of property, plant and equipment, and intangible assets, restructuring expenses and expenses related to legal proceedings, which are material to the Group and affect the comparability of the operating profit (loss) from ordinary activities from one reporting period to another.

1.33 - Income tax

Income tax expense or benefit includes both current tax, the corporate value-added tax (*cotisation sur la valeur ajoutée des entreprises* or CVAE) and deferred tax resulting from temporary differences and consolidation adjustments, where justified by the tax position of the Group's companies.

France's 2010 budget, approved in December 2009, introduces a regional economic tax (*contribution économique territoriale* or CET) to replace business tax (*taxe professionnelle* or TP). The CET comprises two elements: the corporate real estate tax (*cotisation foncière des entreprises* or CFE) and the corporate value-added tax (CVAE). The CFE, the extent of which depends on the rental value of property liable for real estate tax, is very similar to business tax and can hence be likened to an operating expense 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 advice of the the French National Accounting Board *(Conseil National de la Comptabilité)* issued on 14 January 2010, the Group decided to treat the CVAE as an income tax expense.

1.34 - Earnings per share

Earnings per share are calculated by dividing profit (loss) attributable to the owners of the Company by the weighted average number of shares outstanding during the financial year, less the Pierre et Vacances treasury shares recorded as a reduction in equity. The average number of shares outstanding during the financial year is the number of ordinary shares outstanding at the beginning of the financial year, adjusted by the number of ordinary shares repurchased or issued during the year.

To calculate diluted earnings, profit (loss) for the year attributable to the owners of the Company 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 instruments with a relutive effect.

For the years disclosed, the existing relutive instruments include share options and bonus share grants. The accretive effects of share options are calculated according to the "share buyback" method by which the funds that will be collected when the option is exercised or the vested shares are purchased are considered to be assigned primarily to repurchasing Pierre et Vacances shares at the market price.

NOTE 2 SCOPE OF CONSOLIDATION AND SIGNIFICANT EVENTS FOR 2010/2011

2.1 - Main changes in the scope of consolidation and the scope of operations

Main changes in the scope of consolidation and scope of operations for the 2010/2011 financial year

Acquisitions

On 15 June 2011, the Group bought the following from Lamy (Nexity Group): Neximmo 66, which owns the division that operates 31 holiday residences managed by Citéa, and 50% of Citéa (managed under management agreements for 2*city holiday residences), bringing its interest in Citéa to 100%. Neximmo 66 was renamed PV-CP City.

On 1 July 2011, the Group sold all its shareholdings in Citéa to Adagio, its subsidiary jointly-held with Accor.

As the acquisition through PV-CP City of 50% of additional shareholdings in Citéa and the subsequent disposal of all the shareholdings in Citéa to Adagio occurred within 15 days, the Pierre & Vacances-Center Parcs Group did not acquire control of Citéa.

Pursuant to IFRS 3R, the acquisition of the goodwill of 31 businesses was treated as a business combination.

As the acquisition date was close to 30 June and the operations of the 31 residences for the remaining financial year were immaterial, PV-CP City was fully consolidated as from 1 July 2011.

The impact of this acquisition on the Group's consolidated financial statements being immaterial, no pro forma statements have been prepared.

The Pierre & Vacances-Center Parcs Group measured the acquired assets and the liabilities assumed at their fair value.

The following adjustments were made to the fair value of the net assets acquired in order to obtain the net carrying amount of the business:

- remeasurement of finance leases based on market conditions, for a total of -€588,000. The finance leases acquired by the Pierre & Vacances-Center Parcs Group were subjected to a systematic assessment to establish whether the agreements were favourable or unfavourable compared to market conditions. In accordance with IFRS 3R, the Group recognised an intangible asset for €6,566,000 thousand, representing the agreements deemed favourable and a liability for €7,154,000 for the agreements deemed unfavourable;

- the recognition of net deferred tax liabilities totalling €316,000, relating to items remeasured at fair value and profit (loss) for the interim period (from 1 January 2011 to 30 June 2011).

The measurement of the business operating the 31 holiday residences resulted in negative goodwill recognised directly in profit or loss, which amounted to €4,415 thousand.

The identifiable assets and liabilities acquired are summarised below:

(in € thousands)	Net carrying amount before acquisition	Fair value adjustments	Fair value
Net assets acquired at 1 July 2011			
Intangible assets	-	6,566	6,566
Property, plant and equipment	194	-	194
Trade receivables	1,494	-	1,494
Other current assets	11,791	-	11,791
Cash and cash equivalents	3,019	-	3,019
Provisions for risks and charges (current and non-current)	-120	-	-120
Deferred tax liabilities	-	-316	-316
Other non-current liabilities	-	-5,020	-5,020
Trade payables	-9,584	-	-9,584
Other current liabilities	-5,289	-2,134	-7,423
TOTAL NET ASSETS ACQUIRED	**1,505**	**-904**	**601**
Acquisition costs			
Share acquisition costs			484
Fair value of the acquisition			-4,298
TOTAL ACQUISITION COSTS			**-3,814**
Negative goodwill			**-4,415**

Following this acquisition, Adagio announced the creation of the Adagio Access range, which brings a more economic product to the middle and upmarket Adagio Aparthotel network. Citéa residences will be part of this new brand, with new openings gradually expanding it up to a target of 69 Adagio Access residences by 2015.

The purchase of Citéa makes Adagio City Aparthotel the European leader in city holiday residences, with 84 residences generating revenue of around €160 million.

The development plan for Adagio and Citéa combined is primarily focused on Europe (France, Germany and UK) as well as Russia and the Middle East. By 2015, Adagio is expected to operate close to 130 residences with revenue of €330 million.

Disposals

On 22 December 2010, the business assets and property, plant and equipment items of the Beach Hôtel (a Latitudes hotel) in Trouville were sold to the Sofisol Group for €200,000 and €2,000,000, respectively. This disposal generated a pre-tax gain of €1,599,000.

On 1 June 2011, the Group sold the business goodwill of the Hôtel du Golf de Courchevel 1650 for €4,194,000. This disposal generated a pre-tax gain of €3,148,000.

On 29 September 2011, the business goodwill and property, plant and equipment items of Hôtel Latitudes in Toulouse were sold for €2,880,000 and €665,000, respectively. This disposal resulted in a pre-tax gain of €2,972,000.

Other changes

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 liquidations of companies through asset mergers).

Main changes in scope for financial year 2009/2010

Acquisitions

As from 1 October 2009, the Group has invested €6.3 million, without calling on external financing, to acquire Intrawest businesses operating commercial and 4-star holiday residences in two alpine resorts: Arc 1950 (655 apartments) and Flaine Montsoleil (138 apartments). This transaction followed the agreement signed on 3 August 2009 between the Pierre & Vacances-Center Parcs Group and the Intrawest Hotel et Residences Group. The acquisition comprised business goodwill for €4.5 million, and other intangible assets as well as property, plant and equipment items totalling €1.8 million.

These residences are operated under the Pierre & Vacances premium brand name.

Disposals

On 12 October 2009, the Group signed an undertaking to sell the business goodwill 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 goodwill as well as property, plant and equipment items for the Hôtel Latitudes Val d'Isère for €2.5 million for each of these elements; and, on 30 April, an additional agreement for the sale of the business goodwill and property, plant and equipment items of two other hotels for €816,000 and €1,934,000, respectively. These sales generated a pre-tax gain of €2,162,000.

Other changes

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 liquidations of companies through asset mergers).

2.2 - Highlights for 2010/2011

Financial structure

On 25 January 2011, the Group issued a bond convertible into new shares or exchangeable for existing shares (*obligation convertible en action nouvelle ou existante*, ou OCÉANE), maturing on 1 October 2015, for an amount of €100 million. This transaction was significantly oversubscribed. The amount was increased to €115 million on 27 January 2011, following the exercise in full of the over-allotment option by the transaction's leading banks.

The funds raised by this issue will be used to meet the Group's general financing needs, to finance external growth opportunities, to diversify its sources of financing and to extend its debt maturity.

Transformation plan

In May 2010, the Group embarked on a comprehensive transformation plan aimed at developing its activities as an integrated Group, optimising cost and creating growth.

During 2010/2011, several initiatives were launched around two major areas:

- increasing revenue (implementing marketing programmes intended to expand sales of the Pierre & Vacances brand outside France, strategic study of the optimisation of the Group's brand portfolio and offerings, launch of a new reservation website for Pierre & Vacances in May 2011, etc.);
- reducing costs (operational and legal restructuring of the tourism activities in a single business segment called Tourisme Europe, notably involving the closing down of the registered office in Rotterdam, renewal of lease agreements to reduce rent expense, gains on acquisitions, etc.)

In addition, a major investment effort was initiated to modernise the front-office and back-office systems. Almost all IT convergence projects were launched, with durations varying from 12 to 36 months (ERP, Group CRM, common web platform, etc.). These projects should increase revenue and improve operational efficiency.

Partnerships for managing catering at Center Parcs and Sunparks

Partnership agreements concluded in March 2010 with Elior et Albron for the management of catering at Center Parcs and Sunparks continued to be implemented during financial year 2010/2011 and now include 16 villages in the Netherlands, Belgium, Germany and France.

These partnerships have no impact on margins, which are paid back to the Group as royalties by the service providers.

Renovation of Center Parcs in France

On 8 October 2010, the Group signed an agreement with Eurosic, owner of the Center Parcs in the 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 ten-year leases on central facilities and the remaining 967 cottages.

Property development – Center Parcs in Germany

On 29 March 2011, the Pierre & Vacances Group signed the final agreements with the public and local authorities in the Sarre region for the creation of Center Parcs in Bostalsee. This project, due in 2013, includes 500 cottages and represents an investment of €130 million financed by third parties.

On 2 May 2011, the Group signed a framework agreement with the town of Leutkirch for the development of a new Center Parcs in southern Germany (Baden Württemberg), as well as for the acquisition of the corresponding land. This signing follows the allocation by the Baden Württemberg authorities of an investment grant at the end of April 2011. The park is expected to open in spring 2015.

2.3 - Main consolidated entities

French companies

Legal form	Companies	Consolidation method (1)	% interest at 30/09/2011	% interest at 30/09/2010
Holding Companies				
SA	Pierre et 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%
Tourism France				
SA	Pierre & Vacances Tourisme Europe	Full	100.00%	100.00%
Center Parcs				
SAS	Center Parcs Holding Belgique	Full	100.00%	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%
SE	Tourism Real Estate Property Holding	Full	100.00%	100.00%
SE	Tourism Real Estate Services Holding	Full	100.00%	100.00%
Tourism				
Tourism France				
SCI	Auberge de Planchamp	Full	-	100.00%
SEP	Avoriaz La Falaise	Proportional	-	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%
SNC	Latitudes Toulouse	Full	100.00%	100.00%
SNC	Le Christiana Loisirs	Full	100.00%	100.00%
SNC	Locarev Maeva Résidences	Full	100.00%	100.00%
SNC	NLD	Proportional	50.00%	50.00%
SAS	Orion	Full	100.00%	100.00%
SAS	Parking de Val d'Isère La Daille	Full	-	100.00%
SNC	Plagne Gémeaux Loisirs	Full	100.00%	100.00%
SAS	Pierre & Vacances Esterel Développement	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Legal form	Companies	Consolidation method (1)	% interest at 30/09/2011	% interest at 30/09/2010
SA	PV-CP Distribution	Full	100.00%	100.00%
SAS	Pierre & Vacances Maeva Tourisme Exploitation	Full	-	100.00%
SAS	Pierre & Vacances Maeva Tourisme Management	Full	-	100.00%
SAS	Pierre & Vacances Rénovation Tourisme	Full	100.00%	100.00%
SAS	PV-CP City	Full	100.00%	-
SAS	PV-CP Holding Exploitation	Full	100.00%	100.00%
SAS	PV-CP 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	Proportional	50.00%	50.00%
Center Parcs				
SCS	Center Parcs France	Full	-	100.00%
SNC	Domaine du Lac de l'Ailette village	Full	100.00%	100.00%
Property development				
Property development France				
SNC	Aix Centre Loisirs	Full	100.00%	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 Résidences MGM Loisirs	Full	100.00%	100.00%
SNC	Avoriaz Résidences MGM Loisirs II	Full	100.00%	100.00%
SNC	Avoriaz Tourisme Développement	Full	-	100.00%
SNC	Belle Dune Loisirs	Full	-	100.00%
SNC	Belle Dune Village	Full	100.00%	100.00%
SNC	Branville Tourisme Développement	Full	-	100.00%
SNC	Caen Meslin Loisirs	Proportional	40.00%	100.00%
SNC	Chamonix Loisirs	Full	100.00%	100.00%
SARL	Cobim	Full	100.00%	100.00%
SNC	Courseulles sur Mer	Full	100.00%	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%
SNC	Hôtel du Pouliguen	Full	-	100.00%
SNC	Houlgate Loisirs	Full	100.00%	100.00%
SNC	Lacanau Tourisme Développement	Full	-	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Legal form	Companies	Consolidation method [1]	% interest at 30/09/2011	% interest at 30/09/2010
SNC	Le Hameau de Pont Royal Loisirs	Full	100.00%	100.00%
SNC	Le Rouret Loisirs	Full	100.00%	100.00%
SNC	Le Rouret Tourisme Développement	Full	-	100.00%
SCI	Les Senioriales Biscarosse	Full	100.00%	100.00%
SCI	Les Senioriales d'Équemauville	Full	100.00%	100.00%
SCI	Les Senioriales de Bassan	Full	100.00%	-
SCI	Les Senioriales de Bergerac	Full	100.00%	100.00%
SCI	Les Senioriales de Bracieux	Full	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 Cavillargues	Full	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 Juvignac	Full	100.00%	-
SCI	Les Senioriales de la Celle	Full	100.00%	-
SCI	Les Senioriales de la Côte d'Azur – Grasse	Full	100.00%	100.00%
SCI	Les Senioriales de la Méditerranée	Full	100.00%	100.00%
SCI	Les Senioriales de l'Atlantique – Meursac	Full	100.00%	100.00%
SCI	Les Senioriales de Lacanau	Full	100.00%	100.00%
SCI	Les Senioriales de Montagnac	Full	100.00%	100.00%
SCI	Les Senioriales de Montélimar	Full	100.00%	100.00%
SCI	Les Senioriales de Paradou	Full	100.00%	100.00%
SCI	Les Senioriales de Pont Aven	Full	100.00%	-
SCI	Les Senioriales de Pringy	Full	100.00%	-
SCI	Les Senioriales de Provence – les Mées	Full	100.00%	100.00%
SCI	Les Senioriales de Rambouillet	Full	100.00%	100.00%
SCI	Les Senioriales de Ruoms	Full	100.00%	100.00%
SCI	Les Senioriales de Saint Gatien	Full	100.00%	-
SCI	Les Senioriales de Saleilles	Full	100.00%	100.00%
SCI	Les Senioriales de Salies du Salat	Full	100.00%	100.00%
SCI	Les Senioriales de Salles sur Mer	Full	100.00%	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%

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Legal form	Companies	Consolidation method [1]	% interest at 30/09/2011	% interest at 30/09/2010
SCI	Les Senioriales Rochefort du Gard	Full	100.00%	100.00%
SCI	Les Senioriales St Julien des Landes	Full	100.00%	100.00%
SCI	Les Senioriales de St Laurent de la Prée	Full	100.00%	-
SCI	Les Senioriales en Ville d'Agde	Full	100.00%	100.00%
SCI	Les Senioriales en Ville de Bruges	Full	100.00%	100.00%
SCI	Les Senioriales en Ville de Luce	Full	100.00%	100.00%
SCI	Les Senioriales en Ville de Marseille – St Loup	Full	100.00%	100.00%
SCI	Les Senioriales en Ville de Montélimar	Full	100.00%	100.00%
SCI	Les Senioriales en Ville de Perpignan	Full	100.00%	-
SCI	Les Senioriales en Ville de Saint Avertin	Full	100.00%	100.00%
SAS	Les Villages Nature de Val d'Europe	Proportional	50.00%	50.00%
SCI	Montrouge Développement	Proportional	50.00%	50.00%
SCCV	Nantes Russeil	Proportional	50.00%	50.00%
SNC	Paris Bastille Loisirs	Full	-	100.00%
SAS	Paris Côté Seine Développement	Full	-	100.00%
SARL	Peterhof II	Full	100.00%	100.00%
SNC	SNC Biarritz Loisirs	Full	100.00%	100.00%
SNC	SNC Bois de la Mothe Chandenier Cottages	Full	100.00%	100.00%
SNC	SNC Bois de la Mothe Chandenier Equipements	Full	100.00%	100.00%
SNC	SNC Bois Francs Rénovation (Ex-PV Prog 38)	Full	100.00%	100.00%
SNC	SNC Chaumont Cottages	Full	100.00%	100.00%
SNC	SNC Chaumont Equipements	Full	100.00%	100.00%
SNC	SNC Chaumont Foncière	Full	100.00%	100.00%
SNC	SNC Colmar Loisirs (Ex-PV prog 39)	Full	100.00%	100.00%
SNC	SNC Flaine Montsoleil Centre	Full	100.00%	100.00%
SNC	SNC Flaine Montsoleil Extension	Full	100.00%	100.00%
SNC	SNC Le Havre Loisirs	Full	100.00%	100.00%
SNC	SNC Sologne Cottages	Full	100.00%	100.00%
SNC	St Cast Le Guildo Loisirs	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	PV Senioriales Promotion et Commercialisation	Full	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Exploitation	Full	100.00%	100.00%
SNC	Plagne Lauze Tourisme Développement	Full	100.00%	100.00%
SNC	Pont Royal II	Full	-	100.00%
SNC	Presqu'île de La Touques	Full	100.00%	100.00%
SNC	Quend Loisirs	Full	-	100.00%
SA	Société de Développement de Bourgenay	Full	-	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%
SARL	Villages Nature Management	Proportional	50.00%	50.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Legal form	Companies	Consolidation method [1]	% interest at 30/09/2011	% interest at 30/09/2010
Center Parcs				
SNC	Ailette Equipement	Full	100.00%	100.00%
SNC	Bois des Harcholins Cottages	Full	-	100.00%
SNC	Bois des Harcholins Equipement	Full	-	100.00%
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%
SNC	Les Hauts de Bruyères Cottages	Full	100.00%	100.00%
SNC	Les Hauts de Bruyères Loisirs	Full	-	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

Foreign companies

Legal form	Companies	Country	Consolidation method (1)	% interest at 30/09/2011	% interest at 30/09/2010
Holding Companies					
Center Parcs					
NV	Center Parcs Europe	The 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	The Netherlands	Full	100.00%	100.00%
GmbH	Center Parcs Medebach Beteiligungs	Germany	Full	100.00%	100.00%
BV	Center Parcs NL Holding	The Netherlands	Full	100.00%	100.00%
BV	Center Parcs Participations	The Netherlands	Full	100.00%	100.00%
NV	Center Parcs Real Estate Development	The Netherlands	Full	100.00%	100.00%
GmbH & Co.KG	Center Parcs Service	Germany	Full	100.00%	100.00%
BV	Center Parcs Sunparks	The Netherlands	Full	100.00%	100.00%
GmbH	Pierre & Vacances Center Parcs Suisse	Switzerland	Full	100.00%	100.00%
BV	PV-CP Support Services	The Netherlands	Full	100.00%	-
Tourism					
Center Parcs					
GmbH	Center Parcs Allgäu	Germany	Full	94.00%	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 Bostalsee	Germany	Full	100.00%	0.00%
GmbH	Center Parcs Entwickelungsgesellschaft	Germany	Full	100.00%	0.00%
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	The Netherlands	Full	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Butjadinger Küste	Germany	Full	100.00%	100.00%
NV	Center Parcs SP België	Belgium	Full	100.00%	100.00%
NV	Sunparks Groep	Belgium	Full	100.00%	100.00%
GmbH	Sunparks Bostalsee	Germany	Full	-	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	UK	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%

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Legal form	Companies	Country	Consolidation method (1)	% interest at 30/09/2011	% interest at 30/09/2010
Orion					
Ltd	Orion Asia Holding Co.	China	Full	-	100.00%
SA	Orion Exploitation Bruxelles Belliard	Belgium	Full	94.51%	94.51%
Sro	Orion Residences	Slovakia	Full	-	100.00%
Ltd	Shenzen Orion Hotel Management	China	Full	-	100.00%
SL	SET Orion	Spain	Full	100.00%	0.00%
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	UK	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%
Other					
BV	Center Parcs Netherlands 2	The Netherlands	Full	100.00%	100.00%
BV	Holding Green	The Netherlands	Full	-	100.00%
BV	Multi Resorts Holding	The Netherlands	Full	100.00%	100.00%
BV	Pierre & Vacances Group Trademarks	The Netherlands	Full	100.00%	100.00%
BV	Pierre & Vacances Group Trademarks Management	The Netherlands	Full	100.00%	100.00%
BV	Pierre & Vacances South Europe Holding	The Netherlands	Full	100.00%	100.00%
SAS	Pierre & Vacances Maroc	Morocco	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated

Segment information

The implementation of the Group's transformation plan, which aimed to merge the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe, resulted in a change in the presentation of the Group's segment information.

Faced with a backdrop of decline in the European tourism market for more than two years now, the Group has undertaken a plan to restructure its organisation and develop its businesses in order to both grow revenues and reduce costs.

This plan primarily involves:

- **the operational restructuring of the Group's tourism businesses and a change in the structure of its legal organisation, including:**
  - the merger of the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe in order to optimise the brand portfolio and the synergies between the businesses,
  - sharing cross-functional services;
- **an overhaul of the Group's governance bodies:**
  - operational reorganisation of the Group's tourism businesses and a change in the structure of its legal organization:
  - the merger of the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe:

    The new structure is based around two main areas:

    - the combination of the marketing departments of Center Parcs and Pierre & Vacances into a single Distribution Department,
    - the combination of the operational structures of Center Parcs and Pierre & Vacances into a single business segment, separate from the marketing segment.

    In addition, a joint Center Parcs and Pierre & Vacances structure has been set up dedicated to supporting Tourism operations and centralising all the processes common to the operations (maintenance, security, cleaning, catering, etc.).

    In addition to this pooling of operational organisations, since 2 May (backdated to 1 October 2010) the legal structures of Pierre & Vacances Tourisme Europe and Center Parcs Europe have been profoundly changed by restructuring which brought them into compliance with the new operational organisation,

- sharing cross-functional services:

  The restructuring has also resulted in Pierre & Vacances and Center Parcs pooling their support services: merger of the Finance, Legal, Human Resources and IT teams, set-up of joint systems and processes, convergence of back-office and front-office IT systems (except for the reservation systems that will remain, for the next three years, specific to holiday sales based on the former scope, i.e., separately for each of the Pierre & Vacances Tourisme Europe and Center Parcs Europe divisions) and concentration of the Group's centralised functions at the registered office in Paris. All of these functions are now managed by a single body covering the whole scope of Pierre & Vacances and Center Parcs.

  The merger of the support organisations, initiated during the summer of 2010, was completed on 1 July 2011. This initiative resulted in the enlargement of the current GIE Pierre & Vacances-Center Parcs Services to include support activities for Center Parcs companies in France and the establishment of legal structures dedicated to support functions abroad.

  Almost all IT convergence projects were launched, with durations varying from 12 to 36 months (ERP, Group CRM, common web platform, new reservation website for Pierre & Vacances, etc.),

- an overhaul of the Group's governance bodies:

  The Pierre & Vacances Tourisme Europe and Center Parcs Europe business segments have now disappeared, as have each of their governance bodies (loss of two Executive Management positions at Pierre & Vacances Tourisme Europe and Center Parcs Europe).

  This reorganisation is accompanied by a geographical combination of the teams with the closure of the office in Rotterdam.

  In parallel, new operational governance bodies were established at Group level,

- tourism business before the transformation plan:

  The Tourism business comprised two business segments, each managed by a dedicated Chief Executive Officer:

- Pierre & Vacances Tourisme Europe: the business was centrally managed by an entity named Pierre & Vacances Maeva Tourisme Management, the sites were operated by Pierre & Vacances Maeva Tourisme Exploitation and the Pierre & Vacances products were sold by Pierre & Vacances Maeva Distribution,

- Center Parcs Europe: product sales were centralised in The Netherlands (Center Parcs Europe NV) and the operation of the sites was country-specific: The Netherlands, Germany, Belgium and France.

  Each of these divisions had its own support functions for operations or the administrative and financial activities,

- Tourism business segment after the transformation plan:

  The Tourism business will comprise three operational business segments:

- a sales business segment managed by PV-CP Distribution, integrating sales and marketing activities for the products of Center Parcs and Pierre & Vacances,
- an operations business segment integrating under PV-CP Holding Exploitation the operations of all the residences, parks and villages of Center Parcs and Pierre & Vacances,
- a division under PV-CP Gestion Exploitation integrating for Pierre & Vacances and Center Parcs the management of investors/owners, the management of park condominiums and the securities of the corresponding subsidiaries.

The administrative and financial support functions are grouped into a dedicated business segment.

Therefore, the economic performance of the former business segments (Pierre & Vacances Tourisme Europe and Center Parcs Europe) can only be assessed as a whole. As such, the performance will be presented in an aggregated manner.

Based on the new internal organisation of the Group, the segment information shows the tourism business and the property development business:

- the property development segment, which aims to increase the holiday destinations available and adapt the existing residences, villages and hotels to suit changes in customer requirements. This segment includes the construction activities and the marketing to individual investors of hotel rooms, apartments and new or renovated houses.

  The property development programmes currently available are mainly located in France, Italy and Spain. This segment also includes the development of the Les Senioriales, 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 named “Tourisme Europe”, which integrates in a single operating division the operating of residences, villages and hotels marketed under the brand names Pierre & Vacances, Maeva, Adagio, Center Parcs, Sunparks and Hôtels Latitudes and located in Europe (mainly in France, the Netherlands, Germany, Belgium, Italy and Spain).

  The partnerships concluded in March 2010 with Elior and Albron for the management of catering and food trade at the villages marketed under the Center Parcs and Sunparks brand names, continued during 2010/2011 for the Belgian, French and German parks. This outsourcing has no impact on margins, which are paid back to the Group as royalties by the service providers.

Within each business and within each business segment, there is a country-based organisation that runs the businesses from day to day. Revenue and total non-current assets in France, where the registered office of the parent company is located, amount to €1,097,442,000 and €376,657,000 respectively.

Inter-segment revenue is generated under normal market conditions. No single customer represents a significant share of the revenue 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 OPERATING SEGMENT INFORMATION

	2010/2011			
(in € thousands)	Tourism	Property development	Unassigned	Total
Revenue	1,107,487	374,257	-	1,481,744
Intra-business group revenue	-10,452	-1,687	-	-12,139
External revenue	**1,097,035**	**372,570**	**0**	**1,469,605**
Operating profit (loss) from ordinary activities	**-2,791**	**32,060**	**-**	**29,269**
Other operating income and expenses	-8,575	-897	-	-9,472
Operating profit (loss)	**-11,366**	**31,163**	**0**	**19,797**
Depreciation and amortisation	**43,239**	**191**	**-**	**43,430**
Impairment losses	**2,775**	**-**	**-**	**2,775**
Property, plant and equipment, and intangible assets	**35,448**	**310**	**345**	**36,103**
Non-current assets	605,421	22,254	91,947	719,622
Current assets	261,065	435,383	259,033	955,481
Total assets	**866,486**	**457,637**	**350,980**	**1,675,103**
Non-current liabilities	29,242	718	310,583	340,543
Current liabilities	482,268	265,054	93,501	840,823
Total liabilities excluding equity	**511,510**	**265,772**	**404,084**	**1,181,366**

	2009/2010			
(in € thousands)	Tourism	Property development	Unassigned	Total
Revenue	1,177,533	271,321	-	1,448,854
Intra-business group revenue	-13,829	-7,790	-	-21,619
External revenue	**1,163,704**	**263,531**	**0**	**1,427,235**
Operating profit (loss) from ordinary activities	**3,211**	**23,759**	**-**	**26,970**
Other operating expenses	-19,835	-338	-	-20,173
Operating profit (loss)	**-16,624**	**23,421**	**0**	**6,797**
Depreciation and amortisation	**45,642**	**165**	**-**	**45,807**
Impairment losses	**1,075**	**-**	**-**	**1,075**
Property, plant and equipment, and intangible assets	**35,193**	**281**	**455**	**35,929**
Non-current assets	614,986	22,523	85,405	722,914
Current assets	245,254	386,045	188,665	819,964
Total assets	**868,287**	**408,568**	**274,070**	**1,550,925**
Non-current liabilities	23,330	857	235,697	259,884
Current liabilities	464,716	251,054	88,426	804,196
Total liabilities excluding equity	**488,046**	**251,911**	**324,123**	**1,064,080**

Analysis of main statement of financial position items

NOTE 4 GOODWILL

(in € thousands)	30/09/2011	30/09/2010
Gross amount	177,974	179,024
Accumulated impairment losses	-22,689	-22,689
NET AMOUNT	**155,285**	**156,335**

Goodwill was automatically tested for impairment loss at 30 September 2011, according to the procedures described in Notes 1.12 and 6. The tests carried out did not reveal the need to recognise any impairment losses for financial year 2010/2011. The same applied on 30 September 2010.

Analysis of the changes in the net balance of goodwill for 2010/2011:

(in € thousands)	
Net amount at 30 September 2010	**156,335**
Increase in gross amount and effect of inclusions in the scope of consolidation	-
Disposals	-1,050
Impairment losses	-
Reclassifications and other changes	-
NET AMOUNT AT 30 SEPTEMBER 2011	**155,285**

The change in the gross amount of goodwill for 2010/2011 relates to the disposal of the business assets of Hôtel du Golf de Courchevel 1650 (see Note 2.1 - Main changes in scope of consolidation and scope of operations)

Net amount at reporting date

(in € thousands)	30/09/2011	30/09/2010
Tourisme Europe	135,658	136,708
Les Senioriales	17,828	17,828
Pierre & Vacances Promotion Immobilière	1,463	1,463
Pierre & Vacances Développement España	336	336
TOTAL NET AMOUNT	**155,285**	**156,335**

NOTE 5 INTANGIBLE ASSETS

(in € thousands)	Brand names	Other intangible assets	Total intangible assets
At 30 September 2009			
Gross amount	105,877	74,105	179,982
Accumulated depreciation, amortisation and impairment losses	-1,508	-26,547	-28,055
Net amount	**104,369**	**47,558**	**151,927**
Changes			
Acquisitions	-	504	504
Disposals and retirements	-	-46,361	-46,361
Business combinations	-	-	0
Amortisation	-	-1,605	-1,605
Impairment losses	-	-982	-982
Reversals of amortisation and impairment losses	-	7,831	7,831
Reclassifications	-	-2,728	-2,728
Total changes for the year	**0**	**-43,341**	**-43,341**
At 30 September 2010			
Gross amount	105,877	25,525	131,402
Accumulated depreciation, amortisation and impairment losses	-1,508	-21,308	-22,816
Net amount	**104,369**	**4,217**	**108,586**
Changes			
Acquisitions	-	3,511	3,511
Net disposals and retirements	-	-267	-267
Business combinations	-	6,566	6,566
Amortisation	-	-1,271	-1,271
Impairment losses	-2,226	-549	-2,775
Reclassifications	-	21	21
Total changes for the year	**-2,226**	**8,011**	**5,785**
At 30 September 2011			
Gross amount	105,877	35,331	141,208
Accumulated depreciation, amortisation and impairment losses	-3,734	-23,103	-26,837
NET AMOUNT	**102,143**	**12,228**	**114,371**

Intangible assets at 30 September 2011 include:

- **the "Brand names"** item including €85,870,000 for the Center Parcs brand, €7,472,00 for the Pierre & Vacances brand, €3,279,000 for the Sunparks brand, €3,236,000 for the Maeva brand, €2,040,000 for the Les Senioriales brand, €114,000 for the Multivacances brand, €100,000 for the Adagio brand and €32,000 for the Ecolidays brand.

  According to the method described in the accounting policies and methods for intangible assets (Note 1.13 "Intangible assets"), an impairment test was carried out at 30 September 2011 for each of the brand names on the statement of financial position. This test lead the Group to recognise an impairment loss on the Sunparks brand name for the amount of €2,226,000. This impairment is related to the transfer, in January 2011, of villages initially marketed under the Sunparks brand name to the brand name Center Parcs;
- **"Other intangible assets"** for €12,228,000. The change is essentially due to:
  - repurchase of temporary usufruct rights to some apartments in the villages of Sainte-Luce in Martinique and Sainte-Anne in Guadeloupe, originally held by the

S.I.T.I. Group for €2,940,000. The bare ownership of these property items, dismembered of the temporary usufruct, had been sold in advance by S.I.T.I. to external investors,

- the acquisition of the operating activities of the Citéa residences (see Note 2.1 - Main changes in scope of consolidation and scope of operations). Following this acquisition, the finance leases acquired by the Pierre & Vacances-Center Parcs Group were subjected to a systematic assessment to establish whether the agreements were favourable or unfavourable compared to market conditions. In accordance with IFRS 3R, the Group recognised for the agreements which were deemed favourable an intangible asset of €6,566,000 (the agreements deemed unfavourable resulted in the recognition of a liability; see Note 25 - Other current and non-current liabilities).

The fall in "Other intangible assets" at 30 September 2010 was due to the sale and leaseback of the majority of the Group's IT assets, conducted as part of outsourcing its applications and hardware.

NOTE 6 IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Intangible assets with indefinite useful lives consist primarily of brand names and goodwill. These assets are not amortised. They are subject to impairment testing whenever there is an indication that they may be impaired and at least once a year at the reporting date, namely at 30 September of each year.

As indicated in Note 1.12 "Goodwill impairment tests" and Note 1.13 "Intangible assets", and in the absence of a fair value less selling costs available at the reporting date, the recoverable value of the cash generating units (CGUs) is determined on the basis of their value in use.

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

Cash flows were based on five-year business plans prepared by the operating and finance managers of a CGU or CGU group whose main assumptions (average net letting rates, occupancy rates, inflation, etc.) were reviewed by the Group's Finance Department, according to the division's past performance and external macro-economic information in Europe. Note that the tourism business plans are produced at constant scope of consolidation, 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 revenue which, for its part, varies with the offering, occupancy rates and average letting rates, as well as with the reduction in costs in relation to the operational restructuring of tourism activities within in a single business segment.

With respect to property development activities, the assumptions used take into account projects already identified and data related to future projects. The latter are evaluated with caution, taking into account past performance.

Beyond this explicit projection period, cash flows are extrapolated by applying a perpetual growth rate which, using a conservative approach, 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 carrying amount of the assets is based on the average cost of the Group's capital, on its marginal borrowing cost and on market interest rates, adjusted to the characteristics of the Group's assets.

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

- tourism: the Tourisme Europe CGU group which integrates within the same operating department the operation of the residences and villages located in Europe and mainly in France, the Netherlands, Germany, Belgium, Italy and Spain;
- property development: primarily the Les Senioriales CGU which relates to the property development and marketing in France of the residences targeting active seniors.

Analysis of the allocation of goodwill and brand names to the various CGUs thus identified at 30 September 2011 and 30 September 2010.

	30/09/2011			30/09/2010		
(in € thousands)	Goodwill	Brand name	Total	Goodwill	Brand name	Total
Tourisme Europe	135,658	100,103	235,761	136,708	102,329	239,037
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 AMOUNT	**155,285**	**102,143**	**257,428**	**156,335**	**104,369**	**260,704**

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, discount rate and revenue indicators (such as occupancy rate and average letting rate) of the main CGUs and CGU groups that represent the majority of the goodwill and intangible assets with indefinite useful lives:

	Tourisme Europe
Perpetual growth rate	**1.5%**
Discount rate used	**8.45%** (versus 8.9% at 30 September 2010)
Sensitivity of the recoverable amount to the perpetual growth rate	A half-point increase and decrease in the perpetual growth rate has an impact of +6% and -6%, respectively, on the recoverable amount.
Sensitivity of the recoverable amount to the discount rate	A one-point increase and decrease in the discount rate has an impact of -19% and +14%, respectively, on the recoverable amount.
Sensitivity of the recoverable amount to the occupancy rate	A one-point increase and decrease in the occupancy rate has an impact of -8% and +8%, respectively, on the recoverable amount.
Sensitivity of the recoverable amount to the average letting rate	A one-point increase and decrease in the average letting rate has an impact of -10% and +10%, respectively, on the recoverable amount.

The amount of goodwill and tangible and intangible assets allocated to the Tourisme Europe business does not have to be impaired as long as the occupancy rate does not drop more than 5% or the average letting rate more than 4%.

The same discount rate assumption was used for Les Senioriales. The differences in sensitivity to the assumptions of perpetual growth rate and discount rate were very close to those obtained for the Tourism Europe business.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

(in € thousands)	Land	Buildings	Fixtures and fittings	Other property, plant and equipment, and assets in progress	Total property, plant and equipment
At 30 September 2009					
Gross amount	17,295	206,205	244,085	167,809	635,394
Accumulated depreciation, amortisation and impairment losses	-947	-40,523	-99,916	-96,792	-238,178
Net amount	**16,348**	**165,682**	**144,169**	**71,017**	**397,216**
Changes					
Acquisitions	461	2,508	25,175	7,281	35,425
Disposals and retirements	-439	-2,972	-2,587	-18,699	-24,697
Business combinations	-	-	-	-	0
Depreciation	-	-6,393	-24,831	-12,985	-44,209
Impairment losses	-93	-	-	-	-93
Reversals of depreciation and impairment losses	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 amount	17,366	205,801	267,129	151,966	642,262
Accumulated depreciation and impairment losses	-1,039	-46,123	-122,658	-98,238	-268,058
Net amount	**16,327**	**159,678**	**144,471**	**53,728**	**374,204**
Changes					
Acquisitions	656	2,259	2,962	26,715	32,592
Net disposals and retirements	-340	-29	-388	-1,863	-2,620
Business combinations	-	10	-	184	194
Depreciation	-	-6,204	-23,596	-12,316	-42,116
Impairment losses	-	-	-	-	0
Reclassifications	-63	-1,345	18,928	-20,400	-2,880
Total changes for the year	**253**	**-5,309**	**-2,094**	**-7,680**	**-14,830**
At 30 September 2011					
Gross amount	17,511	204,588	286,982	143,024	652,105
Accumulated depreciation, amortisation and impairment losses	-931	-50,219	-144,605	-96,976	-292,731
NET AMOUNT	16,580	154,369	142,377	46,048	359,374

Property, plant and equipment items, with a total net carrying amount of €359,374,000 at 30 September 2011, essentially include the assets used in the operations or marketing of:

- **the Center Parcs and Sunparks villages**, with a net amount of €270,791,000, mainly consisting of furniture and general fittings needed for operating the villages.

  The main changes for the year arose from:

  - investment of €19,326 thousand for improving the product mix of all the Center Parcs villages, including €7,500 thousand for the Dutch villages, €5,901 thousand for the French villages, €3,400 thousand for the German villages and €3,300 thousand for the Belgian villages,
  - depreciation for the period of €24,779,000;

- **Pierre & Vacances Tourisme Europe residences and villages**, for a net amount of €86,925,000. Property, plant and equipment mainly comprise general services, fittings and equipment needed for operating the sites.

During the financial year, the operating companies invested €12,781,000, notably to modernise existing sites and to open new sites.

Depreciation for the period stood at €16,641,000.

Furthermore, the operating companies disposed of the assets of the Latitudes hotels in Trouville and Toulouse, for a net amount of €1,165,000.

Finance leases:

At 30 September 2011, the net amount of "Property, plant and equipment" included €137,657,000 representing the restatement of fixed assets under finance leases, compared to €146,426,000 at 30 September 2010. The corresponding residual financial liability stood at €119,858 thousand at 30 September 2011, compared to €123,542 thousand at 30 September 2010 (see Note 20 - Financial liabilities).

At 30 September 2011, the line item "Finance leases" includes, in particular:

- the central facilities of the Domaine Center Parcs du Lac d'Ailette for €134,756,000; the corresponding financial liability amounts to €112,999,000;
- the overhaul of the television sets in the residences operated by Pierre & Vacances Tourisme Europe for €2,901,000.

NOTE 8 EQUITY-ACCOUNTED INVESTMENTS

(in € thousands)	30/09/2011	30/09/2010
Société de développement de résidences touristiques	253	-11
TOTAL	**253**	**-11**

As part of its development in Morocco, the Pierre & Vacances-Center Parcs Group created, over the course of financial year 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)	30/09/2011	30/09/2010
Gross accrued interest income	14	14
Impairment losses	-	-
Net accrued interest income	**14**	**14**
Gross loans and other financial assets	24,787	26,195
Impairment losses	-323	-324
Net loans and other financial assets	**24,464**	**25,871**
TOTAL	**24,478**	**25,885**

"Loans and other financial assets", whose net carrying amount at 30 September 2011 was €24,464,000, consist primarily of:

- guarantee deposits in the amount of €21,675,000 paid to property owners/lessors and suppliers. These deposits are distributed mainly between residences and villages of Pierre & Vacances Tourisme Europe (€5,452,000) and villages of Center Parcs Europe (€15,821,000);
- loans granted under the "Ownership & Holidays" sales programme amounting to €408,000. 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 AVAILABLE-FOR-SALE FINANCIAL ASSETS

(in € thousands)	30/09/2011	30/09/2010
Gross amount	**1,705**	**1,699**
Impairment losses	-	-
NET AMOUNT	**1,705**	**1,699**

"Available-for-sale financial assets" primarily represent the 10% equity interest held by Multi Resorts Holding BV for €1,552,000 in Gran Dorado Zandvoort BV, Gran Dorado Port Zélande BV and Medebach Park BV. On 18 July 2006, 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 other "Available-for-sale financial assets" are equity interests in various companies for less than 20%, which therefore are not consolidated into the Pierre & Vacances-Center Parcs Group.

NOTE 11 INVENTORIES AND WORK IN PROGRESS

(in € thousands)	30/09/2011	30/09/2010
Work in progress	105,771	76,566
Finished goods	50,106	67,312
Gross property development programmes	**155,877**	**143,878**
Provisions	-2,304	-2,839
Net property development programmes	**153,573**	**141,039**
Other inventories	8,013	9,330
TOTAL	**161,586**	**150,369**

The increase reported during the financial year in the net balance of inventories of finished goods and work in progress (€11,217,000) mainly reflects the change in the contribution of the property development programmes (€12,534,000).

The breakdown of the contribution of each of the property development programmes to the gross amount of the inventories is shown in Note 12.

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

(in € thousands)	30/09/2010	Increases	Reductions	30/09/2011
Manilva	30,906	-	-368	30,538
Roybon	23,391	3,012	-125	26,278
Bois des Harcholins	10,821	13,970	-11,433	13,358
Avoriaz	9,027	46,703	-48,459	7,271
Center Parcs Allgäu	3,218	3,591	-	6,809
Morocco	29	6,109	-	6,138
Presqu'île de la Touques	2,218	2,616	-	4,834

(in € thousands)	30/09/2010	Increases	Reductions	30/09/2011
Chaumont Cottages	-	4,712	-	4,712
Calarossa	4,263	-	-74	4,189
Center Parcs Bostalsee	1,650	2,676	-162	4,164
Les Villages Nature de Val d'Europe	730	2,784	-	3,514
Bois de la Mothe Chandenier	-	6,082	-	6,082
Les Senioriales – Paradou	2,920	2,153	-2,469	2,604
Flaine Montsoleil Centre	-	2,583	-	2,583
Plagne Lauze	375	10,104	-8,471	2,008
Belle Dune Village	540	1,308	-	1,848
Les Senioriales – Rambouillet	673	3,757	-2,757	1,673
Les Senioriales – Jonquières	5,099	-	-3,446	1,653
Hauts de Bruyères Cottages	3,275	43,928	-45,629	1,574
Center Parcs Eemhof	-	1,446	-	1,446
Les Senioriales – St Julien des Landes	349	2,356	-1,329	1,376
Les Senioriales – Soulac	1,583	3,732	-3,942	1,373
Les Senioriales en Ville – Saint Avertin	85	1,876	-653	1,308
Les Senioriales – Lombez	2,627	-	-1,486	1,141
Les Senioriales – Montélimar	477	4,922	-4,428	971
Les Senioriales – Lacanau	377	3,992	-3,461	908
Les Senioriales – Montagnac	1,706	3,653	-4,494	865
St Cast Le Guildo	726	98	-	824
Les Senioriales – Ruoms	2,997	-	-2,227	770
Bois Francs Rénovation	-	657	-	657
Les Senioriales – Bassan	-	580	-	580
Les Senioriales en Ville – Luce	1,723	3,217	-4,364	576
Les Senioriales – Côte d'Azur	988	-	-463	525
Les Senioriales – Équemauville	1,095	6,135	-7,047	183
Les Senioriales – Saint Gatien	-	160	-	160
Les Senioriales – Cavillargues	-	156	-	156
Les Senioriales en Ville – Montélimar	512	4,967	-5,479	0
Caen Meslin	-	5,973	-5,973	0
Belle Plagne Gémeaux	3,552	-	-3,552	0
Courseulles sur Mer	1,000	5,206	-6,206	0
Christiana	3,051	205	-3,256	0
Bois Francs Cottages	3,621	36,992	-40,613	0
Aix Centre	447	12,506	-12,953	0
Les Senioriales – Gonfaron	1,470	3,249	-4,719	0
Nantes	109	1,035	-1,144	0
Danestal	3,713	3,805	-7,518	0
Les Senioriales en Ville – Agde	1,307	2,651	-3,958	0
Le Hameau de Pont Royal	1,698	1,848	-3,546	0
Tréboul	963	2,813	-3,776	0
Other Property development programmes	8,567	8,041	-6,379	10,229
SUBTOTAL PROPERTY DEVELOPMENT	**143,878**	**278,359**	**-266,360**	**155,877**

The gross change in finished goods and work in progress related to property development programmes comprises:

- increases for the year arising essentially from:
  - €72,057,000 for purchases and renovation of residences and cottages for resale under the Pierre & Vacances sales formula, with lease attached. These transactions mainly relate to:
    - the cottages of Domaine Center Parcs de Bois Francs and Domaine Center Parcs des Hauts de Bruyères. This transaction resulted in an increase in gross inventories for the year of €80,920 thousand following the acquisition of 386 cottages (€56,343 thousand) and their renovation (€24,577 thousand) and a decrease of €86,242 thousand after accounting for the deferred income from these two programmes,
    - three residences, in Aix en Provence, La Plagne and Caen, whose acquisitions have increased the gross amount of inventories, by €6,500,000, €6,550,000 and €1,764,000, respectively. The renovation of these residences resulted in an increase of €13,769,000 and recognition of deferred income through a decrease in the gross amount of inventories of €27,396,000,
  - acquisitions of land for new construction programmes totalling €16,021,000. This amount relates, in particular, to the land acquired for Les Senioriales programmes (€8,159,000) and the land acquired in Morocco,
  - work done during the year on the new construction or renovation programmes thus creating an increase in gross inventory of €151,935,000.

  The main programmes concerned are Avoriaz (€46,097,000), Domaine Center Parcs du Bois des Harcholins (€13,970,000), Équemauville (€6,135,000), Courseulles sur Mer (€4,782,000), Chaumont Cottages (€4,712,000), Les Senioriales En Ville – Montélimar (€3,861,000), Danestal (€3,805,000), Les Senioriales – Soulac (€3,732,000), Les Senioriales – Montagnac (€3,653,000), Domaine Center Parcs – Allgäu (€3,591,000) and Lacanau €3,064,000);
- reductions relating to recognition of deferred income from new construction or renovation programmes totalling €152,722,000. These reductions are found in the following programmes in particular: Avoriaz (-€48,459,000), Domaine Center Parcs du Bois des Harcholins (-€11,433,000), Danestal (-€7,518,000), Équemauville (-€7,047,000), Courseulles sur Mer (-€6,206,000), Les Senioriales En Ville – Montélimar (-€5,476,000), Les Senioriales – Gonfaron (-€4,719,000), Les Senioriales – Montagnac (-€4,494,000), Les Senioriales – Montélimar (-€4,428,000) and Les Senioriales En Ville – Lucé (-€4,364,000).

Besides these changes, the gross amount of property programme inventories also includes:

- the Manilva programme, representing 227 apartments, whose marketing was revived during the financial year 2010/2011;
- the Center Parcs Roybon programme, whose building permit was the subject of a recourse action in September 2010. Pending a favourable outcome for this dispute, the Group has temporarily halted the development and marketing of this property development program.

NOTE 13 TRADE RECEIVABLES

(in € thousands)	30/09/2011	30/09/2010
Property development	213,870	152,384
Tourism	97,170	90,299
Services	5,801	4,945
Gross trade receivables	**316,841**	**247,628**
Property development	-1,315	-1,451
Tourism	-5,961	-6,269
Services	-66	-81
Provisions	**-7,342**	**-7,801**
TOTAL	**309,499**	**239,827**

At 30 September 2011, the net amount of **"Trade receivables"** increased by €69,672,000 compared to the previous year. This change is mainly due to the property development business, whose net balance of trade receivables increased by €61,622,000.

The amount represents funds receivable following 2010/2011 sale agreements signed in the presence of a notary for programmes not yet delivered (primarily Avoriaz and the extension of Domaine Center Parcs du Bois des Harcholins) This increase was partially offset by payments received as the work progressed (mainly the programmes for Avoriaz and Hameau de Pont Royal).

The change of €7,179,000 in the net amount of trade receivables for the tourism business is primarily related to the development of the business, particularly in Spain and through the acquisition of the operating business for 31 Citéa holiday residences.

The change in the provision for trade receivables comprises additions for €3,325,000 and reversals for €4,265,000.

NOTE 14 OTHER CURRENT ASSETS

14.1 - Other current assets

(in € thousands)	30/09/2011	30/09/2010
Advances and prepayments to suppliers	6,666	4,255
Prepaid taxes and duties	95,439	108,359
Other receivables	60,958	53,607
Gross amount	**163,063**	**166,221**
Provisions	-1,008	-1,842
Net other receivables	**162,055**	**164,379**
Prepaid expenses, marketing and advertising – Tourism	372	1,023
Prepaid expenses, marketing and advertising – Property development	27,261	33,990
Prepaid rent expense	23,890	24,197
Other prepaid expenses	15,094	14,162
Prepaid expenses	**66,617**	**73,372**
TOTAL OTHER CURRENT ASSETS	**228,672**	**237,751**

The €9,079,000 decrease in **"Other current assets"** is mainly associated with the property development business, following sales of property under programmes such as those for Avoriaz, cottages of Domaine Center Parcs de Bois Francs et Domaine Center Parcs des Hauts de Bruyères.

"Other receivables" mainly comprise renovation work of residences completed by 30 September and reinvoiced to property owners, as well as trade receivables due from Group S.I.T.I. companies. (related parties) for €20,444,000.

14.2 - Current financial assets

(in € thousands)	30/09/2011	30/09/2010
Current accounts	8,220	7,955
Loans under the "Ownership & Holidays" programme	10,443	16,496
TOTAL	**18,663**	**24,451**

"Current financial assets" primarily include current accounts in debit with jointly-controlled entities and a €8,182,000 loan granted under the "Ownership & Holidays" sales programme for the development of Domaine du Center Parcs de Bois des Harcholins (see Note 1.18 - Trade receivables).

NOTE 15 CASH AND CASH EQUIVALENTS

(in € thousands)	30/09/2011	30/09/2010
Cash	67,036	65,260
Cash equivalents	170,025	102,306
TOTAL	**237,061**	**167,566**

Analysis of cash equivalents by type:

(in € thousands)	30/09/2011 Fair value	30/09/2010 Fair value
Money market funds	140,025	102,255
Certificates of deposit	30,000	51
TOTAL	**170,025**	**102,306**

The Group invests, through first class banking institutions, in money market funds that comply with the AMF criteria listed in Note 1.20 - “Cash and cash equivalents”.

NOTE 16 ASSETS HELD FOR SALE

(in € thousands)	30/09/2011	30/09/2010
Assets held for sale	-	8,047

This item relates solely to computer assets held for sale at 30 September 2010 under the group IT solutions and material outsourcing contract. The actual disposal occurred at the beginning of the financial year 2010/2011.

NOTE 17 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

17.1 - Net cash flows relating to the acquisition and disposal of subsidiaries and business goodwill

Analysis of the net amount of cash relating to acquisitions and disposals of subsidiaries and business goodwill (the amount of investments or disposals net of available cash in the subsidiary on the date of the transactions) during the last two financial years, as presented on the consolidated statement of cash flows:

(in € thousands)	2010/2011	2009/2010
Acquisitions		
PV-CP City	2,535	-
Business goodwill – Intrawest	-	-4,462
Subtotal acquisitions	**2,535**	**-4,462**
Disposals		
Orion Asie et Slovaquie	85	-
Business goodwill – Latitudes Toulouse	2,880	-
Business goodwill – Latitudes Courchevel	4,194	-
Business goodwill – Beach Hôtel de Trouville	200	-
Business goodwill – Latitudes Arc 1800	-	383
Business goodwill – Latitudes Les Menuires	-	433
Business assets – Latitudes Val d'Isère	-	2,500
Subtotal disposals	**7,359**	**3,316**
TOTAL	**9,894**	**-1,146**

- **Net cash outflows relating to the acquisition and disposal of subsidiaries and business goodwill totalled €9,894,000 at 30 September 2011.** These transactions are detailed in Note 2.1 - Main changes to scope of consolidation.
- **Net cash inflows relating to the acquisition and disposal of subsidiaries and business goodwill amounted to €1,146,000 at 30 September 2010.** These transactions are detailed in Note 2.1 - "Main changes to scope of consolidation".

17.2 - Net cash and cash equivalents

Breakdown of the cash and cash equivalents balance shown in the consolidated statement of cash flows:

(in € thousands)	30/09/2011	30/09/2010
Cash and cash equivalents	237,061	167,566
Current accounts in credit	-4,555	-11,528
NET CASH AND CASH EQUIVALENTS	**232,506**	**156,038**

NOTE 18 GROUP SHAREHOLDERS' EQUITY

Issued capital and share premium

Pierre et Vacances SA did not carry out any capital increase through new share issues during the financial year 2010/2011.

Share capital at 30 September 2011 was €88,215,510, divided into 8,821,551 fully paid-up ordinary shares with a par value of €10 each. During the year ending 30 September 2011, the weighted average number of ordinary shares outstanding stood at 8,727,940.

Potential capital

Analysis of the potential capital and its movements during 2010/2011 and 2009/2010:

	2010/2011	2009/2010
Number of shares at 1 October	**8,821,551**	**8,819,576**
Number of shares issued during the year (prorata temporis)		
Pierre et Vacances share options exercised	-	1,102
Pierre et Vacances shares held by Pierre et Vacances SA and deducted from consolidated equity	-93,611	-125,321
Weighted average number of shares outstanding	**8,727,940**	**8,695,357**
Dilutive effect		
Pierre et Vacances share options granted	2,475	2,544
Pierre et Vacances bonus shares granted	24,864	89,927
Weighted average number of diluted shares	**8,755,279**	**8,787,828**

Treasury shares

During financial year 2010/2011, the Pierre & Vacances-Center Parcs Group sold 19,949 of its own shares for a total of €2,621,000 recorded as a credit to the treasury share reserve. At 30 September 2011, the Group held 104,840 of its own shares for a total value of €6,158 thousand.

Dividends paid

- The Shareholders' Combined Ordinary and Extraordinary General Meeting of 3 March 2011 decided to pay a dividend of €0.70 per share, totalling €6,124,000.
- Dividends proposed:

The Combined Ordinary and Extraordinary General Meeting of the Shareholders of 6 March 2012 will propose a dividend of €0.70 per share, totaling €6,175 thousand.

Changes in shareholding structure and breaching of thresholds

- Ameriprise Financial Inc., acting on behalf of managed funds, breached:
  - upwards, on 27 April 2011, the threshold of 5% of Pierre et Vacances SA capital, holding, on behalf of the said funds, 443,600 shares as of that date and representing an equivalent number of voting rights, namely 5.03% of the capital and 3.47% of voting rights;
  - downwards, on 2 August 2011, the threshold of 5% of Pierre et Vacances SA capital, holding, on behalf of the said funds, 440,540 shares as of that date and representing an equivalent number of voting rights, namely 4.99% of the capital and 3.45% of voting rights.
- Financière de l'Échiquier, acting on behalf of managed funds, declared having breached upwards, on 16 November 2011, the threshold of 5% of Pierre et Vacances SA voting rights, holding, on behalf of the said funds, 667,047 shares as of that date and representing an equivalent number of voting rights, namely 7.56% of the capital and 5.22% of voting rights.

NOTE 19 PROVISIONS

(in € thousands)	30/09/2010	Additions	Reversals used	Reversals not used	Other changes	30/09/2011
Provisions for renovations	19,458	5,436	-3,058	-990	-	20,846
Provisions for retirement and other post-employment benefits	12,271	2,106	-1,547	-	-	12,830
Provisions for legal proceedings	2,281	1,957	-2,249	-180	1,335	3,144
Other provisions	2,737	1,643	-1,423	-202	-1,117	1,638
TOTAL	**36,747**	**11,142**	**-8,277**	**-1,372**	**218**	**38,458**
Non-current portion	26,203					27,597
Current portion	10,544					10,861

The provisions for renovations represent the contractual commitments and maintenance policy for the Group's leased property (see Note 1.23 - "Provisions")

(in € thousands)	30/09/2011	30/09/2010
Provisions for renovations	16,184	14,907
Provisions for retirement and similar benefit obligations	10,682	9,904
Provisions for legal proceedings	731	330
Provisions for restructuring costs	-	300
Other provisions	-	762
Non-current provisions	**27,597**	**26,203**
Provisions for renovations	4,662	4,551
Provisions for retirement and other post-employment benefits	2,148	2,367
Provisions for legal proceedings	2,413	1,951
Provisions for restructuring costs	746	639
Other provisions	892	1,036
Current provisions	**10,861**	**10,544**
TOTAL	**38,458**	**36,747**

Provisions for legal proceedings

Outstanding legal proceedings at 30 September 2011 for which the Group will probably or certainly initiate an outflow of resources to the benefit of a third party without at least equivalent compensation amounted to €3,144,000.

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

Breakdown of provisions for legal proceedings and their changes during the year:

(in € thousands)	Tourism	Property development	Individual employee disputes	Total
Balance at 30 September 2010	**1,219**	**507**	**555**	**2,281**
New legal proceedings	863	295	799	1,957
Reversals related to expenses for the financial year	-1,508	-406	-335	-2,249
Reversals not used	-180	-	-	-180
Reclassifications	459	869	7	1,335
BALANCE AT 30 SEPTEMBER 2011	**853**	**1,265**	**1,026**	**3,144**

Provisions for restructuring costs

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

(in € thousands)	2010/2011	2009/2010
Balance at 30 September	**939**	**799**
New restructuring costs	390	942
Reversals related to expenses for the financial year	-420	-1,128
Reversals not used	-	-
Reclassifications	-163	326
BALANCE AT 30 SEPTEMBER	**746**	**939**

Changes in provisions for restructuring costs are related to the Group's transformation plan.

Provisions for retirement and other post-employment benefits

Provisions for retirement and other post-employment benefits, which are assessed by independent actuaries, are determined according to the Group's accounting principles and methods (see Note 1.24 - "Provisions for retirement and other post-employment benefits"). The obligations reported relate primarily to France and the Netherlands. The main actuarial assumptions used by country:

	30/09/2011		30/09/2010	
	France	The Netherlands	France	The Netherlands
Discount rate	4.75%	4.75%	3.75%	3.75%
Expected return on assets	NA	4.80%	NA	3.80%
Salary increase rate	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 €).

Analysis of the amounts recognised on the statement of financial position at 30 September:

	30/09/2011			30/09/2010		
(in € thousands)	Retirement plans	Other benefits	Total	Retirement plans	Other benefits	Total
Discounted benefit obligation	58,252	4,930	63,182	67,664	4,380	72,044
Fair value of plan assets	49,431	-	49,431	55,057	-	55,057
Net amount of obligation	**8,821**	**4,930**	**13,751**	**12,607**	**4,380**	**16,987**
Unrecognised actuarial profit (losses)	-921	-	-921	-4,716	-	-4,716
NET LIABILITY RECOGNISED IN STATEMENT OF FINANCIAL POSITION	**7,900**	**4,930**	**12,830**	**7,891**	**4,380**	**12,271**

Change in provisions for retirement and other post-employment benefits:

(in € thousands)	2010/2011			2009/2010		
	Retirement plans	Other benefits	Total	Retirement plans	Other benefits	Total
Actuarial liability at 30 September	**7,891**	**4,380**	**12,271**	**8,084**	**3,892**	**11,976**
Current service cost	992	499	1,491	913	377	1,290
Interest cost	2,499	136	2,635	2,634	286	2,920
Return on plan assets	-2,084	-	-2,084	-2,293	-	-2,293
Contributions received and benefits paid	-430	-278	-708	-911	-257	-1,168
Recognised actuarial differences	15	578	593	-86	469	383
Services cancelled	-991	-385	-1,376	-458	-387	-845
Past service cost	8	-	8	8	-	8
Change in scope of consolidation	-	-	0	-	-	0
ACTUARIAL LIABILITY AT 30 SEPTEMBER	**7,900**	**4,930**	**12,830**	**7,891**	**4,380**	**12,271**

Breakdown of the change in the fair value of the assets held to cover the commitments:

(in € thousands)	2010/2011	2009/2010
Fair value of investments at 1 October	**55,057**	**45,742**
Expected return on plan assets	2,084	2,293
Employer contributions received	230	644
Contributions received from plan members	603	870
Benefits paid and expenses for the year	-1,548	-1,652
Estimated value of investments at 30 September	**56,426**	**47,897**
Fair value of investments at 30 September	**49,431**	**55,057**
Actuarial differences	6,995	7,160
EFFECTIVE RETURN ON PLAN ASSETS FOR THE FINANCIAL YEAR	**9,079**	**9,453**

Sensitivity analysis

Sensitivity of the effective return on plan assets during the year: a 0.5 point increase in the expected rate of return on assets would increase the effective return on plan assets by €219,000. Conversely, a 0.5 point decrease in the expected rate of return on assets would reduce the effective return on plan assets for the year by €219,000.

Analysis of the fair value of the assets held to cover the commitments, by asset category:

(in € thousands)	30/09/2011	30/09/2010
Cash	7	7
Shares	591	404
Fixed-income investments	3,169	1,997
Insurance	45,664	52,137
Liabilities	-	512
FAIR VALUE	**49,431**	**55,057**

NOTE 20 FINANCIAL LIABILITIES

Breakdown by type and operating segment

(in € thousands)	30/09/2011	30/09/2010
Long-term borrowings		
Bank borrowings	61,307	87,984
Tourism	61,307	87,984
Property development	-	-
Bond issued	110,026	0
Tourism	110,026	-
Bridging loans	4,856	4,625
Property development	4,856	4,625
Finance leases	115,762	119,688
Tourism	115,762	119,688
Other financial liabilities	2,728	2,532
Tourism	1,575	1,379
Property development	1,153	1,153
Subtotal long-term borrowings	**294,679**	**214,829**
of which Tourism	288,670	209,051
of which Property development	6,009	5,778
Short-term borrowings		
Bank borrowings	33,868	22,530
Tourism	31,954	19,641
Property development	1,914	2,889
Bridging loans	2,007	6,742
Property development	2,007	6,742
Finance leases	4,096	3,854
Tourism	4,096	3,854
Other financial liabilities	157	99
Tourism	135	50
Property development	22	49
Bank credit balances	4,555	11,528
Tourism	3,897	11,178
Property development	658	350
Subtotal short-term borrowings	**44,683**	**44,753**
of which Tourism	40,082	34,723
of which Property development	4,601	10,030
TOTAL	**339,362**	**259,582**
of which Tourism	328,752	243,774
of which Property development	10,610	15,808

Bank borrowings and bridging loans at 30 September 2011 primarily included:

Tourism

- the principal amount outstanding (€80,000,000) on the Corporate loan, for the portion intended to finance the Group's external growth, which was refinanced in June 2010.

  As part of this refinancing, the loan maturity has been extended by five years, with the final payment scheduled for 28 June 2015. The loan is intended to be amortised over five years using the straight-line method, which corresponds to an annual payment of €20,000,000.

  The refinancing included a confirmed credit line for €100,000 million;
- the €115,000,000 OCÉANE-type bond issued on 2 February 2011, maturing on 1 October 2015 and convertible at any time into new shares or exchangeable for existing shares, one share for each OCÉANE. These bonds have an annual coupon rate of 4%.

  OCÉANE are compound financial instruments having both a "liability" and an "equity" component.

  The liability component represents the present value of future contractual cash flows (including coupons, redemptions), discounted at the market rate prevailing at the date of issue for bonds with similar characteristics of maturity and cash flows but not convertible into shares.

  Any associated transaction fees are allocated to each component pro rata to their respective value.

  At 30 September 2011, the liability component amounted to €110,026,000.

  The funds raised by this issue will be used to meet the Group's general financing needs, to finance external growth opportunities, to diversify its sources of finance and to extend its debt maturity;
- the principal amount outstanding of a €9,000,000 loan intended to finance the Group's general requirements and repayable in full on 31 December 2011.

Property development

- bridging loans totalling €6,863,000 put in place for the development of Les Senioriales, of which:
  - €2,558,000 to finance Les Senioriales – Montélimar,
  - €2,012,000 to finance the construction of Les Senioriales – Rambouillet.

During 2010/2011, the outstanding principal amount of loans relating to various property development programmes for Les Seniorales was paid in full (€10,671,000).

The outstanding principal amount of the loan relating to financing "New property" receivables acquired mainly for purchasing MGM residences was also paid in full (€975,000).

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

- €5 million maturing in October 2012;
- €15 million maturing in January 2014;
- €10 million.

There was no drawdown against the credit lines at 30 September 2011.

Analysis of the financial liabilities related to finance leases:

(in € thousands)	30/09/2011	30/09/2010
Le Domaine du Lac d'Ailette	112,999(*)	114,566
PV-CP Résidences Exploitation	6,859(**)	8,934
Sunparks	-	42
TOTAL	**119,858**	**123,542**

(*) The underlying net asset (€134,756,000 at 30 September 2011) is recorded in Property, plant and equipment.
(**) The underlying net asset (€2,901,000 at 30 September 2011) is recorded in Property, plant and equipment.

Other financial liabilities consist essentially of the early exercise of the call option that Pierre & Vacances has with the Chief Executive Officer of the Les Senioriales subgroup for the amount of €1,100,000.

Breakdown by maturity

Breakdown of the change in maturity of gross borrowings and other financial liabilities:

Maturities	Balance *(in € thousands)* at 30/09/2011	30/09/2010
Year N+ 1	44,683	44,753
Year N+ 2	28,763	36,779
Year N+ 3	24,916	23,852
Year N+ 4	132,739	23,399
Year N+ 5	2,246	22,742
Year > N+ 5	106,015(*)	108,057
TOTAL	**339,362**	**259,582**

(*) Including €103,287,000 for finance leases.

Breakdown of main financial liabilities by interest rate type

Fixed rate

The main fixed rate borrowings recorded as liabilities in the statement of financial position at 30 September 2011 include finance leases and the bond issued. Their nominal amount was €223,025,000. The majority of these borrowings carry interest at percentages between 4.00% and 6.02%.

Issue date	Maturity date	Principal amount outstanding at 30/09/2011 *(in € millions)*	Interest rate
Finance leases			
21/09/2005	31/12/2038	113.0	6.02%(*)
Bond issued			
02/02/2011	01/10/2015	110.0	4.00%
TOTAL		**223.0**	

(*) The finance lease for Domaine du Lac d'Ailette of Center Parcs Europe had a variable rate until 10 January 2008 (Eonia + margin). At that time, the rate became fixed (6.02%) and will remain unchanged until maturity. At 30 September 2011, the repayment amount including interest was €234.2 million.

Variable rate

The nominal amount of variable rate bank borrowings, bridging loans and finance leases is €103,211,000 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 borrowings, the Pierre & Vacances-Center Parcs Group has set up interest rate swap contracts (the features of which are described in Note 23 - "Hedging financial instruments").

Analysis of variable rate bank borrowings, bridging loans and finance leases together with their related hedging instruments:

Bank borrowings, bridging loans and finance leases				Hedging			
Issue date	Maturity date	Principal amount outstanding at 30/09/2011 *(in € millions)*	Interest rate	Instrument type	Notional amount at 30/09/2011 *(in € millions)*	Maturity date	Interest rate details
Bank borrowings							
18/11/2009	31/12/2011	9.0	3-month Euribor + margin	None			
28/06/2010	28/06/2015	78.9	1 to 6-month Euribor + margin	*Swap*	40.0	28/12/2013	Int. rate rcv'd: 6-month Euribor Int. rate paid: fixed 1.7425%
				Swap	40.0	28/12/2013	Int. rate rcv'd: 6-month Euribor Int. rate paid: fixed 1.7325%
10/06/2011	31/03/2014	1.5	3-month Euribor + margin				
Subtotal		**89.4**			**80.0**		
Bridging loans							
21/01/2010	30/06/2012	0.5	3-month Euribor + margin	None			
26/07/2010	26/01/2012	0.2	1-month Euribor + margin	None			
25/08/2010	31/01/2012	1.3	3-month Euribor + margin	None			
09/11/2010	09/11/2012	2.6	3-month Euribor + margin	None			
25/03/2011	24/03/2013	2.0	1-month Euribor + margin	None			
11/07/2011	30/04/2013	0.3	3-month Euribor + margin	None			
Subtotal		**6.9**			**0.0**		
Finance leases							
01/07/2007	30/06/2016	6.9	12-month Euribor + margin	None			
Subtotal		**6.9**			**0.0**		
TOTAL		**103.2**			**0.0**		

Collateral

(in € thousands)	30/09/2011	30/09/2010
Guarantees and pledges	183,995	187,121
Mortgages	-	-
TOTAL	**183,995**	**187,121**

Collateral pledged by the Group to secure repayment of its bank borrowings include:

- a first call guarantee of €182,684,000 that can be amortised, granted to the institution that provided finance lease for the facilities at Domaine du Lac de l'Ailette;
- collateral of €1,311,000 pledged to secure the bridging loan for the Les Senioriales – Montagnac property development programme.

Breakdown of the change in maturity of collateral:

	Balance *(in € thousands)* at	
Maturities	30/09/2011	30/09/2010
Year N+ 1	4,001	4,436
Year N+ 2	2,849	2,690
Year N+ 3	3,026	2,849
Year N+ 4	3,213	3,026
Year N+ 5	3,421	3,213
Year > N+ 5	167,485	170,907
TOTAL	**183,995**	**187,121**

NOTE 21 FINANCIAL INSTRUMENTS

The table below shows the carrying amount and the fair value of the financial instruments recognised on the statement of financial position:

(in € thousands)	IAS 39 category	30/09/2011 Carrying amount(*)	30/09/2010 Carrying amount(*)
Assets			
Non-current financial assets		26,183	27,584
Available-for-sale financial assets	Assets available for sale at fair value through other comprehensive income	1,705	1,699
Accrued interest	Loans and receivables at amortised cost	14	14
Loans and other non-current financial assets	Loans and receivables at amortised cost	24,464	25,871
Trade receivables	Loans and receivables at amortised cost	309,499	239,827
Other current assets(**)	Loans and receivables at amortised cost	59,950	51,765
Current financial assets	Loans and receivables at amortised cost	18,621	24,451
Cash and cash equivalents	Financial assets at fair value through profit or loss(***)	237,061	167,566
Derivative financial instruments – assets	See Note 22 - Hedging financial instruments	-	-
Liabilities			
Financial liabilities (including short-term portion)		334,807	248,054
Amounts due to credit institutions	Financial liabilities at amortised cost	95,175	110,514
Bond issued	Financial liabilities at amortised cost	110,026	-
Finance leases	Financial liabilities at amortised cost	119,858	123,542
Other financial liabilities	Financial liabilities at amortised cost	9,748	13,998
Other non-current liabilities	Financial liabilities at amortised cost	4,502	-
Trade payables	Financial liabilities at amortised cost	259,308	258,271
Other current liabilities(**)	Financial liabilities at amortised cost	177,366	160,875
Financial instruments	Financial liabilities at fair value	-	-
Current accounts in credit	Financial liabilities at amortised cost	4,555	11,528
Other current financial liabilities	Financial liabilities at amortised cost	26,699	25,366
Derivative financial instruments - liabilities	See Note 22 - Hedging financial instruments	321	223

(*) The fair values of financial assets and financial liabilities do not differ significantly from the carrying amounts.
(**) Other current assets and other current liabilities are restated from items not considered to be financial instruments within the meaning of IAS 39, that is to say advances and prepayments to suppliers, advances and deposits on orders in progress, receivables from and payables to the state, prepayments and deferred income.
(***) These assets are measured on the basis of their value on the regulated market.

NOTE 22 HEDGING FINANCIAL INSTRUMENTS

The derivative financial instruments contracted by the Pierre & Vacances-Center Parcs Group at 30 September 2011 are intended 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 liabilities in order to protect it against a possible rise in interest rates. To this end, the Group entered into swap agreements with leading banks.

At 30 September 2011, the notional amounts and market values of these swap contracts intended to hedge the variable rate borrowings were as follows:

Interest rate received	Interest rate paid	Notional amount at 30/09/2011 *(in € thousands)*	Market value of hedging instruments *(in € thousands)*	Start date	Maturity date
6-month Euribor	1.7425%	40,000	-168	28/12/2010	28/12/2013
6-month Euribor	1.7325%	40,000	-153	28/12/2010	28/12/2013
TOTAL		**80,000**	**-321**		

The market value of the hedging financial instruments was -€321,000 at 30 September 2011, compared with -€223,000 at 30 September 2010.

NOTE 23 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 counterparty risk management policy. This centralisation means that financial resources are optimised and the main Group entities' cash flow trends are closely monitored.

Counter-party risk

These operations are carried out with banks authorised by Executive Management in line with the counter-party risk management policy. Because of the diversity of counter-parties, 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 Executive Management would like to be able to access, at any moment, any available cash equivalents consisting of unit trusts and mutual investment funds, these 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 pose any significant risks relating to these trade receivables.

In the tourism business, risk of non-payment by customers is low, with over 81% of revenue achieved by direct sale, whereby the payment for services occurs before these services are provided.

Group policy for indirect sales is to work with major market players, diversify its portfolio of tour operators and travel agencies, use agreements drawn up by the Legal Department assisted by its counsels, and check the solvency of the counter-parties.

Capital management

The Group capital management objective is to ensure operational continuity, the profitability of shareholders' capital, and the reliability of partner relationships 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 issue new debt or repay existing debt, adjust the amount of dividends paid to shareholders, make a capital repayment to shareholders, issue new shares, repurchase existing shares or dispose of assets in order to reduce its debt.

The Group communicates on its debt ratio (net debt/equity), a capital control indicator.

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

Liquidity risk

At 30 September 2010, the Pierre & Vacances-Center Parcs Group's cash and cash equivalents balance stood at €232,506,000. This balance equals the gross amount of cash and cash equivalents (€237,061,000) less bank overdrafts (€4,555,000).

Furthermore, the Group has three confirmed credit lines, one of which being linked to the Corporate loan. There was no drawdown against the credit lines at 30 September 2011.

The Group has no liquidity risk.

Analysis of assets and liabilities associated with financing activities at 30 September 2011:

(in € thousands)	30/09/2011	Maturities < 1 year	Maturities 1 to 5 years	Maturities > 5 years
Bank borrowings	95,175	33,868	61,307	-
Bond issued	110,026	-	110,026	-
Finance leases	119,858	4,096	12,475	103,287
Other financial liabilities	9,748	2,164	4,856	2,728
Financial liabilities (including short-term portion)	**334,807**	**40,128**	**188,664**	**106,015**
Related interest expense	152,220	16,509	47,760	87 951
Borrowing costs	**487,027**	**56,637**	**236,424**	**193,966**
Bank credit balances	4,555	4,555	-	-
Derivative financial instruments – liabilities	321	321	-	-
Financial liabilities	**491,903**	**61,513**	**236,424**	**193,966**
Cash equivalents	170,025	170,025	-	-
Cash	67,036	67,036	-	-
Gross cash and cash equivalents	**237,061**	**237,061**	**0**	**0**

None of the Pierre & Vacances-Center Parcs Group's bank borrowings are based on its debt rating. Contracts governing the Corporate loan and the credit lines contain standard clauses referring to the consolidated financial position 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 reporting date. 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:

- Adjusted net debt/EBITDAR (adjusted net financial liabilities = Group's net financial liabilities plus rent commitments for the next five years, discounted at 6.0%); EBITDAR = Operating profit (loss) from ordinary activities plus net additions to depreciation, amortisation and impairment losses, and expenses on grant of share options, before rent expense for the financial year (excluding registered offices). This ratio has to remain less than or equal to 3.75.

The €9,000,000 loan, repayable in full, must also comply with this ratio.

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

The Pierre & Vacances Center Parcs Group fully complied with this ratio at 30 September 2011.

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. To this end, the Group uses derivative hedging instruments such as interest rate swaps. The Pierre & Vacances-Center Parcs Group's financial income thus has little sensitivity to interest rate changes. Bridging loans backing property transactions are generally not hedged against expected interest rate changes due to their usually limited duration.

Breakdown of financial assets and liabilities at 30 September 2011:

		Maturities		
(in € thousands)	30/09/2011	< 1 year	1 to 5 years	> 5 years
Fixed-rate borrowings	223,025	1,811	117,927	103,287
Variable-rate borrowings	103,211	32,474	70,737	-
Accrued interest expense	5,686	5,686	-	-
Financial liabilities	**331,922**	**39,971**	**188,664**	**103,287**
Fixed-rate loans	11,091	1,515	2,575	7,001
Variable-rate loans	1,371	769	602	-
Variable-rate cash equivalents	170,025	170,025	-	-
Financial assets	**182,487**	**172,309**	**3,177**	**7,001**
NET POSITION	**149,435**	**-132,338**	**185,487**	**96,286**

The variable rate net position after management at 30 September 2011 was as follows:

(in € thousands)	30/09/2011
Borrowings	103,211
Loans	1,371
Cash equivalents	170,025
Net position before management	**-68,185**
Hedging	80,000
NET POSITION AFTER MANAGEMENT	**-148,185**

A 1% increase or decrease in short-term rates would have a positive and negative effect, respectively, of +1.5 million and -€1.5 million on financial income for 2011/2012, compared with -€16.6 million of financial expenses for 2010/2011.

Foreign exchange risk

The majority of the Group's assets and liabilities are denominated in euros. Only some subsidiaries have cash flows denominated in other currencies. As these subsidiaries are only small, the Group is not exposed to changes in foreign currency rates.

NOTE 24 TRADE PAYABLES

(in € thousands)	30/09/2011	30/09/2010
Tourism	199,253	173,978
Property development	52,174	75,717
Services	7,881	8,576
TOTAL	**259,308**	**258,271**

"Trade payables" rose by €1,037,000. This increase is the result of mutually offsetting changes in the Property Development and Tourism businesses.

The fall in property development trade payables (€23,543,000) stems from the programmes sold during financial year 2009/2010 (Domaine Center Parcs du Bois des Harcholins) and 2010/2011 (Hameau du Pont Royal).

The €25,275,000 rise in tourism trade payables is primarily linked to changes in the Company's business, notably in Spain and to the acquisition of the operating business of 31 Citéa holiday residences.

NOTE 25 OTHER CURRENT AND NON-CURRENT LIABILITIES

25.1 - Other current and non-current liabilities

(in € thousands)	30/09/2011	30/09/2010
Advances and deposits on orders in progress	69,794	72,301
VAT and other tax liabilities	70,922	75,137
Employee and social security liabilities	71,255	71,117
Borrowings related to acquisition of non-current assets	11	122
Lease liabilities	6,580	-
Other liabilities	104,022	89,636
Other operating liabilities	**322,584**	**308,313**
Property sales and support funds	172,143	144,688
Other deferred income	8,726	12,038
Deferred income	**180,869**	**156,726**
TOTAL OTHER LIABILITIES	**503,453**	**465,039**
Other current liabilities	498,951	465,039
Other non-current liabilities	4,502	-

The **€38,414,000** increase in other liabilities is linked to:

- Property development: the rise in “deferred income on property sales” (€27,455,000) results from property sales signed at the notary’s office, notably those related to new property development or renovation programmes not yet delivered (Domaine Center Parcs du Bois des Harcholins, Avoriaz programmes, etc.);
- Tourism: the finance leases acquired by the Pierre & Vacances-Center Parcs Group in relation to the acquisition of the operating business of Citéa residences were subjected to a systematic assessment to establish whether the agreements were favourable or unfavourable compared to market conditions. In accordance with IFRS 3R, the Group recognised “Lease liabilities” of €7,154,000 representing the agreements deemed unfavourable (the agreement deemed favourable resulted in the recognition of an intangible asset, see Note 5 "Intangible assets") with liabilities of €6,580,000 at 30 September 2011.

“Other liabilities” mainly include payables related to condominium management, amounts due to external management companies and payables related to renovation work in progress.

25.2 - Current financial liabilities

(in € thousands)	30/09/2011	30/09/2010
Current accounts	26,699	25,366
Hedging financial instruments	321	223
TOTAL	**27,020**	**25,589**

“Current financial liabilities” essentially represent current accounts payable to related parties, in particular to S.I.T.I., the parent company (€14,613,000).

Analysis of the main profit and loss items

NOTE 26 REVENUE

(in € thousands)	2010/2011	2009/2010 on a like-for-like basis(*)	2009/2010 published data
Tourism	1,097,035	1,057,881	1,163,703
Pierre & Vacances Tourisme Europe(1)	569,910	560,515	564,106
Center Parcs Europe(2)	527,125	497,366	599,597
Property development	372,570	263,532	263,532
TOTAL	**1,469,605**	**1,321,413**	**1,427,235**

(1) Pierre & Vacances Tourisme Europe houses the Pierre & Vacances, Adagio City Aparthotel, Maeva and Latitudes Hôtels brands.
(2) Center Parcs Europe houses the Center Parcs and Sunparks brands.
(*) On a like-for-like basis:
- *revenue from Pierre & Vacances Tourisme Europe residences and villages was restated for the impact of the acquisition from Lamy of the business goodwill of 31 Citéa residences as from 1 July 2011 (+€10.5 million in 2009/2010) and the reclassification of the reinvoiced external management company expenses to "Other operating income";*
- *revenue from Center Parcs Europe villages was restated for the impact of the outsourcing of catering (€102.2 million in 2009/2010).*

Revenue by country:

(in € thousands)	2010/2011	2009/2010
France	725,987	724,552
The Netherlands	204,034	243,886
Germany	62,628	73,966
Belgium	83,311	100,871
Italy	5,754	7,612
Spain	15,321	12,816
Tourism	**1,097,035**	**1,163,703**
France	371,455	260,135
Spain	708	2,341
Italy	297	807
Morocco	110	249
Property development	**372,570**	**263,532**
TOTAL	**1,469,605**	**1,427,235**

Revenue in France, where the registered office is located, amounted at €1,097,442,000.

NOTE 27 PURCHASES AND EXTERNAL SERVICES

(in € thousands)	2010/2011	2009/2010
Cost of goods sold – Tourism	-39,369	-74,853
Cost of inventories sold – Property development	-245,821	-140,444
Rent and other co-ownership expenses	-425,405	-406,621
Subcontracted services (laundry, catering, cleaning)	-33,634	-30,320
Advertising and fees	-136,394	-162,324
Other	-168,405	-152,784
TOTAL	**-1,049,028**	**-967,346**

Rent expense for 2010/2011 to individual and institutional owners of the land and buildings of the hotels, residences and villages operated by the Group was €343.6 million (€201.3 million for those marketed under Pierre & Vacances Tourisme Europe and €142.3 million for the Center Parcs Europe villages). This expense was €325.3 million for 2009/2010. The increase is mainly due to the annualisation of rent for Center Parcs Domaine des Trois Forêts.

NOTE 28 EMPLOYEE EXPENSES

(in € thousands)	2010/2011	2009/2010
Salaries and wages	-239,310	-269,432
Social security contributions	-77,127	-80,664
Defined-contribution and defined-benefit plan expenses	-8	336
Share-based payments	-966	-834
TOTAL	**-317,411**	**-350,594**

Share-based payments

The features of the plans reported are as follows:

Date of grant by the Board of Directors *(in € thousands)*	**Type(*)**	**Number of options granted**	**Vesting period**	**Share-based remuneration expenses 2010/2011**	**Share-based remuneration expenses 2009/2010**
21/07/2006	OAA	16,500	4 years	-	-51
09/01/2007	OAA	46,875	4 years	-83	-353
08/01/2008	OAA	38,375	4 years	-222	-237
08/01/2008	AGA	13,010	2 years	-	-230
12/01/2009	AGA	84,135	2 years	-254	-336
12/01/2009	OSA	5,000	4 years	-	-59
12/02/2009	AGA	6,575	2 years	-9	-185
03/03/2011	OAA	222,500	4 years	-545	-
TOTAL				**-1,113**	**-1,451**

(*) OSA: share subscription option.
OAA: share purchase option.
AGA: bonus share grant.

The employee expense recognised is the fair value of the options granted as calculated on the date of grant by the Board of Directors using the "Black & Scholes" method. This expense is spread over the vesting period along with corresponding increases in reserves.

The total expense is reported as €966,000 under employee expenses and as €147,000 under additional restructuring expenses.

The following table presents the valuation assumptions and results for share options and bonus shares:

	Share price on date of grant *(in €)*	Exercise price *(in €)*	Volatility	Expected life	Expected maturity	Risk-free rate	Expected dividend yield rate	Probability of beneficiaries leaving	Option value on date of grant *(in €)*
Plan date: 21/07/2006	87.25	80.12	37.67%	10 years	5 years	3.73%	2.30%	3%	30.59
Plan date: 09/01/2007	93.40	87.40	25.22%	10 years	5 years	4.06%	2.30%	3%	24.04
Plan date: 08/01/2008	84.67	86.10	30.79%	4 years	5 years	4.03%	2.30%	10%	22.17
Plan date: 08/01/2008	84.67	0.00	30.79%	2 years	2 years	3.93%	2.89%	10%	79.91
Plan date: 12/01/2009	43.20	0.00	39.28%	2 years	2 years	4.25%	2.93%	3%	38.58
Plan date: 12/01/2009	43.20	0.00	39.28%	2 years	2 years	4.25%	2.93%	3%	40.77
Plan date: 12/01/2009	43.20	39.35	39.28%	4 years	5 years	3.97%	2.32%	0%	14.29
Plan date: 12/02/2009	43.65	0.00	39.28%	2 years	2 years	4.25%	2.93%	0%	41.20
Plan date: 03/03/2011	63.50	63.93	36.80%	10 years	5 years	3.65%	3.19%	3%	17.58

NOTE 29 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(in € thousands)	2010/2011	2009/2010
Depreciation and amortisation	-43,430	-45,807
Impairment losses	-9,087	-2,838
TOTAL	**-52,517**	**-48,645**

The net impairment losses of €9,087,000 for 2010/2011 include increases in provisions of €11,173,000 and reversals of unused provisions of €2,085,000 (compared to reversals of unused provisions of €9,543,000 for 2009/2010).

NOTE 30 OTHER OPERATING INCOME AND EXPENSES FROM ORDINARY ACTIVITIES

(in € thousands)	2010/2011	2009/2010
Taxes and duties	-14,429	-14,517
Other operating expenses on ordinary activities	-29,447	-27,599
Other operating income from ordinary activities	22,496	8,436
TOTAL	**-21,380**	**-33,680**

"Other operating income and expenses from ordinary activities" comprise primarily taxes and duties such as payroll taxes (learning tax, training tax) and real estate tax; other operating income such as subsidies and insurance reimbursements; and other operating expenses such as certain registered office expenses.

The increase in "Other operating income from ordinary activities" mainly comes from the change in the presentation of reinvoiced external management company expenses, reported under "Revenues" for 2009/2010 and reclassified to "Other operating income from ordinary activities" for 2010/2011 (see Note 26 - Revenue). The 2009/2010 reinvoiced expenses amounted to €14,196,000.

NOTE 31 OTHER OPERATING INCOME AND EXPENSES

(in € thousands)	2010/2011	2009/2010
Gains (losses) on disposals	7,895	-2,076
Fair value of contracts acquired	3,523	-
Restructuring costs	-18,145	-17,208
Provisions for restructuring costs	30	186
Impairment of non-current assets	-2,775	-1,075
TOTAL	**-9,472**	**-20,173**

"Other operating income and expenses" for 2010/2011 mainly include:

- restructuring costs net of corresponding provisions for restructuring costs relating to the implementation of the Group's transformation plan, notably the costs of closing down the Rotterdam site;
- a €7,716,000 gain on the disposal of three Latitudes hotels (see Note 2.1 - Main changes in the scope of consolidation and the scope of operations);
- the fair value of the contracts acquired in the transaction involving Citéa less future related expenses for a net amount of €3,523,000 (see Note 2.1 - Main changes in the scope of consolidation and the scope of operations);
- an impairment loss on the Sunparks brand name for the amount of €2,226,000.

"Other operating income and expenses" for 2009/2010 primarily consisted of:

- restructuring costs net of corresponding provisions relating to the implementation of the Group's transformation plan;
- a €2,246,000 gain on the disposal of three Latitudes hotels (see Note 2.1 - Main changes in the scope of consolidation and the scope of operations);
- a €4,368,000 expense associated with the write-off of certain computer assets.

NOTE 32 NET FINANCIAL EXPENSES

(in € thousands)	2010/2011	2009/2010
Gross borrowing costs	-17,846	-14,304
Income from cash and cash equivalents	1,486	1,066
Net borrowing costs	**-16,360**	**-13,238**
Income from loans	1,991	1,453
Other financial income	226	480
Other financial expenses	-2,420	-2,883
Net other financial expenses	**-203**	**-950**
TOTAL	**-16,563**	**-14,188**
Total financial expenses	-20,266	-17,187
Total financial income	3,703	2,999

Net financial expenses for 2010/2011 mainly comprised the costs relating to the finance lease for the Domaine du Lac d'Ailette village (€7,480,000) and interest on new bank loans taken out by the Group since the second half of 2009/2010 to strengthen its liquidity position and extend the maturity of its debt:

- €4,693,000 related to refinancing the Corporate loan in June 2010;
- €3,771,000 related to the issuance of OCÉANE convertible bonds in January 2011;

NOTE 33 INCOME TAX AND DEFERRED TAXES

Analysis of income tax expense:

(in € thousands)	2010/2011	2009/2010
Consolidated profit (loss) before tax and share of profit (loss) of equity-accounted entities	**3,234**	**-7,391**
Untaxed income:		
Impact of losses carried forward and other temporary differences not recognised or exceeding thresholds	4,095	38,907
Recognised tax losses excluding profit for the year	-14,524	-14,060
Reversal of provisions for income tax	-22,952	-
Intra-group transactions having a tax impact	-2,870	-66,972
Other (including CVAE and tax credits)	-10,449	-3,324
Taxable income (loss) at tax rate applicable in France	**-43,466**	**-52,840**
Tax rate in France	34.43%	34.43%
Theoretical tax benefit at corporate tax rate applicable in France	**14,965**	**18,193**
Impact of changes in tax rate on deferred taxes	-6	413
Differences on tax rates abroad	-2,712	-313
CVAE	-4,951	-3,611
GROUP TAX INCOME (EXPENSE)	**7,296**	**14,682**
of which income tax	-5,998	-4,366
of which deferred taxes	13,294	19,048

Tax losses for the year that were not included due to their unlikely recovery primarily relate to foreign entities such as Spain and Belgium.

Recognised tax losses excluding profit for the year relate primarily to the French tax consolidation group.

Pierre et Vacances SA underwent a tax inspection for financial years 2003/2004, 2004/2005 and 2005/2006. Based on a detailed analysis of the reassessment notice received at the end of December 2007 and the subsequent events, the Pierre & Vacances-Center Parcs Group, in close liaison with its legal and tax counsels, and in light of the decisions taken by the Group and actions implemented do not anticipate any financial risk.

Analysis of deferred tax assets and liabilities by type and by country

Within the same country, the majority of the Group's entities consolidate their taxable profit. The breakdown of the Group's deferred tax position by country therefore reflects the position of each tax consolidation subgroup.

(in € thousands)	30/09/2010	Other changes	Change through profit -loss	Changes through other comprehensive income or loss	30/09/2011
France	1,394	-301	-9,688	34	-8,561
The Netherlands	-25,621	-	8,173	-	-17,448
Belgium	940	-	-1,695	-	-755
Germany	376	-	-859	-	-483
Spain	-24	-	-	-	-24
Italy	189	-	-	-	189
Deferred taxes on temporary differences	**-22,746**	**-301**	**-4,069**	**34**	**-27,082**
France	49,848	-	16,955	-	66,803
The Netherlands	3,960	-	-277	-	3,683
Belgium	4,035	-	323	-	4,358
Germany	2,119	-	362	-	2,481
Spain	148	-	-	-	148
Italy	0	-	-	-	0
Deferred tax on losses carried forward	**60,110**	**0**	**17,363**	**0**	**77,473**
TOTAL	**37,364**	**-301**	**13,294**	**34**	**50,391**
of which deferred tax assets	56,216				64,156
of which deferred tax liabilities	-18,852				-13,765

The unrecognised deferred tax on losses carried forward amounted to €118,507,000, €50,944,000 of which related to the French tax consolidation group.

NOTE 34 EARNINGS PER SHARE

Average number of shares

	2010/2011	2009/2010
Number of shares outstanding at 1 October	8,821,551	8,819,576
Number of shares issued during the financial year	-	1,975
Number of shares outstanding at 30 September	**8,821,551**	**8,821,551**
Weighted average number of shares	8,727,940	8,695,357
Weighted average number of shares after dilution	8,755,279	8,787,828

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

Number of bonus shares (AGA), share subscription options (OSA) and share purchase options (OAA) granted by the Board of Directors:	**Type**	**Exercise price** *(in €)*	**2010/2011**	**2009/2010**
granted on 20/03/2000 and outstanding	OSA	47.00	-	148
granted on 11/04/2003 and outstanding	OSA	44.00	1,027	986
granted on 03/11/2003 and outstanding	OSA	63.83	-	-
granted on 07/09/2004 and outstanding	OSA	66.09	-	-
granted on 26/09/2005 and outstanding	OSA	59.89	-	-
granted on 26/09/2005 and outstanding	OAA	59.89	-	-
granted on 21/07/2006 and outstanding	OAA	80.12	-	-
granted on 09/01/2007 and outstanding	OAA	87.40	-	-
granted on 08/01/2008 and outstanding	AGA	0.00	-	3,542
granted on 08/01/2008 and outstanding	OAA	86.10	-	-
granted on 12/01/2009 and outstanding	OAA	39.35	1,447	1,410
granted on 12/01/2009 and outstanding	AGA	0.00	21,371	76,857
granted on 12/02/2009 and outstanding	AGA	0.00	1,064	2,953
granted on 12/02/2009 and outstanding	AGA	0.00	2,428	6,575
granted on 03/03/2011 and outstanding	OAA	63.93	-	-
			27,337	**92,471**

Earnings per share

	2010/2011	2009/2010
Net profit (loss) attributable to owners of the Company *(in € thousands)*	10,499	7,275
Weighted basic earning per share attributable to owners of the Company *(in €)*	1.20	0.84
Weighted diluted earning per share, attributable to owners of the Company *(in €)*	1.20	0.83

Other financial information

NOTE 35 NUMBER OF EMPLOYEES

The average annual number of employees (full-time equivalent) of the Pierre & Vacances-Center Parcs Group companies that are fully or proportionally (taken at 100%) consolidated stood as follows:

	2010/2011	2009/2010
Managers	969	1,147
Supervisory staff and other employees	6,486	7,774
TOTAL	**7,455**	**8,921**

The decrease in the number of employees is mainly due to the outsourcing of catering and management of food shops in the Center Parcs and Sunparks villages.

NOTE 36 OFF-STATEMENT OF FINANCIAL POSITION COMMITMENTS

The collateral granted by the Group to secure its bank loans and reciprocal commitments are detailed respectively in Note 20 - "Financial liabilities" and Note 22 - "Hedging financial instruments". They are therefore not included in the table below:

	Maturities				
(in € thousands)	< 1 year	1 to 5 years	> 5 years	30/09/2011	30/09/2010
Guarantees and pledges	8,970	12,331	3,005	24,306	21,103
Rent commitments	329,316	1,125,546	1,209,026	2,663,888	2,269,423
Commitments given	**338,286**	**1,137,877**	**1,212,031**	**2,688,194**	**2,290,526**
Guarantees and pledges	2,433	-	36,869	39,302	36,109
Completion guarantees	24,864	-	-	24,864	29,175
Commitments received	**27,297**	**0**	**36,869**	**64,166**	**65,284**

Commitments given

- At 30 September 2011, guarantees and pledges mainly comprised:
  - a rent payment guarantee issued by Pierre et Vacances SA following the sale of certain computer assets of Center Parcs Europe (€16,271,000);
  - counter-guarantees of €2,200,000 issued by Pierre et Vacances SA to HSBC, on behalf of TH Hôtels Espagne SA, owner of a residence building in Torremolinos, Spain, which is operated by Sociedad de Explotacion Turistica Pierre & Vacances Espana SL;
  - the counter-guarantee of €1,200 thousand issued by Pierre et Vacances SA to Unicredit Bank Austria AG, on behalf of Uniqua, owner of a city residence building in Vienna, Austria, run by New City Aparthotels Betriebs GmbH.

Over the course of 2010/2011, some of the guarantees and pledges given by the Pierre & Vacances-Center Parcs Group were extinguished. They mainly concerned:

- the deferred payment property surety 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 et Vacances SA to Eurosic, owner of the buildings of the Center Parcs villages of Hauts de Bruyères and Bois Francs. These guarantees amounted to €2,817 thousand and were granted under the unilateral promise to sell that had 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, with the intent to renovate then split sell them under the Pierre & Vacances sales formula, with lease attached. These guarantees have since been lifted following the final sale on 8 October 2010;

- When the land and buildings of the residences, hotels and villages operated by the Pierre & Vacances-Center Parcs Group's tourism operating companies are sold, a lease is signed with the new owners. At 30 September 2011, the rent remaining to be paid by the Group over the residual term of these leases amounted to €2,664 million. The present value of these rental commitments, discounted at a rate of 6.0%, is €1,968 million, of which €1,235 million has a maturity of five years or less.

Breakdown of rent commitments by business segment and maturity date at 30 September 2011:

(in € thousands)	30/09/2011	Maturities					
		< N+1	N+2	N+3	N+4	N+5	> N+5
Pierre & Vacances Tourisme Europe	935,749	180,817	159,362	137,989	115,264	93,097	249,220
Center Parcs Europe	1,728,139	148,499	151,781	155,143	158,135	154,775	959,806
TOTAL	**2,663,888**	**329,316**	**311,143**	**293,132**	**273,399**	**247,872**	**1,209,026**

The main features of the land and buildings lease agreements for the Pierre & Vacances Tourisme Europe residences, hotels and villages entered into 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 rent payment. In certain cases, they can include, in addition to the fixed portion, a variable portion that remains marginal. These rents are subject to indexation clauses corresponding in France to the rent reference index, and in Italy and Spain to the consumer price index applicable in the respective country.

The agreements 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 associated rents do not include a variable portion. They are subject to fixed (2.9%) or variable indexation reflecting inflation or the rent reference index applicable in the country in which the assets are located, with floor and ceiling rates usually between 1.75% and 3.75%, depending on the agreement.

Furthermore, Société d'Investissement Touristique et Immobilier (a company indirectly controlled by the Chairman, founder and indirect majority shareholder of Pierre et Vacances SA) has a purchase option allowing it to buy, for €70 million, the land and buildings of the Center Parcs village of Eemhof (in the Netherlands) when their lease expires, namely in October 2023.

Commitments received

Endorsement and sureties mainly include:

- commitments given by banks on behalf of 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 totalled €34,242,000;
- guarantees issued by Accor to Pierre et Vacances SA in connection with the operation of city residences in Austria and Switzerland (€817,000).

Completion guarantees are issued by banks with respect to property development transactions. The changes in completion guarantees at 30 September 2011 compared to the previous year resulted from:

- new guarantees issued during the year for a total amount of €22,961,000. The main programmes concerned are Les Senioriales – St Julien des Landes (€6,214,000), Tréboul (€5,264,000), Plagne lauze (€2,710,000), Les Senioriales – Montélimar (€2,228,000), Courseulles sur Mer (€1,176,000) et Les Senioriales – Rambouillet (€1,154,000);
- a total fall of €27,272,000 arising from the expiry or resetting of several guarantees during the year relating mainly to Les Senioriales – Montagnac (-€7,977,000), Avoriaz programmes for Pierre & Vacances et Maeva (-€6,722,000), Le Hameau de Pont Royal (-€4,569,000), Les Senioriales – Équemauville (-€2,847,000), Les Senioriales – Paradou (-€2,652,000) and Les Senioriales – Gonfaron (-€2,458,000).

NOTE 37 REMUNERATION OF EXECUTIVE MANAGEMENT AND DIRECTORS

Attendance fees paid to members of the Board with no contractual link to the Group totalled €151,000 in 2010/2011 compared with €145,000 in the previous year.

For the years ending 30 September 2011 and 30 September 2010, no salary (including benefits of any kind) was paid to a corporate officer directly by Pierre et Vacances SA or by any of the Pierre & Vacances-Center Parcs Group companies 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 et Vacances SA) as an asset management company, invoiced for fees representing the cost of the services rendered by Gérard Brémond, Sven Boinet, Thierry Hellin and Patricia Damerval. The fees invoiced by S.I.T.I. 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 in proportion to the time spent by each person in managing the Pierre & Vacances-Center Parcs Group companies. Since these people are on the Group Executive Management Committee, their remuneration is included in the table below:

	2010/2011	2009/2010
Fixed remuneration(1)	2,009,342	1,889,240
Variable remuneration(2)	1,067,895	413,090
Post-employment benefits(3)	48,225	25,060
Share-based remuneration(4)	522,699	185,503
TOTAL	**3,648,161**	**2,512,893**

(1) Including reinstatement of the benefit in kind involving the availability of a company car.
(2) Paid in the financial year following the year for which it is granted. Sven Boinet received no variable bonus in 2009/2010 for 2008/2009, having joined the Group in November 2009.
(3) Includes standard retirement bonuses.
(4) Represents the annual share-based remuneration expense on grants of share options and bonus shares (theoretical measurement on the basis of the price of Pierre et Vacances shares at the date of grant). The options, which will only vest (and therefore may be exercised) from 4 March 2015 subject to conditions of presence and/or performance, have a value of zero due to the decline in the price of Pierre et Vacances shares well below the exercise price.

For each of them, the variable bonus is determined based on the financial performance of the Pierre & Vacances-Center Parcs Group and the achievement of personal objectives.

NOTE 38 PARENT COMPANY

The financial statements of the Pierre & Vacances-Center Parcs Group are fully consolidated into the financial statements of Société d'Investissement Touristique & Immobilier (S.I.T.I.).

NOTE 39 TRANSACTIONS WITH RELATED PARTIES

The following parties are deemed to be related to the Group:

- Executive Management and directors: their remuneration and similar benefits are presented in Note 37;
- the parent company of Pierre & Vacances (Société d'Investissement Touristique et Immobilier) and its subsidiaries which are not included in the Group's scope of consolidation;
- the joint ventures, which are consolidated using the proportional method: Les Villages Nature de Val d'Europe, Villages Nature Management, Montrouge Développement, Nuit & Jour Projections, Part House, Adagio Group entities, NLD, Caen Meslin, Nantes Russeil and SDRT Immo (a property development company owned by Pierre & Vacances Maroc);
- Société de Développement de Résidences Touristiques, 15%-owned by Pierre et Vacances Maroc and, consequently, consolidated using 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 agreements for the apartments operated by the subsidiary PV-CP Résidences Exploitation;
- repurchase of temporary usufruct rights to some apartments in the villages of Sainte-Luce in Martinique and Sainte-Anne in Guadeloupe, originally held by the S.I.T.I. Group for €2,940,000.

These transactions are conducted under normal market conditions.

The transactions with related parties are detailed below:

(in € thousands)	2010/2011	2009/2010
Revenue	5,054	4,157
Purchases and external services	-13,680	-15,774
Other operating income and expenses	1,716	1,849
Net financial income	849	513

The receivables and liabilities on the statement of financial position relating to related parties are:

(in € thousands)	30/09/2011	30/09/2010
Trade receivables	4,787	3,532
Other current assets	27,231	24,664
Trade payables	2,839	3,686
Other current liabilities	28,112	26,940

NOTE 40 INFORMATION ON JOINT VENTURES

At 30 September 2011, the companies over which the Group exercised joint control and which were consolidated using the proportional method were as follows:

- SA Citéa (50%);
- SCI Montrouge Développement (50%);
- SAS Les Villages Nature de Val d'Europe (50%);
- SARL Villages Nature Management (50%);
- Part House SRL (55%);
- Nuit & Jour Projections SL (50%);
- Adagio Group entities (50%);
- SNC N.L.D. (50%);
- SA SDRT Immo (50%);
- SCCV Nantes Russeil (50%);
- SNC Caen Meslin (40%).

The contributions to the Group's main statement of financial of position items and profit (loss) aggregate items are as follows (proportional to the Group's shareholding):

Statement of financial position highlights

(in € thousands)	30/09/2011	30/09/2010
Non-current assets	6,192	6,275
Current assets	19,240	12,945
TOTAL ASSETS	**25,432**	**19,220**
Non-current liabilities	1,319	1,087
Current liabilities	28,179	23,039
TOTAL LIABILITIES	**29,498**	**24,126**

Profit and loss highlights

(in € thousands)	2010/2011	2009/2010
Revenue	24,525	21,029
Operating profit (loss) from ordinary activities	2,732	507
Profit (loss)	1,227	36

NOTE 41 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 22 November 2011, the Group signed a new agreement with Eurosic in connection with the renovation of Domaine Center Parcs des Hauts de Bruyères, which provides for:

- the acquisition of 350 cottages from Eurosic;
- a new 11.5-year lease on Eurosic's remaining property, namely 140 cottages and the central facilities.

On 2 December 2011, the Group finalised the third-party financing for the creation of the Center Parcs Bostalsee village. This project, due in 2013, includes 500 cottages and represents an investment of €130 million.

A bank surety was set up on 30 November 2011, following the request for recovery from the tax inspection that Pierre et Vacances SA underwent for the years 2003/2004, 2004/2005 and 2005/2006. The Pierre & Vacances-Center Parcs Group, in close liaison with its legal and tax counsels, do not expect this issue to result in a financial risk (see Note 33 –"Income tax and deferred taxes").

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 30 September 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Ordinary Meeting, we hereby report to you, for the year ended 30 September 2011, on:

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

The 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; these 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 by management, 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 at 30 September 2011, as well as 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 1.3 to the consolidated financial statements, which describes the change in the accounting principles and methods for the definition of operating segments following the merger of the organisations of Pierre et Vacances Tourisme Europe and Center Parcs Europe, in accordance with IFRS 8 "Operating segments".

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Notes 1.12, 1.13, 1.15, 4, 5, 6 and 7 to the consolidated financial statements describe the accounting and measurements methods for goodwill, property, plant and equipment, and intangible assets. As part of our assessment of the accounting policies followed by your Group, we have verified the consistency of the data and assumptions used, and the appropriateness of the accounting methods applied as well as of the information provided in the notes to the consolidated financial statements.

As stated in Note 1.6 to the consolidated financial statements, some estimates are used in order to determine the recoverable amount of goodwill, intangible assets, deferred tax assets and in order to classify lease agreements. 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 on the Group presented in the management report.

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

Paris and Paris La Défense, 10 January 2012

The Statutory Auditors

A.A.C.E. Île-de-France	Ernst & Young et Others
Patrick Ughetto	Marie-Henriette Joud

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Parent company
Pierre et Vacances SA

INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

Information about the Company

General information

Legal name

Pierre et Vacances.

Registered office

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

Telephone number: +33-1-58.21.58.21.

Legal form

A French Public Limited Company *(société anonyme)* with a Board of Directors, incorporated under French law and governed by the French Commercial Code and by its articles of association.

Date of incorporation and term of the Company

The Company was incorporated for a term of 99 years with effect from its registration in the Paris Trade and Companies Register on 7 August 1979, except in the event of an early dissolution or extension.

Purpose of the Company (Article 2 of the articles of association)

The purpose of the Company is to:

- acquire equity interests in other companies, by means of the formation of companies, contributions of companies, subscriptions for or purchases of shares or equity interests, mergers, alliances, partnerships or any other means, and particularly in companies that are active in the following areas:
  - the sale and management of property,
  - the acquisition, development and resale of land, and the building of property,
  - the operating 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 corporate documents relating to the last three financial years (financial statements, minutes of the Shareholders' Ordinary Meetings, lists of attendance at these Ordinary Meetings, list of Directors, Statutory Auditors' reports, etc.) may be consulted at the Pierre et Vacances registered office.

In addition, the Company's articles of association and, where applicable, 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 et Vacances registered office.

Appropriation of earnings (Article 20 of the articles of association)

Net income generated during the financial year, after deducting overheads and other expenses incurred by the Company, including all depreciation, amortisation and impairment losses, represents the profit (or loss) for the financial year.

Of this profit, less any losses carried forward, at least one twentieth shall be appropriated in order to build up the regulatory reserve required by law. Such transfers should continue for as long as the regulatory reserve represents less than one tenth of the total share capital.

The residual balance, plus any profit carried forward, constitutes the profit available for distribution to shareholders.

The Shareholders' Ordinary 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 Shareholders' Ordinary Meeting may also decide to make payouts from the reserves available for this purpose. Where this is the case, the applicable resolution must expressly indicate from which reserves the payout shall be 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 articles of association

Double voting rights (Article 16 of the articles of association)

With effect from the Shareholders' Extraordinary 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 share premiums, 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.

Shares converted to bearer shares or whose ownership is transferred lose their double voting rights.

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 a transfer as a result of a merger or demerger of a shareholding company.

Identifying shareholders (Article 7 of the articles of association)

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 Shareholders' Meetings, together with the number of shares held by each such shareholder and any restrictions attached to these shares; at the Company's request, the above information may be limited to shareholders holding a minimum number of shares set by the Company.

Breaching of thresholds (Article 8 of the articles of association)

In addition to the disclosure thresholds required by law, the Company's Articles of Association stipulate that any individual or corporation that comes to own in any manner, as defined in Article L. 233-7 of the French Commercial Code, 5% of the capital or any multiple thereof, must inform the Company of the total number of shares in its possession, by registered letter with acknowledgement of receipt sent to the registered office of the Company within 15 days of any of these thresholds being crossed.

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 until the expiration of a period of three months from the date when the shareholder rectifies the disclosure omission.

Shareholders' Ordinary Meetings (Articles 16, 17 and 18 of the articles of association)

Shareholders' Ordinary Meetings shall be held at the registered office of the Company or at any other place indicated in the meeting notice.

Any shareholder is entitled to attend Shareholders' Ordinary Meetings in person or by proxy, on proof of their identity and share ownership.

The right to participate in Shareholders' Ordinary Meetings 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 Shareholders' Ordinary Meeting;
- 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 Shareholders' Ordinary Meeting.

Any shareholder shall be entitled to exercise a postal vote using a form that may be obtained under the terms specified in the meeting notice 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 Shareholders' Ordinary Meeting 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 Shareholders' Meetings

The Shareholders' Meeting shall be convened by the Board of Directors or, failing this, by the Statutory Auditor, under the conditions provided for by Article R. 225-162 of the French Commercial Code, or by a proxy appointed by the President of the Commercial Court pursuant to a summary ruling given at the request of any interested party in the event of a matter of urgency, or of one or more shareholders representing at least 5% of the share capital.

Notice of meeting shall be given in the form of an announcement published in one of the journals authorised to publish legal notices in the administrative department in which the Company's registered office is located. Shareholders holding registered shares shall be convened by formal letter, which can be sent by registered post at the shareholders' request with the latter bearing the cost of the same.

If all the shares are held in registered form, the notices provided for in the previous paragraph may be replaced by a meeting notice sent by registered post to each shareholder, with the Company bearing the cost of the same.

Information about the S.I.T.I. Group

Société d'Investissement Touristique et Immobilier SA (S.I.T.I.), holding company of the Pierre & Vacances-Center Parcs Group, indirectly controlled by Gérard BREMOND through SCI SITI "R", holds 44.25% of Pierre et Vacances SA. The Pierre & Vacances subgroup constitutes the main asset of S.I.T.I SA and is fully consolidated.

S.I.T.I.'s equity interests to date outside Pierre et Vacances SA consist mainly of:

- assets not transferred to Pierre et Vacances SA, prior to its initial public offering in June 1999. These are mainly companies holding land (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 financial years 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). Some of these apartments were split sold to individual investors. The SNCs sold to the Group operating companies in Martinique and Guadeloupe the temporary usufruct rights to these assets in 2010/2011.

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 "Ownership & Holidays" formula enables private individuals to acquire full ownership of an apartment for a reduced investment thanks 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) – Initial public offering;
- 2000: acquisition of the Dutch group Gran Dorado, the leading operator of holiday villages for short-stay rentals in the Netherlands;
- 2001: three major acquisitions:
  - 50% of Center Parcs Europe (10 villages: five in the Netherlands, two in France, two in Belgium and one in Germany),

- 100% of the Maeva Group, the second largest operator of holiday residences in France (138 residences and hotels),
- rent management companies, companies operating mechanical lifts and property at the mountain resort of Valmorel;

- 2002: acquisition of Résidences MGM, a tourism operating company running luxury holiday residences (12 residences);
- 2003: the Group becomes the sole shareholder of Center Parcs Europe.

2004-2005: 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 earnings growth initiative, primarily focused on improving the performance of its tourism businesses and continues to develop and improve the quality of its holiday residence portfolio 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 city 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 operation and the real-estate assets of four 3/4-star villages similar to Center Parcs located on the Belgian coast, in the Ardennes and in 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 French local authorities;

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 six 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 business 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 seven residences under the Adagio City Aparthotels brand;

Signing of the Villages Nature development agreement with the authorities.

2011: Acquisition of Citéa by Adagio City Aparthotel;

Signing of the final agreements for the creation of the Center Parcs de Bostalsee (in Sarre) and closure of the project financing;

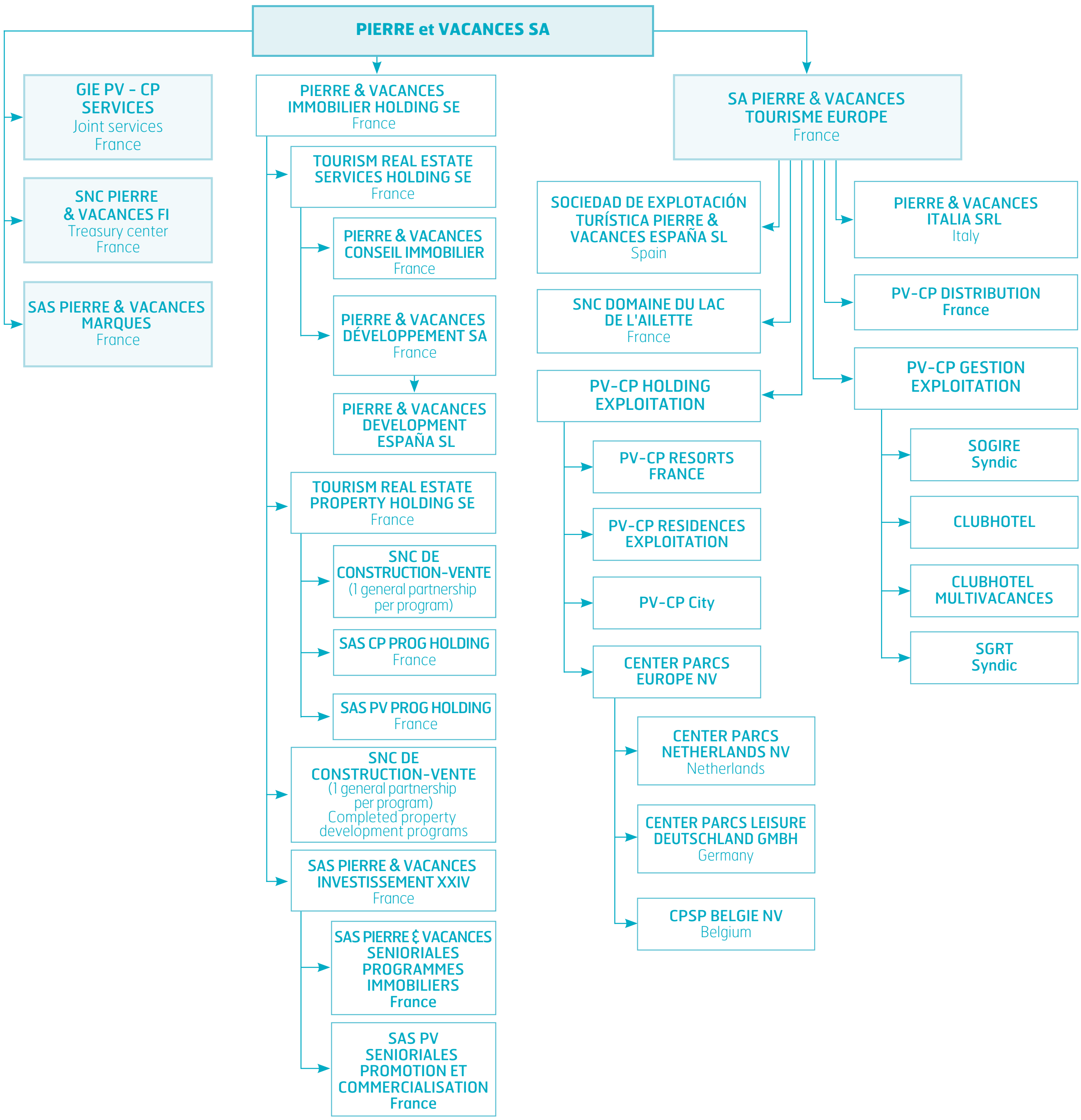
Signing of a framework agreement for the development of a new Central Parcs in southern Germany (Baden Württemberg) and for the purchase of the land;

Sale of three Latitudes hotels (Trouville, Courchevel 1650 and Toulouse);

Renovation of approximately 400 cottages in the Center Parcs at Domaine des Bois Francs (Normandie) and Domaine des Hauts de Bruyères (Sologne).

Legal structure of Pierre et Vacances

Simplified legal organisation chart at 30 September 2011



The companies above are fully owned and fully consolidated.

Pierre et Vacances SA, the Group holding company, listed on Eurolist of Euronext Paris, holds equity interests in all the subholdings. It pays the external fees and expenses relating to the registered office at Artois, in the 19th district of Paris (particularly the rents), which it reinvoices to the various Group entities according to certain allocation criteria, particularly the square footage occupied. Pierre et Vacances SA is required to give sureties 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, accounting, 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 central cash management company. It collects the surplus 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 and Multivacances brands. As such, it reinvoices the Tourisme France operating entities for brand royalties.

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

- PV-CP Gestion Exploitation SAS, the holding company for the business segment dedicated to portfolio management activities and relationships with owners;
- PV-CP Distribution SA (formerly Pierre & Vacances Maeva Distribution), a travel agency, dedicated to promoting and selling residences and villages (not including selling and marketing Center Parcs products for the BNG area, which are handled by Center Parcs Europe NV and its subsidiaries). In this capacity, PV-CP Distribution SA reinvoices its selling fees to PV-CP Résidences Exploitation and PV-CP Resorts France;
- PV-CP Holding Exploitation SAS, the holding company for the business segment dedicated to tourism operations, which controls:
  - PV-CP Resorts France SAS, which includes all the operating activities of Center Parcs villages of Bois Francs, Hauts de Bruyères and Les Trois Fôrets, as well as Pierre & Vacances villages integrated into the Resorts business line: Belle Dune, Cap Estérel, Pont Royal, Branville, Moliets and Le Rouret,
  - PV-CP Résidences Exploitation SAS, which includes all the operating activities of Pierre & Vacances residences, Pierre & Vacances premium, Maeva and other residences and villages integrated into the Residences business line,
  - PV-CP City SAS, which includes all the operating activities of the 31 city residences acquired from Lamy on 15 June 2011,
- Center Parcs Europe NV, a tourism holding company with a 100% stake in the Center Parcs Europe subgroup, which manages approximately 14,000 cottages in the Netherlands, Germany and Belgium. This company performs the shared services for the Center Parcs Europe subgroup, which are reinvoiced 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, which manages four villages in Germany through various subsidiaries,
  - CPSP België NV which, through various subsidiaries, markets and manages six villages in Belgium;
- 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 Italia Srl, which operates and sells apartments in Italy under management agreements and leases, and operates and sells holiday packages under the Pierre & Vacances brand;
- Sociedad de Explotación Turística Pierre & Vacances España SL, which manages the Pierre & Vacances tourism operation in Spain.

Pierre & Vacances Immobilier Holding SE controls:

- PV Senioriales Promotion et Commercialisation which promotes, constructs and markets residences for retired people;
- Tourism Real Estate Services Holding SE, a service sub-holding company which contains all the property services companies:
  - Pierre & Vacances Conseil Immobilier (PVCI), which sells to individual investors new or renovated 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:
  - CP Prog Holding SAS (jointly controlled with Pierre & Vacances Immobilier Holding SE),

- PV Prog Holding SAS,
- 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 financing. Some property development operations can be carried out jointly with other parties. In such cases, Pierre & Vacances allows other developers to invest in these construction-sale companies.

  The holding companies CP Prog Holding and PV Prog Holding coordinate complex, large-scale programmes and as such, own the legal entities carrying out these 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 reinvoicing transactions are carried out between the entities of the tourism business segment and those of the property development business segment. These transactions are carried out under normal market conditions.

The construction-sales companies receive rents from the tourism business segment for the apartments that are not yet sold to investors but are operated by tourism entities. Conversely, for renovation 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 renovation 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 given by the tourism operating companies are higher than market rents at the time of the sale, the excess rent, called “support funds”, is recognised in the financial statements 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 contribute to the marketing of certain property development programmes by actively helping with the selling work performed by their teams on the sites. For doing this work, they invoice project management and marketing fees to the property development companies concerned.

Summary of parent-child companies – Financial year 2010/2011

(in € thousands)	Tourism	Property development	Other (including corporate departments)	P&V SA (listed company)	Total Group
Non-current assets (including goodwill)	605,421	22,254	25,006	2,785	655,466
Gross borrowing costs	123,006	6,939	1,166	203,696	334,807
Cash and cash equivalents recognised on statement of financial position	48,562	13,579	173,222	-2,857	232,506
Dividends paid to PV SA for the financial year	5	58,738	6,916		65,659

Information about the share capital

Share capital

At 31 December 2011, the share capital stood 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 law.

Double voting rights are attributed to shares held in nominee form for more than two years. At 31 December 2011, with double voting rights being granted on 3,946,476 shares, the total number of voting rights stood at 12,768,027 for 8,821,551 shares.

Potential capital

The potential capital of Pierre et Vacances if all options were exercised and if all the OCÉANE convertible bonds were converted into new shares would be €104,634,610 corresponding to 10,463,461 shares, which represents a dilution of 0.84%:

8,821,551 shares outstanding at 31/12/2011

+ 1,507,010 OCÉANE convertible bonds (maturity 01/10/2015)

+ 134,900 share subscription options at 31/12/2011

= 10,463,461 potential shares at 31/12/2011

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

The Shareholders' Extraordinary Meetings of 12 February 2009, 18 February 2010 and 3 March 2011 granted the Board of Directors certain delegations of authority to increase the share capital, with the option of sub-delegation as provided by law.

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

As these delegations of authority expire in financial year 2011/2012, the shareholders will be asked to renew them at the Shareholders' Ordinary Meeting of 6 March 2012.

Shareholders' Extraordinary Meeting of 3 March 2011

Resolution No.	Purpose	Term	Use in 2010/2011
8	Authorisation to increase the number of shares to be issued upon an increase in capital with or without cancellation of preferential subscription rights, up to 15% of the initial issue, subject to the ceilings set out in the 21st, 22nd and 23rd resolutions of the Shareholders' Ordinary Meeting of 18 February 2010.	14 months	Not used
9	Authorisation to issue shares in the Company with cancellation of the preferential subscription rights in order to grant options to subscribe for shares to executive and non-executive corporate officers and/or certain members of the salaried personnel of the Company or of companies or groups affiliated thereto(1).	38 months	Not used
10	Authorisation to make capital increases reserved for members of the Group Share Ownership Plan and up to the par value of €850,000.	26 months	Not used

Shareholders' Extraordinary Meeting of 18 February 2010

Resolution No.	Purpose	Term	Use in 2010/2011
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	Not used
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	Used – issue of 1,507,010 OCÉANE convertible bonds
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	Not used
24	Authorisation to set 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	Not used

Shareholders' Extraordinary Meeting of 12 February 2009

Resolution No.	Purpose	Term	Use in 2010/2011
16	Authorisation to issue ordinary shares in the Company in order to grant them free of charge to executive and non-executive corporate officers and/or certain members of the salaried personnel of the Company or of companies or groups affiliated thereto, up to 3% of the share capital(2)	38 months	Not used

(1) The opening of a share 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 250,000 shares. The options granted by the Board of Directors under this authorisation are all share purchase options.

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

The only authorisation that the Board of Directors has used was the authorisation granted by the Shareholders' Extraordinary Meeting of 18 February 2010 in its 22nd resolution, to issue 1,507,010 OCÉANE convertible bonds.

This use has been the subject of a supplementary report prepared by the Board of Directors under the provisions of Article L. 225-129-5 of the French Commercial Code.

Report on treasury shares

Within the framework of the treasury share buy-back programme authorised by the Shareholders' Ordinary Meeting of 3 March 2011, during the year ended 30 September 2011, the Company acquired 30,064 shares at an average price of €39.37 in August and September 2011 and 6,048 shares after that under the AMAFI liquidity agreement at an average price of €56.98.

Furthermore, during the year ending 30 September 2011, 8,464 shares were sold at an average price of €57.75 as part of the AMAFI agreement.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 11 March 2004 and by the Shareholders' Ordinary Meeting of 10 March 2005, the Board of Directors, on 26 September 2005, instituted a Pierre et Vacances share purchase option plan involving 28,000 shares for the benefit of Group executives with a high level of responsibility. Under this plan, options were granted to eight beneficiaries for the purchase of 28,000 treasury shares at €59.89 each. The option price at grant date reflects the average Pierre et Vacances SA share price during the 20 trading sessions preceding the launch of the plan, less a 5% discount. To date, 26,000 options are outstanding and 2,000 options were lapsed.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 2 March 2006, the Board of Directors, on 21 July 2006, instituted a Pierre et Vacances share purchase option plan involving 16,500 shares for the benefit of Group executives with a high level of responsibility. Under this plan, options were granted to 20 beneficiaries for the purchase of 16,500 treasury shares at €80.12 each. The option price at grant date reflects the average Pierre et Vacances SA share price during the 20 trading sessions preceding the launch of the plan, less a 5% discount. To date, 11,500 options are outstanding and 5,000 options were lapsed.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 2 March 2006, the Board of Directors, on 9 January 2007, instituted a Pierre et Vacances share purchase option plan involving 46,875 shares for the benefit of Group executives with a high level of responsibility. Under this plan, options were granted to 19 beneficiaries for the purchase of 46,875 treasury shares at €87.40 each. The option price at grant date reflects the average Pierre et Vacances SA share price during the 20 trading sessions preceding the launch of the plan, less a 5% discount. To date, 46,875 options are outstanding.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 2 March 2006, the Board of Directors, on 7 January 2008, instituted a Pierre et Vacances share purchase option plan involving 38,375 shares for the benefit of Group executives with a high level of responsibility. Under this plan, options were granted to 10 beneficiaries for the purchase of 38,375 treasury shares at €86.10 each. The option price at grant date reflects the average Pierre et Vacances SA share price during the 20 trading sessions preceding the launch of the plan, less a 5% discount. To date, 38,375 options are outstanding.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 14 February 2008, the Board of Directors, on 12 January 2009, instituted a Pierre et Vacances bonus share plan involving 84,135 shares for the benefit of 54 Group executives with a high level of responsibility, the grant of bonus shares becoming final only after a vesting period of two years and the said shares originating from a repurchase carried out by the Company itself. In its meeting of 18 January 2011, the Board of Directors noted the final allocation of 43,408 shares under this plan.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 14 February 2008, the Board of Directors, on 12 January 2009, instituted a Pierre et Vacances share purchase option plan involving 5,000 shares for the benefit of a Group executive with a high level of responsibility. Under this plan, options were granted to a beneficiary for the purchase of 5,000 treasury shares at €39.35 each. The option price at grant date reflects the average Pierre et Vacances SA share price during the 20 trading sessions preceding the launch of the plan. To date, 5,000 options are outstanding.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 12 February 2009, the Board of Directors, on 12 February 2009, instituted a Pierre et Vacances bonus share grant involving 3,325 shares for the benefit of two Group executives with a high level of responsibility, the grant of bonus shares becoming final only after a vesting period of two years and the said shares originating from a repurchase carried out by the Company itself. In its meeting of 14 February 2011, the Board of Directors noted the final allocation of 640 shares under this plan.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 12 February 2009, the Board of Directors, on 12 February 2009, instituted a Pierre et Vacances bonus share plan involving 6,575 shares for the benefit of a Group executive with a high level of responsibility, the bonus share grant becoming final only after a vesting period of two years and the said shares originating from a repurchase carried out by the Company itself. In its meeting of 14 February 2011, the Board of Directors noted the final allocation of 6,575 shares under this plan.

At 30 September 2011, the Company held 104,840 treasury shares, of which 5,710 were part of the liquidity agreement and 99,130 were due to the buy-back programme.

The 99,130 shares held under the buy-back programme are reserved for the plans listed above.

The Company has asked Crédit Agricole Cheuvreux to implement a liquidity agreement according to the Code of Ethics established by the *Association Française des Marchés Financiers* (the French Financial Market Professional Association, or AMAFI) and approved by the *Autorité des Marchés Financiers* (the French Financial Markets Authority, or AMF).

Since the authorisation given by the Shareholders' Ordinary Meeting of 3 March 2011 authorising a share buyback programme expires on 3 September 2012, a new authorisation will be submitted for approval to the Shareholders' Ordinary Meeting of 6 March 2012.

Changes in share capital over the last five financial years

Date	Transaction	Share par value *(in €)*	Issued capital *(in €)*	Share premium *(in €)*	Total share capital *(in €)*	Total number of shares
01/2007	Capital increase following the exercise of share subscription 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 share subscription 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 share subscription 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 vesting of bonus shares noted by the Board of Directors meeting of 12 January 2009 and amended by the Board of Directors meeting of 12 February 2009	10	86,650	-86,650	88,195,760	8,819,576
05/2010	Capital increase following the exercise of share subscription options on 03/02/2010, 12/03/2010 and 15/03/2010	10	19,750	73,075	88,215,510	8,821,551

Changes in share capital and voting rights over the last three financial years

	At 30 September 2009			At 30 September 2010			At 30 September 2011		
Shareholders	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
S.I.T.I.	4,423,548	50.16	66.62	3,903,548	44.25	61.22	3,903,548	44.25	61.15
Directors	3,615	0.04	0.03	6,605	0.07	0.05	7,256	0.08	0.06
Treasury shares	135,793	1.54	1.02	124,789	1.41	0.97	104,300	1.18	0.81
General public	4,256,620	48.26	32.33	4,786,609	54.27	37.76	4,806,447	54.49	37.98
of which employees	*46,436*	0.35	0.56	*50,591*	0.57	-	*82,612*	0.93	0.94
TOTAL	**8,819,576**	**100**	**100**	**8,821,551**	**100**	**100**	**8,821,551**	**100**	**100**

Article 222-12 of the General Regulations of the AMF states that, to calculate shareholding thresholds, the total number of voting rights is determined on the basis of all of the shares to which voting rights are attached, including shares stripped of voting rights.

Notice of the breaching of shareholding thresholds

On 27 April 2011, Ameriprise Financial Inc., acting on behalf of managed funds and clients, upwardly breached the threshold of 5% interest in Pierre et Vacances SA, holding at that date, on behalf of said funds and clients, 443,600 shares representing as many voting rights, namely 5.03% of the share capital and 3.47% of the voting rights.

On 2 August 2011, Ameriprise Financial Inc., acting on behalf of managed funds and clients, downwardly breached the threshold of 5% interest in Pierre et Vacances SA, holding as at that date, on behalf of said funds and clients, 440,540 shares representing as many voting rights, namely 4.99% of the share capital and 3.45% of the voting rights.

On 16 November 2011, Financière de l'Échiquier, acting on behalf of managed funds, upwardly breached the threshold of 5% of Pierre et Vacances SA voting rights, holding at that date, on behalf of said funds, 667,047 shares representing as many voting rights, namely 7.56% of the capital and 5.22% of the voting rights.

Shareholders' agreements

None.

Group Share Ownership Plan

The Group Share Ownership Plan, set up with the payment of the employees' profit-sharing entitlement for 1997/1998, received voluntary payments from employees and the Company's matching contributions to subscribe for Pierre et Vacances shares in connection with the initial public offering and capital increase of March 2002. It has continued to receive voluntary payments from employees.

Within this Group Share Ownership Plan, the mutual fund consisting exclusively of Pierre et Vacances shares represented 0.32% of the capital at 30 September 2011 (28,276 shares).

Employee profit-sharing

A special 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 having an employment contract for more than three months with a participating entity. The special profit-sharing reserve for the Group profit-sharing agreement stood at €474,700 at 30 September 2011.

Amounts paid for Group profit-sharing in previous financial years:

2009/2010	/
2008/2009	€500,000
2007/2008	€869,000
2006/2007	€18,687

Policy of dividend payments over the last five financial years - Time limit for dividend claims

Over the last five financial years, Pierre et Vacances SA has made the following dividend payments:

Financial year for which the dividend was paid	Number of shares(1)	Par value *(in €)*	Net dividend *(in €)*
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
2009/2010	8,749,035	10	0.70

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

The dividend policy is based on the Group's profit (loss) from ordinary activities, financial position and projected financial needs. Thus, no guarantee can be given as to the amount of dividend payments for a given financial year. Unclaimed dividends are forfeited to the French government five years after they become payable.

At the Shareholders' Ordinary Meeting of 6 March 2012, a dividend of €0.70 per share will be proposed, that is a total amount payable of €6.2 million.

Financial instrument pledges granted involving Pierre et Vacances SA shares

Name of shareholder recorded on the purely nominee account	Beneficiary	Start date	Maturity date	Number of shares pledged
SA S.I.T.I.	NEUFLIZE OBC	22 March 2011	30 April 2016	900,000 or 10.20% of the issuer's share capital

Ownership of share capital and voting rights

At 31 December 2011, the estimated shareholder structure of Pierre et Vacances is as follows:

	Number of shares	% of share capital	Amount of interest at 31 December 2011 *(in € thousands)*	Number of voting rights	% of voting rights
S.I.T.I.(1)	3,903,548	44.25	100,009	7,807,096	61.15
Directors	7,256	0.08	186	7,351	0.06
Treasury shares	276,553	3.14	7,085	276,553	2.16
of which shares acquired as part of the buy-back programme	270,825		6,938		
of which shares acquired as part of the liquidity agreement	5,728		147		
General public(2)	4,634,194	52.53	118,728	4,677,027	36.63
TOTAL	**8,821,551**	**100**	**226,008**	**12,768,027**	**100**

(1) S.I.T.I. SA is 81.52%-owned directly by S.I.T.I. "R" SCI, which is 90%-owned by Gérard Brémond.
(2) Including employees (82,612 shares or 0.93% interest) and Financière de l'Échiquier (667,047 shares according to the Notice of the breaching of shareholding thresholds dated 17/11/2011, or 7.56% interest and 5.22% of the voting rights)

The Company has taken a number of measures to prevent the control exerted by S.I.T.I. SA from being abusive (see the Chairman's report on the organisation of the Board of Directors and internal control procedures, which is included in the annual financial report).

To the Company's knowledge, no other shareholder owns more than 5% of the share capital or voting rights (other than those listed above).

Pursuant to Article L. 233-13 of the French Commercial Code and given the information and notifications received pursuant to Articles L. 233-7 and L. 233-12 of the said Code, it is stated that:

- S.I.T.I. SA directly holds more than a third of the share capital and more than half of the voting rights at Shareholders' Ordinary Meetings;
- S.I.T.I. SCI "R" indirectly holds more than a third of the share capital and more than half of the voting rights at Shareholders' Ordinary Meetings.

Stock market share prices and trading volumes

Pierre et 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 18 months:

Period	Number of shares traded	Value *(in € millions)*	Adjusted price – high/low	
			Highest	Lowest
July 2010	241,020	12.62	56.50	48.26
August 2009	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
January 2011	225,691	14.05	64.50	60.01
February 2011	144,800	9.23	64.90	62.60
March 2011	201,340	12.67	66.45	59.45
April 2011	119,615	7.31	63.00	59.25
May 2011	392,132	22.36	60.55	53.52
June 2011	162,182	9.08	57.49	54.51
July 2011	175,676	10.11	60.40	54.74
August 2011	145,146	7.12	55.75	42.30
September 2011	178,925	6.55	43.99	29.27
October 2011	188,284	5.60	31.97	27.50
November 2011	691,765	16.91	28.44	20.44
December 2011	324,485	7.60	25.85	21.02

(Source: Euronext).

On 25 January 2011, the Company issued bonds convertible into new shares or exchangeable for existing shares (OCÉANE), maturing on 1 October 2015. These bonds were admitted for trading on Euronext Paris on 2 February 2011.

Price of the OCÉANE convertible bonds since February 2011:

Period	Price	
	Highest	Lowest
February 2011	79.98	78.64
March 2011	80.90	77.84
April 2011	82.22	77.14
May 2011	81.78	76.38
June 2011	81.86	79.59
July 2011	83.12	79.14
August 2011	79.90	72.66
September 2011	75.88	71.68
October 2011	72.15	70.62
November 2011	72.75	68.19
December 2011	71.09	68.41

(Source: Euronext).

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS' ORDINARY MEETING

Comments on the parent company financial statements

Preamble

Pierre et Vacances SA, the Group holding company, owns:

- interests 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 2011, there were two types of agreements binding Pierre et Vacances SA and its subsidiaries:

- an agreement on the reinvoicing of head office expenses (rental expenses, amortisation of fittings and furniture);
- sub-leases within the framework of reinvoicing for rent.

Significant events

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

Changes in the business

Revenue in financial year 2010/2011 was €8.5 million. It mainly consisted of:

- €6.8 million from reinvoicing subsidiary entities for their share of rent expenses for the occupation of premises at the Group's registered office at Artois, in the 19th district of Paris;
- €1.7 million for services rendered and reinvoiced to subsidiaries for the development of their businesses.

Operating loss for the financial year 2010/2011 was €6.7 million (compared with €1.3 million loss in 2009/2010). This loss was the result of costs inherent in the Group's holding activity.

The change in 2010/2011 compared with the previous year is mainly due to the reinvoicing to various Group subsidiaries of the expenses incurred by Pierre et Vacances SA in connection with the grant of bonus shares to employees of those subsidiaries. Operating loss for the year 2009/2010 had been offset by €3.9 million in reinvoicing of expenses related to bonus shares granted (and therefore recognised) in 2008/2009.

Such expenses incurred by the Company in 2010/2011 were reinvoiced in full in the same year.

Financial income amounted to €63.0 million compared with €17.6 million the previous year. It mainly consisted of the following:

- dividend income of €65.7 million from subsidiaries, including:
  - 58.5 million from Pierre & Vacances Immobilier Holding, a sub-holding of property development operations,
  - €3.9 million from Pierre & Vacances Marques, a subsidiary owning the Group's brands (mainly Pierre & Vacances, Maeva, Les Senioriales and Multivacances) and all of the related intangible assets, excluding Les Senioriales and the items operated by the Center Parcs sub-group,
  - 3.0 million from Pierre & Vacances FI, the Group's central cash management company;

- interest income of €8.3 million on the current account of Pierre & Vacances FI, a subsidiary responsible for the Group's central cash management;
- financial expenses of €11.6 million, including, in particular:
  - interest on bank loans of €6.1 million, including €3.0 million related to bonds convertible into shares, which were issued during the year,
  - impairment losses on financial assets totalling €2.6 million, including:
  - €1.5 million on investments in associates and other long-term equity investments and risks on corresponding net negative positions,
  - €1.0 million on treasury shares,
  - €0.9 million on commissions and expenses on sureties and interest rate swaps,
  - €0.7 million on Group receivables and equity interests.

Financial income for 2009/2010, which came to €17.6 million, was mainly broken down as follows:

- dividend income of €19.3 million from subsidiaries, 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 Pierre & Vacances Marques,
  - €2.0 million from the former legal structure of Center Parcs operating in France, Center Parcs France SCS,
  - €1.0 million from Pierre & Vacances Immobilier Holding,
  - €0.9 million from Pierre & Vacances Transactions, property development subsidiary conducting real estate transactions;
- interest income of €3.4 million on the current account of Pierre & Vacances FI;
- income of €0.7 million corresponding to the reinvoicing to Center Parcs Europe NV for expenses on sureties and interest rate swaps;
- financial expenses of €6.7 million, including, in particular:
  - impairment losses on financial assets totalling €1.8 million, including:
  - €0.8 million on investments in associates and other long-term equity investments and risks on corresponding net negative positions,
  - €1.0 million on treasury shares,
  - interest on bank loans of €1.1 million,
  - interest and commissions on short-term financing of €1.0 million,
  - expenses of €1.4 million relating to refinancing operations carried out during the year,
  - commissions and expenses of €1.1 million on sureties and interest rate swaps.

Non-recurring income was €6.0 million compared with non-recurring loss of €12.2 million in 2009/2010. This income corresponds primarily to:

- a gain of €6.9 million on the sale of the equity interest in Pierre & Vacances Distribution to Pierre & Vacances Tourisme Europe;
- an offsetting expense of €0.9 million mainly related to fees paid in the context of the Group restructuring activities.

The non-recurring loss for 2009/2010 comprised:

- a loss of €10.7 million arising from the exchange of shares in Pierre & Vacances Tourisme Europe for those in Center Parcs Holding France SAS following the merger-acquisition thereof;
- an expense of €1.4 million mainly relating to restructuring costs.

In its capacity as parent company, Pierre et Vacances SA records any **tax** resulting from the tax consolidation of the Group in its financial statements. Income tax recognised came to €12.2 million (compared with €7.3 million the previous year). Of this amount, €11.2 million corresponds to the income tax passed on by subsidiaries of the tax group.

As a result, **profit** for the year was €74.5 million compared with €11.4 million the previous year.

Changes in financial position

Total assets amounted to €1,130 million at 30 September 2011 compared with €966 million at 30 September 2010, an increase of €164 million. This significant increase is driven mainly by:

- a fall in the amount of investments in associates and other long-term equity investments (-€6 million) resulting primarily from the continued implementation of the legal consequences of the operational restructuring of the tourism business initiated in the previous financial year, including:
  - the €5.9 million exchange of Center Parcs France SCS shares for PV-CP Distribution SA shares. This exchange follows the merger-acquisition of Center Parcs France SCS by PV-CP Distribution SA on 30 April 2011,

- the €5.9 million sale of the equity interest in PV-CP Distribution SA acquired in the above transaction to Pierre & Vacances Tourisme Europe SA;
- an increase in "Other receivables" (€182 million), consisting mainly of current accounts with Group subsidiaries. This change is for a good part due to the funds raised by Pierre et Vacances SA through the issue in January 2011 of OCÉANE convertible bonds for an amount of €115 million. The cash thereby received was assigned by Pierre et Vacances SA to its subsidiary Pierre & Vacances FI, an entity responsible for central cash management for all Group subsidiaries.

The net carrying amount of investments in associates and other long-term equity investments at 30 September 2011 was €554.5 million and consisted of the following main investments (in € millions):

▪ Pierre & Vacances Tourisme Europe SA	422.2
▪ Pierre & Vacances Immobilier Holding SE	68.8
▪ Pierre & Vacances Marques SAS	60.6

In 2010/2011, the equity of Pierre et Vacances SA rose by €68.4 million to €660.3 million. This change is detailed below (in € millions):

▪ Dividends paid:	-6.1
▪ Profit the year	74.5

Share capital at 30 September 2011 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 risks and charges at 30 September 2011 amounted to €3.0 million. They were broken down as follows (in € million):

▪ Provisions for legal and miscellaneous risks	0.7
▪ Provisions for financial risks relating to subsidiaries	2.3

The outstanding bond issue corresponds to the issuance on 25 January 2011 of €115 million in bonds convertible into new shares or exchangeable for existing shares (OCÉANE), maturing on 1 October 2015.

Amounts due to credit institutions showed a balance of €93.4 million at 30 September 2010, primarily corresponding to:

- a €100 million loan taken out during financial year 2009/2010 and amortised on a straight-line basis over five years, whose principal balance at 30 September 2011 amounted to €80 million;
- a €9 million loan taken out on 18 November 2009 and repayable in a single instalment on 31 December 2011;
- bank overdrafts and bank credit balances of €0.6 million.

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

Significant events after the reporting period

A bank surety was set up on 30 November 2011, following the request for recovery from the tax inspection that Pierre et Vacances SA underwent for the years 2003/2004, 2004/2005 and 2005/2006. The Pierre & Vacances-Center Parcs Group, in close liaison with its legal and tax counsels, do not expect this issue to result in a financial risk.

Outlook

In 2011/2012, Pierre et Vacances SA will continue to act as the Group holding company under conditions equivalent to those in the reporting year.

Subsidiaries, associates and other long-term equity investments

In addition to the information given in this document, we have described the activity of the subsidiaries and of the controlled entities in the Group management report and in the Registration document for the Pierre & Vacances-Center Parcs Group.

The table of subsidiaries, associates and other long-term equity investments is included in the Notes to the Company's statement of financial position.

The activities of the main subsidiaries in 2010/2011 are presented below:

- Pierre & Vacances Tourisme Europe SA

Pierre & Vacances Tourisme Europe SA continued its activities as the sub-holding company for the tourism business segment.

For the year ended 30 September 2011, the Company recorded a loss of €8.3 million.

- Pierre & Vacances Marques SAS

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

In 2010/2011, Pierre & Vacances Marques SAS renewed its annual licences awarded to the various Group companies that use its brands and entered into new contracts following the Group restructuring activities.

The Company's profit for this financial year amounted to €5.5 million.

- Pierre & Vacances FI SNC

In 2010/2011, Pierre & Vacances FI SNC continued its responsibilities for central cash management for the various Pierre & Vacances-Center Parcs Group entities.

As a result of the new usufruct right structure introduced on 30/09/2008, Pierre & Vacances Financière owns the usufruct rights of the following companies:

- PV-CP Distribution (€37.9 million);
- Center Parcs Holding Belgique SAS (€17.2 million).

The following information is provided on these subsidiaries, associates and long-term equity investments:

Significant equity investments

During the year ended 30 September 2011, the Company has made the following investments:

Sunparks Bostalsee GmbH

On 28 March 2011, Pierre et Vacances SA acquired the following shares in Sunparks Bostalsee GmbH:

- 3,475 shares from Center Parcs Europe NV for €3,475;
- 1,500 shares from Société d'Investissement Touristique et Immobilier – S.I.T.I. for €1,500;
- 14,924 shares subscribed in the context of the capital increase of Sunparks Bostalsee GmbH, thereby bringing Pierre et Vacances SA's shareholding to 19.9%.

PV-CP Support Services BV

On 26 May 2011, following the formation of the company PV-CP Support Services BV, Pierre et Vacances SA subscribed for 180 shares (or 100% of the capital) in said company.

Pierre & Vacances Investissement XXXXVIII

On 29 August 2011, following the formation of SAS Pierre & Vacances Investissement XXXXVIII, Pierre et Vacances SA subscribed for 1,000 shares (or 100% of the capital) in said company.

Pierre & Vacances Investissement XXXXIX

On 29 August 2011, following the formation of SAS Pierre & Vacances Investissement XXXXIX, Pierre et Vacances SA subscribed for 1,000 shares (or 100% of the capital) in said company.

Significant disposals of equity investments

During the year ended 30 September 2011, the Company disposed of the following investment:

PV-CP Distribution

On 30 April 2011, Pierre et Vacances SA sold 11,350 shares in PV-CP Distribution (received as compensation for the merger-acquisition of Center Parcs France SCS by PV-CP Distribution) to Pierre & Vacances Tourisme Europe for a price of €12,848,831.

Significant investments and disposals after the reporting date

None.

Remuneration of executives and members of the Board of Directors

Remuneration of executive and non-executive corporate officers

The Board of Directors of Pierre et Vacances SA, at its meeting of 2 December 2008, approved the updated version of the AFEP-MEDEF "Corporate Governance Code" ("Recommendations on the remuneration of executive and non-executive corporate officers of companies whose shares are traded on a regulated market") dated 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 selected, 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 and those of April 2010 on women's representation on the Boards of Directors.

For the years ending 30 September 2011 and 30 September 2010, no salary (including benefits of any kind) was paid to a corporate officer directly by Pierre & Vacances-Center Parcs Group companies controlled as defined in Article L. 233-16 of the French Commercial Code or by Pierre et Vacances SA. However, Société d'Investissement Touristique et Immobilier (a company indirectly controlled by the Chairman, founder and majority shareholder of Pierre et Vacances SA) as an asset management company, invoiced for fees representing the cost of the services rendered by Gérard Brémond, Sven Boinet, Thierry Hellin and Patricia Damerval. The fees invoiced by S.I.T.I. 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 in proportion to the time spent by each person in managing the Pierre & Vacances-Center Parcs Group companies.

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

The Group has not introduced a system of sign-on bonuses or termination benefits for its executive or non-executive corporate officers.

There are no supplementary retirement plans specific to executive or non-executive corporate officers. They receive, in accordance with their employment contract with S.I.T.I., an end-of-service award calculated on the basis of the rules applicable to all salaried employees.

Summary of remunerations of and options and shares granted to each executive corporate officer

(in €)	2010/2011	2009/2010
Gérard Bremond, Chairman of the Board of Directors		
Remuneration payable for the year	593,727	593,648
Value of options granted during the year	-	-
Value of performance-related shares granted during the year	-	-
TOTAL	**593,727**	**593,648**
Sven Boinet, Chief Executive Officer		
Remuneration payable for the year	1,004,942	740,080
Value of options granted during the year	467,628 (1)	-
Value of performance-related shares granted during the year	-	-
TOTAL	**1,472,570**	**740,080**

(1) Represents theoretical measurement over the vesting period (four years) on the basis of the price of Pierre et Vacances shares at the date of grant. The options, which will only vest (and therefore may be exercised) from 4 March 2015 subject to conditions of presence and performance, have a value of zero due to the decline in the price of Pierre et Vacances shares well below the exercise price.

The Board of Directors, at its meeting of 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.

The following table summarises the remunerations of each corporate officer

(in €)	Remuneration in 2010/2011 payable for the year	Remuneration in 2010/2011 paid during the year	Remuneration in 2009/2010 Payable for the year	Remuneration in 2009/2010 Paid during the year
Gérard Bremond, Chairman of the Board of Directors				
Fixed remuneration	500,000	500,000	500,000	500,000
Variable remuneration	90,000	90,000	90,000	90,000
Special remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	3,727	3,727	3,648	3,648
TOTAL	**593,727**	**593,727**	**593,648**	**593,648**
Sven Boinet, Chief Executive Officer				
Fixed remuneration	500,000	500,000	437,500	437,500
Variable remuneration	500,000	535,000	300,000	-
Special remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	4,942	4,942	2,580	2,580
TOTAL	**1,004,942**	**1,039,942**	**740,080**	**440,080**
Thierry Hellin, Deputy Chief Executive Officer				
Fixed remuneration	308,007	308,007	280,007	280,007
Variable remuneration	135,520	131,920	126,000	110,000
Special remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	7,518	7,518	7,116	7,116
TOTAL	**451,045**	**447,445**	**413,123**	**397,123**
Patricia Damerval, Deputy Chief Executive Officer				
Fixed remuneration	308,007	308,007	280,007	280,007
Variable remuneration	150,000	137,620	126,000	110,000
Special remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	1,760	1,760	1,632	1,632
TOTAL	**459,767**	**447,387**	**407,639**	**391,639**

Summary of commitments given to executive corporate officers

Executive corporate officers	Employment contract	Supplementary retirement plan	Compensation or benefits due or liable to be due if positions 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 has been a Director since 3 October 1988. He was Chairman and Chief Executive Officer from 3 October 1988 until 16 November 2009 and he is Chairman of the Board of Directors since 16 November 2009.

Sven Boinet has been a Director since 24 February 2003 and he is Chief Executive Officer since 16 November 2009.

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

Information in this table relates to non-executive corporate officers receiving only attendance fees or other special remuneration.

The Board of Directors establishes the rules for the allocation of attendance fees.

These fees are paid based on the actual participation of the Director in the meetings of the Board and of the special committees, as applicable.

(in €)	Attendance fees for 2010/2011 paid in October 2011	Attendance fees for 2009/2010 paid in September 2010
Olivier Brémond		
Attendance fees	30,000(**)	25,000(*)
Other remuneration	-	-
Ralf Corsten		
Attendance fees	32,000(***)	30,000(*)
Other remuneration	-	-
Marc R. Pasture		
Attendance fees	32,000(***)	30,000(*)
Other remuneration	-	-
Delphine Brémond		
Attendance fees	25,000	30,000
Other remuneration	-	-
Andries Arij Olijslager		
Attendance fees	32,000(***)	30,000(*)
Other remuneration	-	-
TOTAL	**151,000**	**145,000**

(*)Mr O. Brémond effectively received €18,750 (less €6,250 withheld at source and paid directly by Pierre et Vacances SA to the French tax authorities); and Mr R. Corsten, M. Pasture and A. Olijslager effectively received €22,500 each (less €7,500 withheld at source and paid directly by Pierre et Vacances SA to the French tax authorities).
(**)Mr O. Brémond effectively received €22,500 (less €7,500 withheld at source and paid directly by Pierre et Vacances SA to the French tax authorities).
(***)Mr R. Corsten, M. Pasture and A. Olijslager effectively received €24,000 each (less €8,000 withheld at source and paid directly by Pierre et Vacances SA to the French tax authorities).

Loans and guarantees issued by Pierre et Vacances SA

No loan or guarantee has been granted by Pierre et Vacances SA to the members of the Group Executive Management Committee or the Board of Directors.

Share options and bonus shares

Grant policy

The grant policy followed hitherto by the Group identifies:

- occasional grants to a large number of Group executives;
- more regular grants, in principle on an annual basis, to key Group employees;
- special grants to Group employees (executives and non-executives).

This policy is likely to change during future years due to the legislative and regulatory changes in the accounting treatment for share options.

As at this date, the Pierre & Vacances-Center Parcs Group has not granted performance-related shares within the meaning of the AFEP-MEDEF Corporate Governance Code., i.e., bonus shares granted free of charge to executive corporate officers, which are governed by Articles L. 225-197-1 *et seq.* of the French Commercial Code and are subject to additional requirements under the AFEP-MEDEF Corporate Governance Code.

The tables below therefore only relate to bonus share grants, no beneficiary being an executive corporate officer within the meaning of the AFEP-MEDEF Code[(2)].

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

- all bonus share plans are subject to performance-related conditions (with the exception of two plans, see table on page 128);
- bonus shares are only granted to corporate officers if all performance-related conditions have been met;
- the Company has set up a system for linking employees' performance to the performance of the Company (introduction of a special profit-sharing agreement);
- grants are made in the same calendar periods.

(2) *The executive corporate officers within the meaning of the AFEP-MEDEF Corporate Governance Code are the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Operating Officer.*

Share option plans

History of share subscription option plans

At 31 December 2011, 134,900 share subscription options were outstanding.

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

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

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

	2003 option plans		2004 option plan	2005 option plan
Date of Shareholders' Ordinary Meeting	10/03/2003		11/03/2004	11/03/2004
Date of Board of Directors' Meeting	11/04/2003	03/11/2003	07/09/2004	26/09/2005
Total number of shares that may be subscribed for at grant date	25,000	7,150	162,300	1,000
Number of shares that may be subscribed for by the 10 employees granted the largest number of share options	25,000	7,150	51,000	1,000
Number of shares that may be subscribed for by current members of the Board of Directors	15,000	/	8,000	/
of which:				
Thierry Hellin			4,000	
Patricia Damerval	5,000		4,000	
Vesting date	12/04/2007	04/11/2007	08/09/2008	27/09/2009
Subscription price(*)	€44	€63.83	€66.09	€59.89
Expiry date	12/04/2013	04/11/2013	08/09/2014	27/09/2015
Number of shares subscribed for	20,000	/	/	/
Total number of options lapsed	/	/	40,550	/
Total number of options outstanding at the end of the year	5,000	7,150	121,750	1,000

(*)The subscription price corresponds to the average share price quoted during the 20 trading sessions preceding the grant decision, less a 5% discount.

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	2011 share purchase option plan
Date of Shareholders' Ordinary Meeting	11/03/2004 and 10/03/2005	02/03/2006	02/03/2006	02/03/2006	14/02/2008	03/03/2011
Date of Board of Directors' Meeting	26/09/2005	21/07/2006	09/01/2007	07/01/2008	12/01/2009	03/03/2011
Total number of shares that may be purchased at grant date	28,000	16,500	46,875	38,375	5,000	222,500
Number of shares that may be purchased by the 10 employees granted the largest number of share options	28,000	16,500	45,375	38,375	5,000	80,000
Number of shares that may be purchased by current members of the Board of Directors	8,000	/	8,000	8,000	/	105,000
Of which:						
Sven Boinet						35,000
Thierry Hellin	4,000		4,000	4,000		35,000
Patricia Damerval	4,000		4,000	4,000		35,000
Vesting date	27/09/2009	22/07/2010	10/01/2011	08/01/2012	13/01/2013	04/03/2015
Purchase price	€59.89(*)	€80.12(*)	€87.40(*)	€86.10(*)	€39.35(**)	€63.93(**)
Expiry date	27/09/2015	22/07/2016	10/01/2017	08/01/2018	13/01/2019	04/03/2021
Number of shares purchased	/	/	/	/	/	/
Total number of share purchase options lapsed or forfeited	2,000	5,000	/	/	/	1,500
Total number of options outstanding at the end of the year	26,000	11,500	46,875	38,375	5,000	221,000

(*)The purchase price corresponds to the average share price quoted during the 20 trading sessions preceding the grant decision, less a 5% discount.
(**)The purchase price corresponds to the average share price quoted during the 20 stock market sessions preceding the grant decision without a discount.

Share options granted during the financial year to each corporate officer by the Company itself and by any Group company

Corporate officer name	Plan date	Type of options	Number of options granted during the year	Value of options based on the method used for the consolidated financial statements *(in €)*	Exercise price *(in €)*	Exercise period
Sven Boinet	03/03/2011	Share purchase options	35,000	467,628(1)	63.93	04/03/2015 to 04/03/2021
Thierry Hellin	03/03/2011	Share purchase options	35,000	615,300(1)	63.93	04/03/2015 to 04/03/2021
Patricia Damerval	03/03/2011	Share purchase options	35,000	615,300(1)	63.93	04/03/2015 to 04/03/2021

(1) Represents theoretical measurement over the vesting period (four years) on the basis of the price of Pierre et Vacances shares at the date of grant. The options, which will only vest (and therefore may be exercised) from 4 March 2015 subject to conditions of presence and/or performance, have a value of zero due to the decline in the price of Pierre et Vacances shares well below the exercise price.

Regarding the grant to Sven Boinet, in his capacity of Chief Executive Officer of Pierre & Vacances:

- the Board of Directors, in accordance with Article L. 225-185 of the French Commercial Code, decided that Sven Boinet should retain in nominative form 10% of the shares issued from the exercise of share purchase options that were granted to him, until the termination of his term of office as Chief Executive Officer of Pierre & Vacances;
- the Board of Directors, as recommended by the AFEP-MEDEF Corporate Governance Code, decided that the grant to Sven Boinet was subject to a performance-related condition linked to the 2010/2011 Group EBIT.

Share subscription or purchase options exercised during the financial year by each corporate officer

None.

Share options granted to the top 10 receiving employees who are not corporate officers and options exercised by the latter

	Total number of options granted/shares subscribed for or purchased	Weighted average price *(in €)*	Plan date
Options granted during the financial year to the 10 employees thereby receiving the largest number of share options (overall information)	80,000	63.93	03/03/2011
Options exercised during the year by the 10 employees thereby purchasing or subscribing for the largest number of share options (general information)	-	-	-

Bonus shares

History of bonus share plans

	2007 plan	2007 plan	2008 plan	2009 plan	2009 plan	2009 plan
Date of Shareholders' Ordinary Meeting	10/03/2005	10/03/2005	10/03/2005	14/02/2008	12/02/2009	12/02/2009
Date of Board of Directors' Meeting	09/01/2007	09/01/2007	07/01/2008	12/01/2009	12/02/2009	12/02/2009
Total number of beneficiaries	2,207	9	8	57	2	1
Total number of shares granted initially	11,035	16,010	13,010	84,135	3,325	6,575
Total number of shares granted to current members of the Board of Directors	10	3,000	3,000	10,000	/	/
Of which:						
Thierry Hellin	5	1,500	1,500	5,000(***)		
Patricia Damerval	5	1,500	1,500	5,000(***)		
Starting date of the vesting period	09/01/2007	09/01/2007	07/01/2008	12/01/2009	12/02/2009	12/02/2009
Starting date of the lock-in period	10/01/2009	10/01/2009	08/01/2010	13/01/2011	13/02/2011	13/02/2011
Duration of the lock-in period	2 years	2 years	2 years	2 years	2 years	2 years
Grant conditions and criteria	Presence conditions	Presence and performance-related conditions	Presence and performance-related conditions	Presence and performance-related conditions(**)	Presence and performance-related conditions(**)	Presence conditions
Source of the shares to be granted	Shares to be issued	Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares
Number of shares cancelled	2,370	/	/	40,727(*)	2,685(*)	/
Number of shares vested	8,665	16,010	13,010	43,408	640	6,575
Potential dilution resulting from the vesting of shares	8,665	None, the bonus shares granted being existing shares				

(*) At its meeting of 1 December 2009, the Board of Directors found that only some of the performance-related conditions had been met for the first half of the shares granted on 12 January 2009 and 12 February 2009.
At its meeting of 18 January 2011, the Board of Directors found that none of the performance-related conditions had been met for the second half of the shares granted on 12 January 2009.
At its meeting of 14 February 2011, the Board of Directors found that none of the performance-related conditions had been met for the second half of the shares granted on 12 February 2009.

(**) Performance conditions applicable to the first half of shares granted: the indicators are: EBIT, cash flows from operating activities (excluding acquisition) and external indices (SBF 250, property values and tourism values);
Performance conditions applicable to the second half of shares granted: the indicators are: profit attributable to owners of the Company, cash flows from operating activities (excluding acquisition) and the external indices listed above.

(***) The value of bonus shares granted in 2008/2009 amounted to €183,606 for each corporate officer.

Bonus shares granted during financial year 2010/2011 to each corporate officer

None.

Bonus shares becoming available during financial year 2010/2011 for each corporate officer

Corporate officer name	Plan date	Number of shares vested during the year
Thierry Hellin	09/01/2007	1,505
Patricia Damerval	09/01/2007	1,505

Bonus shares granted in 2010/2011 to the top 10 employees who are not corporate officers (general information)

None.

Other items

Summary of trading in the Company's shares

The summary of trading in the Company's shares, as specified in Article L. 621-18-2 of the French Monetary and Financial Code(3), during the previous financial year:

Person concerned	Type of transaction	Number of shares	Transaction date
Thierry Hellin	Disposal	1,505	08/02/2011
Patricia Damerval	Disposal	1,500	08/03/2011

Other shares giving access to the capital

None.

(3) Transactions completed on the Company's shares by executives, related parties and their families.

FINANCIAL STATEMENTS OF THE PARENT COMPANY PIERRE ET VACANCES SA

Income statement

(in € thousands)	Notes	2010/2011	2009/2010
Sales of services		8,451	8,266
Net revenue		**8,451**	**8,266**
Reinvoiced expenses and reversals of write-offs and provisions		12,053	17,528
Other income		3,884	1,743
Operating profit (loss)		**24,388**	**27,537**
Other purchases and external expenses		24,719	24,378
Income and other taxes		381	563
Wages and salaries			
Social security expenses		1,030	914
Depreciation and amortisation		949	1,975
Impairment for current assets			57
Provisions for risks and charges			0
Other operating expenses		4,030	951
Operating expenses		**31,109**	**28,838**
Operating profit (loss)	**12**	**-6,721**	**-1,301**
Financial income from associates and other long-term equity investments		65,715	19,262
Financial income from other securities and non-current assets loans		118	329
Other interest income		8,406	3,659
Reinvoiced expenses and reversals of provisions		316	1,022
Net gains on disposals of marketable securities		51	46
Financial income		**74,606**	**24,318**
Amortisation and provisions on financial assets		2,599	1,829
Interest expense		8,986	4,821
Net (loss) on disposals of marketable securities		14	35
Other financial expenses			
Financial expenses		**11,599**	**6,685**
Net financial income	**13**	**63,007**	**17,633**
PROFIT (LOSS) FROM ORDINARY ACTIVITIES, BEFORE TAX		**56,286**	**16,332**

(in € thousands)	Notes	2010/2011	2009/2010
Non-recurring income from management transactions		0	0
Non-recurring income from capital transactions		29,938	405,414
Reinvoiced expenses and reversals of provisions		300	300
Non-recurring income		**30,238**	**405,714**
Non-recurring expenses on management transactions		359	1,446
Non-recurring expenses on capital transactions		23,879	416,165
Non-recurring depreciation, amortisation and impairment		0	300
Non-recurring expenses		**24,238**	**417,911**
Non-recurring profit (loss)	**14**	**6,000**	**-12,197**
Income tax	15	-12,224	-7,302
Total income		**129,232**	**457,569**
Total expenses		**54,722**	**446,132**
PROFIT (LOSS)		**74,510**	**11,437**

Statement of financial position

Assets

(in € thousands)	Notes	Gross Amount	Depr., amort. & impairm.	Net 30/09/2011	Net 30/09/2010
Intangible assets	**1**	**19,566**	**96**	**19,470**	**19,470**
Property, plant and equipment	**1**				
Other non-current assets		7,512	6,507	1,005	1,242
Assets in progress					
Financial assets	**1, 2, 4**				
Other long-term equity investments		554,541	1,092	553,449	559,124
Loans and other financial assets		2,700	46	2,654	3,435
Non-current assets		**584,319**	**7,741**	**576,578**	**583,271**
Advances and prepayments to suppliers		21		21	21
Trade receivables	4 & 5	15,873	66	15,807	13,255
Other receivables	3, 4, 5	525,004		525,004	342,550
Marketable securities	6	6,158	2,448	3,710	7,384
Cash and cash equivalents	6	4,727		4,727	14,223
Prepaid expenses	4 & 10	2,593		2,593	2,713
Current assets		**554,376**	**2,514**	**551,862**	**380,146**
Deferred expenses	11	1,628		1,628	2,085
TOTAL ASSETS		**1,140,323**	**10,255**	**1,130,068**	**965,502**

Equity and liabilities

(in € thousands)	*Notes*	30/09/2011	30/09/2010
Issued capital		88,215	88,215
Additional paid-in capital		8,691	8,691
Legal reserve		8,822	8,820
Other reserves		2,308	2,308
Retained earnings		477,791	472,480
Profit (loss) for the year		**74,510**	**11,437**
Equity	**7**	**660,337**	**591,951**
Provisions for risks		642	642
Provisions for charges		2,397	1,414
Provisions for risks and charges	**2**	**3,039**	**2,056**
Financial liabilities			
Outstanding bond issue	4	115,000	
Amounts due to credit institutions	4	93,360	113,886
Sundry loans and other borrowings	4 & 8	243,028	237,824
Operating liabilities			
Trade payables	4 & 5	10,044	11,944
Tax and social security liabilities	4	2,440	2,272
Sundry liabilities			
Amounts due to suppliers of non-current assets	4	0	101
Other liabilities	4 & 9	2,766	5,346
Accruals			
Deferred income	4 & 10	54	122
Total liabilities		**466,692**	**371,495**
TOTAL EQUITY AND LIABILITIES		**1,130,068**	**965,502**

Proposed allocation of profit and distribution of dividends for the year

After deduction of all expenses, taxes, depreciation and amortisation, the parent company financial statements show a profit of €74,509,936.18.

It is proposed that it be appropriated as follows:

▪ Profit for the year	€74,509,936.18
▪ Unallocated retained earnings	€477,790,764.28
Total	**€552,300,700.46**
▪ To the legal reserve	€0.00
▪ To shareholders in dividends (8,821,551 x €0.70)	€6,175,085.70
▪ Balance carried forward	€546,125,614.76

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

Following this allocation of profit, equity will break down as follows:

▪ issued capital (8,821,551 x €10)	€88,215,510.00
▪ share premium	€8,635,020.43
▪ merger premium	€55,912.36
▪ legal reserve	€8,821,551.00
▪ other reserves	€2,308,431.46
▪ retained earnings	€546,125,614.76
Total	**€654,162,040.01**

Notes to the parent company financial statements

(The amounts presented in these notes are in € thousands)

Total assets before allocation reported in the statement of financial position at 30 September 2011 (in €):	1,130,067,696
Profit for the year reported in the income statement for the year ended 30 September 2011 (in €):	74,509,936

The reporting period lasts for 12 months, from 1 October 2010 to 30 September 2011.

The parent company financial statements were approved on 29 November 2011.

Significant events for 2010/2011

Issue of OCÉANE convertible bonds

On 25 January 2011, the Pierre & Vacances Group issued €100 million in bonds convertible into new shares or exchangeable for existing shares (OCÉANE), maturing on 1 October 2015. This issue was significantly oversubscribed. The amount was raised to €115 million on 27 January 2011, following the exercise in full of the overallocation option by the transaction's leading banks.

The funds raised by this issue will be used to meet the Group's general financing needs, to finance external growth opportunities, to diversify its sources of finance and to extend its debt maturity.

Transformation plan

In May 2010, the Group embarked on a comprehensive transformation plan aimed at developing its activities as an integrated Group, optimising costs and creating growth.

During the financial year 2010/2011, several initiatives were launched around two major areas:

- increasing revenue (implementing marketing programmes intended to expand sales of the Pierre & Vacances brand products outside France, strategic study of the optimisation of the Group's brand portfolio and offerings, launch of a new reservation website for Pierre & Vacances in May 2011, etc.);
- reducing costs (operational and legal restructuring of the tourism activities in a single business segment called Tourisme Europe, notably involving the closing down of the registered office in Rotterdam, renewal of lease agreements to reduce rent expense, gains on acquisitions, etc.).

In addition, a major investment effort was initiated to modernise the front-office and back-office systems. Almost all IT convergence projects were launched, with durations varying from 12 to 36 months (ERP, Group CRM, common web platform, etc.). These projects are expected to increase revenue and improve operational efficiency.

As part of this transformation plan, the Group overhauled the legal structure of its tourism business segment to align the scope of the legal entities with the new operational organisation.

The following transactions occurred in financial year 2010/2011 in the context of this internal restructuring:

- the exchange of Center Parcs France SCS shares for PV-CP Distribution SA shares for €5,943,000. This exchange follows the merger-acquisition of Center Parcs France SCS by PV-CP Distribution SA on 30 April 2011;
- the sale of the equity interest in PV-CP Distribution SA acquired in the above transaction to Pierre & Vacances Tourisme Europe SA for €5,943,000.

Breaching of thresholds

Ameriprise Financial Inc., acting on behalf of managed funds, breached:

- upwards, on 27 April 2011, the threshold of 5% interest in Pierre et Vacances SA, holding as at that date, on behalf of said funds, 443,600 shares representing as many voting rights, namely 5.03% of the share capital and 3.45% of the voting rights;
- downwards, on 2 August 2011, the threshold of 5% interest in Pierre et Vacances SA, holding as at that date, on behalf of said funds, 440,540 shares representing as many voting rights, namely 4.99% of the share capital and 3.45% of the voting rights.

On 16 November 2011, Financière de l'Échiquier, acting on behalf of managed funds, declared that it breached upwards the threshold of 5% of Pierre et Vacances SA voting rights, holding as at that date, on behalf of said funds, 667,047 shares representing as many voting rights, namely 7.56% of the capital and 5.22% of the voting rights.

Accounting principles and methods

The annual financial statements are presented in accordance with the provisions of the 1999 French General Chart of Accounts (Plan comptable général) (Regulation 99-03 of 29 April 1999 of the French Accounting Regulations Committee, or Comité de la Réglementation Comptable, approved by the ministerial order of 22 June 1999).

Generally accepted accounting principles have been applied, including the principle of prudence, in accordance with the following basic assumptions:

- going concern;
- consistency of accounting methods from one financial year to the next;
- independence of financial years;

and in accordance with professional standards.

The main measurement methods relate to the following:

- tangible and intangible assets: Property, plant and equipment, and intangible assets are measured at their acquisition cost, at their contribution value or at their construction cost.

With the exception of goodwill, the other property, plant and equipment, and intangible asset items are depreciated or amortised using the straight-line method, over their economic lives established as follows:

General installations	10 years
Office furniture and equipment	3 to 10 years

The depreciation or amortisation thus calculated is included in operating profit or loss.

- Investments in associates and other long-term equity investments: shares are valued at their acquisition price or at their contribution value.

  A provision for impairment losses is recognised if this value is greater than the value in use determined at the reporting date taking into account the proportion of equity, the potential profitability or, if applicable, the stock market prices.
- Loans and other financial assets: This line item mainly includes subordinated loans granted to the EIG NPPV3 as part of transactions to securitise "Ownership & Holidays" receivables and accrued interest relating thereto.
- Trade receivables: 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, sundry receivables and accrued income.
- Securitisation transactions: Under the "Ownership & Holidays" sales formulae offered to investors in properties developed and marketed by Pierre et 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 operating companies. Pierre et Vacances regularly securitises these receivables arising from property sales under the "Ownership & Holidays" formula. These refinancing transactions involve transferring the receivables to a banking economic interest group (EIG) in return for payment of the securitisation proceeds.

  A rental agreement covering these repayments is granted to Pierre et Vacances in connection with these property sales through its tourism operating subsidiaries. Thus, on a going concern assumption, the risk that the non-repayment of receivables securitised in the EIG actually falls on Pierre et Vacances is zero. Pierre et Vacances does not own any shares in the capital of the banking EIGs and is not involved in their management. Once receivables have been transferred to the banking EIG, Pierre et Vacances no longer receives any benefit in remuneration of the transferred receivables.

  In legal terms, the transaction is a conventional subrogation in which the banking EIG is substituted for Pierre et Vacances in terms of its rights, actions and privileges, which means Pierre et Vacances can no longer show the receivables on its statement of financial position. Information on total securitised receivables is given in off-statement of financial position commitments.

  The securitisation transaction can generate, on the date of transfer of the receivables, a profit linked to the differential between the rate of return on the receivables and the rate of refinancing of the EIG. This profit was previously recognised in the period in which securitisation was carried out. For securitisation transactions carried out from 1 October 1998 onward, it is now spread over the duration of the transactions.
- Marketable securities: Marketable securities are recognised at their acquisition cost. They are subsequently measured at the lower of their acquisition cost and their market value.
- Pierre et Vacances treasury shares are reported:
  - as assets on the statement of financial position under "Marketable securities", when these shares are explicitly reserved, on acquisition, either to be granted to employees or to stimulate the market under the liquidity agreement;
  - or otherwise as long-term equity investments.
- Prepaid expenses and deferred income: this line item mainly includes current management expenses and income.
- Deferred expenses these expenses correspond to borrowing issue costs.
- Inclusion of subsidiary results: in accordance with statutory provisions, profit or loss of subsidiaries in the form of a partnership exempt from corporate income tax are included in the same year.

Additional information on the statement of financial position and income statement

NOTE 1 NON-CURRENT ASSETS

Tangible and intangible assets	30/09/2010	Acquisitions	Disposals and retirements	30/09/2011
Intangible assets				
Brand names, concessions, patents	96			96
Goodwill	19,469	-	-	19,469
Other intangible assets	-	-	-	-
Intangible assets in progress	-	-	-	-
Total intangible assets	**19,566**	**-**	**-**	**19,566**
Property, plant and equipment				
Miscellaneous fixtures	4,440	171	38	4,573
Office and computer equipment, and furniture	2,913	85	59	2,939
Assets in progress	-	-		
Total property, plant and equipment	**7,352**	**256**	**97**	**7,512**
Financial assets				
Long-term equity investments and related loans and receivables	560,214	279	5,952	554,541
Loans and other financial assets	3,481	41	822	2,700
Total financial assets	**563,695**	**320**	**6,774**	**557,241**
TOTAL GROSS TANGIBLE AND INTANGIBLE ASSETS	**590,614**	**576**	**6,871**	**584,319**

Depreciation, amortisation and impairment	30/09/2010	Increases	Reductions	30/09/2011
Brand names, concessions, patents	96	-	-	96
Goodwill	-	-	-	-
Other intangible assets	-	-	-	-
Total intangible assets	**96**	**-**	**-**	**96**
Property, plant and equipment				
Miscellaneous fixtures	3,515	332	38	3,809
Office and computer equipment, and furniture	2,595	160	58	2,697
Total property, plant and equipment	**6,110**	**492**	**96**	**6,506**
Financial assets				
Long-term equity investments and related loans and receivables	1,090	19	16	1,093
Loans and other financial assets	47	-	-	47
Total financial assets	**1,137**	**19**	**16**	**1,140**
Total depreciation, amortisation and impairment	**7,343**	**511**	**112**	**7,742**
TOTAL NET TANGIBLE AND INTANGIBLE ASSETS	**583,269**	**65**	**6,759**	**576,578**

The decrease in net tangible and intangible assets -€6,691,000 resulted primarily from:

- the reduction in the amount of investments in associates and other long-term equity investments due to the continued implementation of the legal consequences of the operational restructuring of the tourism business (see the section "Significant events for 2010/2011") initiated in the previous year:
  - the exchange of Center Parcs France SCS shares for PV-CP Distribution SA shares €5,943,000. This exchange follows the merger-acquisition of Center Parcs France SCS by PV-CP Distribution SA on 30 April 2011,
  - the sale of the equity interest in PV-CP Distribution SA acquired in the above transaction to Pierre & Vacances Tourisme Europe SA for €5,943,000;
- the sale of the non-voting loan stock in the PVD Espana subsidiary to Tourism Real Estate Property Holding SE for €733,000.

NOTE 2 PROVISIONS

	30/09/2010	Increases	Reductions Used	Reductions Not used	30/09/2011
Provisions for risks and charges	2,056	1,549	566		3,039
Provisions for impairment losses					
Goodwill					-
Investments in associates and other long-term equity investments	1,090	19	9	8	1,092
Financial assets	47				47
Trade receivables	81		15		66
Treasury shares	1,417	1,031			2,448
TOTAL	**4,691**	**2,599**	**590**	**8**	**6,692**

Provisions for risks and charges correspond to:

- provisions covering the net negative positions of the Orion SAS subsidiary totalling €2,332,000;
- legal proceedings of €642,000;
- costs of support funds of €65,000 (provisions relating to property development programmes received as part of the transfer of PV Holding SAS in 2008).

Provisions for impairment losses on investments in associates and other long-term equity investments relate to the following:

- a €1,054,000 interest in Part House SRL;
- a €38,000 interest in Orion SAS.

Provisions for impairment losses on other assets correspond to:

- security deposits amounting to €47,000;
- trade receivables in the amount of €66,000 (provisions relating to customer accounts for property development programmes received as part of the transfer of PV Holding SAS in 2008);
- impairment losses on treasury shares of €2,448,000 in order to restore the value of these Pierre et Vacances SA shares to the average stock market price for the month preceding the reporting date.

NOTE 3 OTHER RECEIVABLES

	30/09/2011	30/09/2010
Current accounts	**515,458**	**337,908**
Pierre & Vacances FI SNC	497,618	325,128
Adagio Holding SAS	8,874	8,856
Pierre & Vacances Maroc	5,333	2,592
Village Nature Val d'Europe	2,624	
Part House SRL	957	1,045
Miscellaneous current accounts - assets	52	287
State and other public authorities	**2,149**	**1,925**
Other receivables and miscellaneous accounts in debit	**7,397**	**2,717**
TOTAL	**525,004**	**342,550**

Pierre & Vacances FI, a subsidiary of Pierre et Vacances SA, is responsible for central cash management for all Group subsidiaries.

Receivables from the State correspond, in particular, to the VAT credit and VAT reimbursement rights totalling €1,967,000.

The line item "Other receivables" includes amounts owed to Pierre et Vacances SA by subsidiaries for corporate income tax, in its capacity as head of the tax consolidation group.

NOTE 4 SUMMARY OF MATURITIES OF RECEIVABLES AND LIABILITIES

		Due date	
Receivables	**Amount**	**Less than 1 year**	**More than 1 year**
Loans	1,365		1,365
Other financial assets	1,335		1,335
Trade receivables	15,873	15,873	
State and other public authorities	2,149	2,149	
Group and associates	515,458	515,458	
Other receivables	7,397	7,397	
Accruals	2,593	2,593	
TOTAL	**546,170**	**543,470**	**2,700**

		Due date		
Liabilities	**Amount**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Outstanding bond issue	115,000		115,000	
Amounts due to credit institutions	93,360	29,000	64,360	
Sundry loans and other borrowings	243,028	242,602		426
Trade payables	10,044	10,044		
Tax and social security liabilities	2,440	2,440		
Other liabilities	2,766	2,766		
Accruals	54	54		
TOTAL	**466,692**	**286,906**	**179,360**	**426**

The outstanding bond issue corresponds to the issuance on 25 January 2011 of €115 million in bonds convertible into new shares or exchangeable for existing shares (OCÉANE), maturing on 1 October 2015.

Amounts due to credit institutions mainly include residual principal related to:

- a €100 million loan taken out during financial year 2009/2010 and amortised on a straight-line basis over five years, whose principal balance at 30 September 2011 amounted to €80 million;
- a €9 million loan taken out on 18 November 2009 and repayable in a single instalment on 31 December 2011;
- bank overdrafts and bank credit balances of €587,000.

The loan of a nominal amount of €100 million is at a variable rate (6-month Euribor + margin). In order to manage the risk associated with interest rate fluctuations, Pierre et Vacances SA enters into interest rate hedging contracts for the entire Group. In this context, Pierre et Vacances SA reinvoices Group companies that have directly taken out bank loans for any losses and profits associated with the hedging of these loans in proportion to the associated liabilities.

Thus, several swap contracts have been entered into by Pierre et 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-statement of financial position commitments".

None of the Pierre et Vacances SA's bank borrowings are based on its debt rating or that of the Group. Amounts due to credit institutions 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 reporting date. 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 INCOME AND EXPENSES

Accrued income	30/09/2011	30/09/2010
Customers	195	134
Repayment of business tax (taxe professionnelle)	154	
Interest on Adagio debt	54	35
Interest on MGM debt	8	12
Share of Domaine du Lac de l'Ailette SNC		45
Interests on swaps	7	
TOTAL	**418**	**226**

Accrued expenses	30/09/2011	30/09/2010
Interest accrued on loans and borrowings	3,772	725
Suppliers	1,263	2,637
TOTAL	**5,035**	**3,362**

NOTE 6 MARKETABLE SECURITIES AND CASH

Marketable securities consist primarily of treasury shares. These amounted to €6,158,000 at 30 September 2011.

Over the course of financial year 2010/2011, the Pierre & Vacances - Center Parcs Group distributed 50,623 Pierre et Vacances SA bonus shares to Group employees.

At 30 September 2011, the Group held:

- 99,130 treasury shares intended to be granted to employees totalling €5,834,000;
- 5,710 shares acquired to adjust the stock market price, for an amount of €324,000.

Impairment of treasury shares for an amount of €2,448,000 was recognised for the year ended 30 September 2011 in order to remeasure these shares using the average stock market price for the last month preceding the reporting date.

Cash and cash equivalents amounted to €4,727,000 at 30 September 2011, compared to €14,223,000 at the end of the previous year.

The decrease in cash was driven by the repayment at maturity (29 December 2010) of the term account opened for an amount of €10,607,000.

This deposit account had been opened on 28 June 2010 with the Spanish bank Caixa, in the context of the acquisition of 50% of the assets of the Spanish residence of Manilva held by the bank.

NOTE 7 CHANGES IN EQUITY

	Issued capital	Additional paid-in capital	Reserves and retained earnings	Profit (loss) for the year	Total equity
Equity at 30 September 2009	**88,196**	**8,616**	**467,362**	**29,293**	**593,467**
Contribution by merger	19	75			
Dividends paid				-13,047	-13,047
Legal reserve					
Retained earnings First-time adoption of CRC 2008-15			9	-9	
Retained earnings			16,237	-16,237	8
Profit (loss) for the year				11,437	11,437
Equity at 30 September 2010	**88,215**	**8,691**	**483,608**	**11,437**	**591,951**
Capital increase					
Dividends paid				-6,124	-6,124
Legal reserve			2	-2	
Retained earnings			5,311	-5,311	
Profit (loss) for the year				74,510	74,510
EQUITY AT 30 SEPTEMBER 2011	**88,215**	**8,691**	**488,921**	**74,510**	**660,337**

NOTE 8 SUNDRY LOANS AND OTHER BORROWINGS

	30/09/2011	30/09/2010
Loans and advances to equity investees	**229,035**	**229,035**
Center Parcs Europe NV	229,035	229,035
Current accounts	**13,567**	**8,363**
Société d'Investissement Touristique et Immobilier	13,549	8,345
Miscellaneous current accounts - liabilities	18	18
Deposits received	**426**	**426**
TOTAL	**243,028**	**237,824**

At 30 September 2011, Société d'Investissement Touristique et Immobilier (S.I.T.I.) owned 44.25% of the share capital of Pierre et Vacances SA.

The financial borrowings held on Center Parcs Europe NV of €229,035,000 correspond to the acquisition price of shares in Center Parcs Holding France SAS. This acquisition of an equity interest in Center Parcs Holding Belgium BV, carried out on 23 July 2010, is part of the operational restructuring of the tourism business of the Pierre & Vacances - Center Parcs Group.

NOTE 9 OTHER LIABILITIES

	30/09/2011	30/09/2010
EIG NPPV III	1,223	2,184
Payables relating to tax consolidation	1,101	2,841
Sundry liabilities	442	322
TOTAL	**2,766**	**5,346**

Payables to EIGs correspond to rent payable relating to securitisation.

Payables relating to tax consolidation are linked to the recognition of tax advances resulting from tax consolidation into Pierre et Vacances SA in its capacity as parent company of the tax consolidation group.

Sundry liabilities correspond to attendance fees due for 2010/2011 for an amount of €151,000 and the share of loss of Domaine du Lac de l'Ailette SNC, an equity investee, for an amount of €262,000.

NOTE 10 ACCRUALS

Assets	30/09/2011	30/09/2010
Rents and rental charges	1,885	1,791
Miscellaneous	708	922
TOTAL PREPAID EXPENSES	**2,593**	**2,713**

The line item "Miscellaneous" included, at 30 September 2011, €701,000 in computer rental prepayments with respect to licences and maintenance.

Liabilities	30/09/2011	30/09/2010
Margin on securitisation	54	122
TOTAL DEFERRED INCOME	**54**	**122**

The margin on securitisation, recognised in deferred income, corresponds to the spreading over the duration of the operation of the profit generated by transactions for the securitisation of receivables arising from sales under the "Ownership & Holidays" formulae. This margin represents the differential between the rate of return on the receivables and the rate of refinancing.

NOTE 11 DEFERRED EXPENSES

	30/09/2010	Increase	Reduction	30/09/2011
Expenses and fees on securitisation	47		28	19
Commission on loan	2,038		429	1,609
TOTAL	**2,085**		**457**	**1,628**

Commissions on loans include bank fees and expenses related to the refinancing of bank loans in 2009/2010.

NOTE 12 ANALYSIS OF OPERATING PROFIT (LOSS)

	2010/2011	2009/2010
Services	1,653	1,620
Miscellaneous rentals	6,798	6,646
Total revenue	**8,451**	**8,266**
Reinvoicing of expenses and fees	12,053	17,528
Miscellaneous	3,884	1,743
Total operating income	**24,388**	**27,537**
Rents and rental charges	8,138	7,709
Miscellaneous fees	3,503	5,562
Other purchases and external expenses	18,519	13,535
Depreciation, amortisation and impairment	949	2,032
Total operating expenses	**31,109**	**28,838**
OPERATING PROFIT (LOSS)	**-6,721**	**-1,301**

Revenue for financial year 2010/2011 mainly consisted of:

- €1,653,000 in reinvoicing of services rendered to subsidiaries for the development of their activities;
- €6,798,000 in reinvoicing subsidiary entities for their shares of rent expenses for the occupation of premises at the Group's registered office at Artois in the 19th district of Paris.

The operating loss was the result of costs inherent in the Group's holding activity.

The change in operating loss for 2010/2011 compared with the previous year is mainly due to the reinvoicing to various Group subsidiaries of the expenses incurred by Pierre et Vacances SA in connection with the grant of bonus shares to employees of those subsidiaries. Operating loss for financial year 2009/2010 had been offset by €3,909,000 in reinvoicing of expenses related to bonus shares granted (and therefore recognised) in 2008/2009.

Such expenses incurred by the Company in 2010/2011 were reinvoiced in full in the same year.

NOTE 13 NET FINANCIAL INCOME

	2010/2011	2009/2010
Financial income from associates and other long-term equity investments	65,715	19,262
Reinvoiced expenses and reversals of provisions	316	1,022
Other interest income	8,406	3,659
Other financial income	169	375
Financial income	**74,606**	**24,318**
Amortisation and provisions on financial assets	2,599	1,829
Interest expense	8,986	4,821
Net expense on disposals of marketable securities	14	35
Other financial expenses	-	
Financial expenses	**11,599**	**6,685**
NET FINANCIAL INCOME	**63,007**	**17,633**

Net financial income for 2010/2011 came at €63,007,000. It consisted primarily of the following:

- dividend income of €65,715,000 from subsidiaries, including:
  - €58,492,000 from PVIH, a sub-holding of property development operations,
  - €3,945,000 from PV Marques, a subsidiary owning the Group's brands (mainly Pierre & Vacances, Maeva and Multivacances) and all of the related intangible assets, excluding Les Senioriales and those operated by the Center Parcs sub-group,
  - €2,971,000 from Pierre & Vacances FI, the Group's central cash management company;
- interest income of €8,318,000 on the current account of Pierre & Vacances FI, a subsidiary responsible for the Group's central cash management;
- income of €148,000 corresponding to the reinvoicing to Center Parcs Europe NV for expenses on sureties and interest rate swaps;
- financial expenses of €11,599,000, including, in particular:
  - impairment losses on financial assets totalling €2,599,000, including:
    - €1,548,000 on investments in associates and other long-term equity investments and risks on corresponding net negative positions,
    - €1,031,000 on treasury shares,
  - interest on bank loans of €6,115,000, including 3,037,000 related to bonds convertible into shares, which were issued during the year,
  - losses on Group receivables and equity interests of €698,000,
  - commissions and expenses on sureties and interest rate swaps of €863,000,
  - interest and commissions on short-term financing of €623,000,
  - expenses of €450,000 relating to refinancing transactions carried out during the year.

Financial income for the financial year 2009/2010 stood at €17,633,000. It mainly consisted of the following:

- dividend income of €19,262,000 from subsidiaries, including:
  - €10,700,000 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 SA,
  - €4,551,000 from PV Marques SAS,
  - €1,996,000 from the former legal structure of Center Parcs operating in France, Center Parcs France SCS,
  - €1,032,000 from PVIH SAS,
  - €936,000 from PV Transactions SA, property development subsidiary conducting real estate transactions;
- interest income of €3,409,000 on the current account of Pierre & Vacances FI SNC;
- income of €736,000 corresponding to the reinvoicing to Center Parcs Europe NV for expenses on sureties and interest rate swaps;
- financial expenses of €6,687,000, including, in particular:
  - impairment losses on financial assets totalling €1,829,000, comprised of:
    - €820,000 on investments in associates and other long-term equity investments and risks on corresponding net negative positions,
    - €1,010,000 on treasury shares,
  - interest on bank loans of €1,143,000,
  - interest and commissions on short-term financing of €1,018,000,
  - expenses of €1,418,000 relating to refinancing transactions carried out during the year,
  - commissions and expenses on sureties and interest rate swaps of €1,141,000.

NOTE 14 NON-RECURRING PROFIT (LOSS)

	2010/2011	2009/2010
Non-recurring profit (loss) on management transactions	-900	-1,446
Non-recurring profit (loss) on capital transactions	6,900	-10,751
Non-recurring increases and reversals, provisions and reinvoicing of expenses		
NON-RECURRING PROFIT (LOSS)	**6,000**	**-12,197**

Non-recurring profit on capital transactions in 2010/2011 corresponds to the gain of €6,900,000 on the sale of the equity interest in PV-CP Distribution to Pierre & Vacances Tourisme Europe in the context of the restructuring of the Group's tourism entities.

Non-recurring loss of €900,000 on capital transactions primarily represents expenses and fees incurred in the context of the Group restructuring activities.

The non-recurring loss for 2009/2010 comprised:

- a loss of €10,700,000 arising from the exchange of shares in Pierre & Vacances Tourisme Europe for those in Center Parcs Holding France SAS following the merger-acquisition thereof;
- an expense of €1,446,000 mainly relating to restructuring costs.

NOTE 15 INCOME TAX

Pierre et Vacances SA formed a tax consolidation group with effect from 1 October 1996. At 30/09/2011, this group included the following companies:

- Pierre et Vacances SA;
- Pierre & Vacances Tourisme Europe SA;
- PV-CP Distribution SA;
- Sogire SA;
- Compagnie Hôtelière Pierre et Vacances SA;
- Société de Gestion de Mandats SARL;
- Club Hôtel Multivacances SAS;
- Pierre & Vacances Transactions SARL;
- Pierre & Vacances Développement 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;
- PV-CP Résidences Exploitation SAS;
- PV-CP Resorts France SAS;
- Pierre & Vacances Investissement XXIV SAS;
- PV-CP Holding Exploitation SAS;
- PV-CP Gestion Exploitation SAS;
- PV Senioriales Promotion et Commercialisation SAS;
- Pierre & Vacances Immobilier Holding SE;
- SICE SNC;
- Holding Rénovation Tourisme SAS;
- Orion SAS;
- Pierre & Vacances Sénioriales Programmes Immobiliers SAS;
- PV Prog Holding SAS,
- CP Prog Holding SAS;
- Société d'Exploitation Touristique Pierre & Vacances Guadeloupe;
- Société d'Exploitation Touristique Pierre & Vacances Martinique;
- Pierre & Vacances Marques SAS;
- Commerces Patrimoine Cap Esterel SNC;
- Pierre & Vacances Esterel Développement SAS;
- Tourism Real Estate Services Holding SE;
- Tourism Real Estate Property Holding SE;

- Pierre & Vacances Investissement XXXXIII SAS;
- Pierre & Vacances Senioriales Exploitation SAS (formerly PVI XXXXIV);
- Pierre & Vacances Investissement XXIV SAS;
- Pierre & Vacances Investissement XXXXVI SAS;
- Pierre & Vacances Investissement XXXXVII SAS;
- Center Parcs Holding Belgique SAS.

Breakdown of the tax expense	
Tax passed on by subsidiaries	11,216
Tax benefits from previous years	1,008
Net tax (benefit)	**12,224**

Each subsidiary in the tax consolidation group recognises its tax as if it were levied separately. Pierre et Vacances SA, as the parent company in the tax consolidation group, records the tax saving resulting from tax consolidation.

In the absence of tax consolidation, the amount of tax that would have been borne by Pierre et Vacances SA in 2010/2011 would have been zero.

Pierre et Vacances SA underwent a tax inspection for the years 2003/2004, 2004/2005 and 2005/2006. Based on a detailed analysis of the reassessment notice received at the end of December 2007 and of the subsequent events, the Company, in close liaison with its legal and tax counsels, and in light of the decisions taken and actions implemented do not anticipate any financial risk.

NOTE 16 INCREASES AND REDUCTIONS IN THE FUTURE TAX LIABILITY

Taxable result of the whole consolidation group lead by Pierre et Vacances SA showed for 2010/2011 an amount of €29,239,000, corresponding to a loss at the standard tax rate that may be carried forward.

NOTE 17 RELATED COMPANIES

Statement of financial position items	Related companies	Equity investees
Net equity interests	**553,739**	**731**
Trade receivables	10,180	851
Other receivables (*)	510,640	11,498
Sundry loans and long-term borrowings (*)	13,567	
Trade payables	5,007	
Other liabilities	1,101	
Income and expense items		
Financial expenses	855	
Financial income	73,835	211
Non-recurring expenses (**)	5,943	
Non-recurring income (**)	12,849	

(*) These line items mainly include current accounts.
(**) Non-recurring profit corresponds to gains on the sale of the equity interests in PV-CP Distribution to Pierre & Vacances Tourisme Europe.

Financial commitments and other information

NOTE 18 OFF-STATEMENT OF FINANCIAL POSITION COMMITMENTS

	30/09/2011	30/09/2010
Endorsements and sureties:	**1,332,200**	**901,218**
Lease payment guarantee	1,124,740	699,537
First-call guarantee to Sogefinerg (Ailette finance lease)	182,684	185,211
Rent payment guarantee following the sale of CPE computer equipment	16,271	8,613
Counter-guarantee given on behalf of TH Hotel Espagne to HSBC for the operating of a residence in Torremolinos	2,200	0
Counter-guarantee given on behalf of Uniqua to Unicredit Bank Austria AGfor the operating of a holiday residence in Vienna	1,200	1,200
Surety issued to SOCCO, a company that performs work related to property development programmes in Avoriaz	883	0
Surety issued by PVSA on behalf of the electricity provider Eon to CP Europe NV	750	0
Counter-guarantee issued to Société Générale on behalf of PV Exploitation Belgique to secure a leasehold agreement	620	620
Guarantee given on behalf of P&V Italia Srl in the acquisition of Résidence de Garden	440	440
Counter-guarantee given to Société Générale on behalf of Crédit Suisse for the operating of a residence in Basel	433	433
Surety on behalf of PVD SA to Colmar Patrimoine - SARL for the purchase of property	198	0
Surety on behalf of PVD SA to the local authority of Courseulles sur Mer for the purchase of land	159	25
Surety issued to Chanel SAS, a company that performs work related to property development programmes in Avoriaz	137	0
Surety on behalf of PVD SA to the local authority of St-Cast-le-Guildo for the purchase of land	100	100
Surety on behalf of PVCI to Mr Noyrez	44	44
Surety on behalf of PVD SA to the local authority of Roybon for the purchase of land	30	30
First-call guarantees to Eurosic under the unilateral promise to sell concluded between Eurosic and the SNCs Hauts de Bruyères Cottages and Bois Francs Cottages	0	2,817
Guarantee on behalf of SNC Chamonix Loisirs to Sté Cie du Mont Blanc	0	110
Surety on behalf of PVD SA to Mr de Bolle for the purchase of land in Neuville sur Ailette	0	128
Surety on behalf of Les Senioriales – Montagnac	1,311	0
Surety on behalf of Les Senioriales – Jonquières	0	1,910
Rent payment guarantee on securitisation transactions:	**248**	**1,092**
Payment of rent on EIG NPPV3 T2 securitisation transactions	10	96
Payment of rent on EIG NPPV3 T3 securitisation transactions	238	996
COMMITMENTS GIVEN	**1,332,448**	**902,310**
Guarantees and pledges:	**2,627**	**2,210**
Guarantee received from Accor for 50% of the counter-guarantee amount to Unicredit Bank Austria AG for the operating of a residence in Vienna	600	600
Guarantee received from Accor for 50% of the counter-guarantee amount to Société Générale for the operating of a residence in Basel	217	217
Rent guarantee deposit - Artois	1,738	1,161
Rent guarantee deposit - Artois Bât. 26	72	72
Rent guarantee deposit - Aubervilliers	0	160
COMMITMENTS RECEIVED	**2,627**	**2,210**
RECIPROCAL COMMITMENTS	**80,000**	**0**

Lease payment guarantees

Pierre et Vacances SA has provided guarantees totalling €1,124,740,000, as described below:

- to Green Buyco BV, a company outside the group, owner of the land and buildings of seven Center Parcs Europe villages, for payment of rent by its operating subsidiaries. At 30 September 2011, outstanding rent commitments for the remaining term of the leases for these seven villages came to €616.0 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. Outstanding rent commitments for the remaining term of the lease amounted to €155.4 million;
- to TH Hotel Espagne, owner of the residence in Torremolinos, for payment of rent for the term of the lease, which stood at €3.1 million;
- to the owner of the Le Dehon residence in Rome, for payment of rent owed by its operating subsidiary Pierre & Vacances Italia SRL. Outstanding rent commitments for the remaining term of the lease came to €13.1 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. Outstanding rent commitments for the remaining term of the lease stood at €26.1 million;
- to Uniqua, owner of the residence in Vienna, for payment of outstanding rent commitments for the remaining term of the lease amounting to €8.6 million;
- to Spectrum Real Estate GmbH, owner of the residence in Munich, for payment of outstanding rent commitments for the remaining term of the lease coming to €8.8 million;
- to the individual owners of the Bonmont residence, for payment of outstanding rent commitments for the remaining term of the lease for the amount of €4.9 million;
- to the individual owners of the Calédonia residence, for outstanding rent commitments for the remaining term of the lease standing at €2.0 million;
- to Llopuig S.L., the owner of the Tossa Del Mare residence, for outstanding rent commitments for the remaining term of the lease of €0.3 million;
- to Diesco De Restauracio S.L., owner of the Calacristal residence, for outstanding rent commitments for the remaining term of the lease amounting to €0.3 million;
- to the owner of the Garden residence in Rome, for outstanding rent commitments for the remaining term of the lease amounting to €1.4 million;
- to La Foncière des Murs for rent commitments related to the Sunparks villages, with an outstanding amount for the term of the leases of €143.7 million;
- to Eurosic for rent commitments related to the Center Parcs village in Chaumont, with an outstanding amount for the term of the leases of €68.8 million;
- to Eurosic for rent commitments related to the Center Parcs village in Bois Francs, with an outstanding amount for the term of the leases of €72.2 million.

First-call guarantee to Sogefinerg (Ailette finance 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 institution 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 remaining financing is based on the transfer of assets to the financial institution as an off-plan sale performed by a property development subsidiary indirectly owned by Pierre & Vacances. The transfer is supplemented by a lease of the facilities. Within the framework of the finance lease for the facilities, Pierre et Vacances SA has granted a first-call guarantee of €182,684,000 that will be amortised over the term of the lease, 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 Group subsidiaries

In the context of bridging loans put in place for property development operations, Pierre et Vacances SA has granted guarantees to banks on behalf of Group subsidiaries totalling €1,311,000.

Reciprocal commitments

Reciprocal commitments correspond to hedging variable rate loans (see Note 4 - "Summary of maturities of receivables and liabilities"). The characteristics of all existing agreements at 30 September 2011 are shown in the table below:

At 30 September 2011, the notional amounts and market values of these swap contracts intended to hedge the variable rate borrowings were as follows:

Rate received	Rate paid	Notional at 30/09/2011 *(in € thousands)*	Market value of hedging contracts *(in € thousands)*	Start date	Maturity date
6-month Euribor	1.7425%	40,000 (1)	-168	28 Dec. 2010	28 Dec. 2013
6-month Euribor	1.7325%	40,000 (2)	-153	28 Dec. 2010	28 Dec. 2013
TOTAL		**80,000**	**-321**		

The market value of the hedging financial instruments was -€321,000 at 30 September 2011, compared with -€223,000 at 30 September 2010.

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

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

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

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

NOTE 19 PARENT COMPANY

The Company’s financial statements are fully consolidated into those of Société d’Investissement Touristique et Immobilier - S.I.T.I. SA.

NOTE 20 REMUNERATION OF EXECUTIVE MANAGEMENT AND DIRECTORS

Attendance fees paid to members of the Board of Directors in 2011 for financial year 2010/2011 were €151,000 compared to €145,000 for 2009/2010.

For the years ending 30 September 2011 and 30 September 2010, no salary (including benefits of any kind) was paid to a corporate officer directly by Pierre et Vacances SA or by any of the Pierre & Vacances-Center Parcs Group companies 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 et 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 S.I.T.I. 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 in proportion to the time spent by each person in managing the Pierre & Vacances - Center Parcs Group companies.

Since these people are on the Group Executive Management Committee, their remuneration is included in the table below.

	2010/2011	2009/2010
Fixed remuneration (1)	2,009,342	1,889,240
Variable remuneration (2)	1,067,895	413,090
Post-employment benefits (3)	48,225	25,060
Share-based remuneration (4)	522,699	185,503
TOTAL	**3,648,161**	**2,512,893**

(1) Including reinstatement of the benefit in kind involving the availability of a company car.
(2) Paid in the financial year following the year for which it is granted. Sven Boinet received no variable bonus in 2009/2010 for 2008/2009, having joined the Group in November 2009.
(3) Includes standard retirement bonuses.
(4) Represents the annual share-based remuneration expense on grants of share options and bonus shares (theoretical measurement on the basis of the price of Pierre et Vacances shares at the date of grant). The options, which will only vest (and therefore may be exercised) from 4 March 2015 subject to conditions of presence and/or performance, have a value of zero due to the decline in the price of Pierre et Vacances shares well below the exercise price.

For each of them, the variable bonus is determined based on the financial performance of the Pierre & Vacances - Center Parcs Group and the achievement of personal objectives.

NOTE 21 LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS

Subsidiaries, associates and other long-term equity investments	Share capital	Equity other than share capital *(excluding profit)*	Interest *(%)*	Gross amount of shares held
Subsidiaries (more than 50% holding):				
Pierre & Vacances Immobilier Holding SE	68,814	4,974	100	68,814
Pierre & Vacances FI SNC	15	4,236	99.00	15
La Financière Pierre & Vacances et Cie SNC	15	0	99.02	15
Cobim SARL	76	192	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	664	55.00	1,054
Pierre & Vacances Courtage SARL	8	-158	99.80	8
Orion SAS	38	-1,897	100.00	38
Pierre & Vacances Investissement XXXVIII SAS	38	-3	100.00	38
Pierre & Vacances Investissement XXXXIII SAS	38	-3	100.00	38
Pierre & Vacances Investissement XXXXV SAS	9	0	100.00	10
Pierre & Vacances Investissement XXXXVI SAS	10	-1	100.00	10
Pierre & Vacances Investissement XXXXVII SAS	10	-1	100.00	10
Pierre & Vacances Investissement XXXVIII SAS	10	-1	100.00	10
Pierre & Vacances Investissement XXXXIX SAS	10	-1	100.00	10
PV-CP Support Services BV			100.00	18
Pierre & Vacances Maroc SAS	27	-1,942	99.97	28
Multi-Resorts Holding BV	18	576	100.00	18
Pierre & Vacances South Europe Holding BV	18	0	100.00	18
Pierre & Vacances Tourisme Europe	52,590	246,348	100.00	422,130
Pierre & Vacances Marques SAS	62,061	1,451	97.78	60,686
Subsidiaries (more than 10%-owned):				
EIG PV-CP Services	150	2	16.00	24
Adagio SAS	1,000	-814	50.00	500
Entwicklungsgesellschaft Ferienhauspark Bostalsee GmbH	100	100	19.90	20
Les Villages Nature de Val d'Europe SAS	18	-1	50.00	226
Villages Nature Management SARL	10	-4	50.00	5

NOTE 22 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A bank surety was set up on 30 November 2011, following the request for recovery from the tax inspection that Pierre et Vacances SA underwent for the years 2003/2004, 2004/2005 and 2005/2006. The Pierre & Vacances - Center Parcs Group, in close liaison with its legal and tax counsels, do not expect this issue to result in a financial risk (see Note 15 - Income tax).

Net carrying amount of shares held	Outstanding loans and advances granted by the Company	Endorsements and sureties given by the Company	Revenue excluding tax for the past year	Profit for the past year	Dividends received by the Company for the year	Comments
68,814	0	0	0	-3,604	58,492	30/09/2011
15	497,618	0	0	-12,824	0	30/09/2011
15	0	0	0	1	0	30/09/2011
0	0	0	0	-234	0	30/09/2011
15	0	0	0	0	0	30/09/2011
15	0	0	0	0	0	30/09/2011
17	957	0	265	-784	0	30/09/2011
0	0	0	352	283	0	30/09/2011
2	0	0	726	-473	0	30/09/2011
38	0	0	0	-1	0	30/09/2011
38	0	0	0	-1	0	30/09/2011
10	0	0	0	-4	0	30/09/2011
10	0	0	0	-3	0	30/09/2011
10	0	0	0	-3	0	30/09/2011
10	0	0	0	-1	0	30/09/2011
10	0	0	0	-1	0	30/09/2011
18						30/09/2011
28	5,333	0	316	-612	0	30/09/2011
18	0	0	0	-26	0	30/09/2011
18	0	0	0	0	0	30/09/2011
422,130	0	0	0	-8,329	0	30/09/2011
60,686	0	0	0	5,491	3,945	30/09/2011
24	0	0	0	0	0	30/09/2011
500	8,874	0	36,637	-611	0	31/12/2010
20						30/09/2011
226	2,624	0	0	-16	0	30/09/2011
5	0	0	0	0	0	30/09/2011

Five-year financial summary

(Articles R. 225-81, R. 225-83 and R. 225-102 of the French Commercial Code)

	Year ending 30 September				
Information type	2007	2008	2009	2010	2011
I- Financial position					
a) Share capital	88,109	88,109	88,196	88,216	88,216
b) Number of shares issued	8,810,911	8,810,911	8,819,576	8,821,551	8,821,551
c) Par value *(in €)*	10.00	10.00	10.00	10.00	10.00
II- Results of transactions					
a) Revenue before tax	9,200	11,143	10,668	8,266	8,451
b) Income before tax, depreciation, amortisation and impairment	64,705	15,045	14,543	4,886	65,236
c) Income tax	-22,211	-10,509	-9,520	-7,302	-12,224
d) Income after tax, depreciation, amortisation and impairment	81,929	19,165	29,293	11,437	74,510
e) Profits distributed	23,789	23,813	13,229	6,175	6,175 (**)
III- Earnings per share *(in €)*					
a) Income after tax, but before depreciation, amortisation and impairment	9.86	2.90	2.73	0.55	8.78
b) Income after tax, depreciation, amortisation and impairment	9.30	2.18	3.32	1.30	8.45
c) Dividend per share	2.70	2.70	1.50	0.70	0.70
IV- Employees					
a) Number of employees					
b) Employee expenses, excluding benefits			None		
c) Employee benefit expenses					

(**) Dividend distribution proposed by the Shareholders' Ordinary Meeting of 6 March 2012.

STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

Year ended 30 September 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Ordinary Meeting, we hereby report to you, for the year ended 30 September 2011, on:

- the audit of the accompanying annual financial statements of Pierre et Vacances;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual 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 annual 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 annual financial statements give a true and fair view of the assets and liabilities and of the financial position of Pierre et Vacances SA at 30 September 2011, as well as of the results of its operations for the year then ended in accordance with French accounting principles and methods.

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 matters:

- the "Significant accounting principles and methods" section of the notes to the financial statements describes the principles and methods related to the measurement of investments in associates and other long-term equity investments. We verified the appropriateness of the accounting methods applied as well as of the information provided in the notes to the annual financial statements.

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

III. Specific verifications and information

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report regarding the fair presentation and consistency with the annual financial statements of the information given in the Board of Directors management report and in the documents sent to shareholders on the financial position and the annual financial statements.

As regards the information provided pursuant to Article L. 225-102-1 of the French Commercial Code on remuneration and benefits paid to executive and non-executive corporate officers and commitments made in their favour, we verified the consistency of this information with the information given in the financial statements or with the data used to prepare the financial statements, and, if applicable, with the information received by the Company from the companies that control it or are controlled by it. On the basis of this work, we certify that this information is accurate and fair.

Pursuant to the law, we satisfied ourselves that the information relating to taking holdings and gaining control and the identity of capital and voting rights holders was contained in the management report.

Paris and Paris La Défense, 10 January 2012

The Statutory Auditors

AACE ÎLE DE FRANCE	Ernst & Young et Autres
Patrick Ughetto	Marie-Henriette Joud

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

Shareholders' Ordinary Meeting called to approve the financial statements for the year ended 30 September 2011

To the Shareholders,

In our capacity as your Company's statutory auditors, we hereby present our report on regulated agreements and commitments.

We are required 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, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. Under the provisions of Article R. 225-31 of the French Commercial Code, you are responsible for assessing the merits of entering into these agreements and commitments with a view to their approval.

In addition, it is our responsibility, where applicable, to report to you the information required by Article R. 225-31 of the French Commercial Code relating to the execution, during the year under review, of agreements and commitments already approved by the Shareholders' Ordinary Meeting.

We performed the procedures that we considered necessary having regard to the professional guidance issued by the French national institute of accountants (Compagnie nationale des commissaires aux comptes) relating to this type of assignment. These procedures consisted of verifying that the information provided to us was consistent with the relevant source documents from which it was taken.

Agreements and commitments submitted for approval by the Shareholders' General Meeting:

Agreements and commitments authorised during the year ended 30 September 2011:

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of an agreement that received prior authorisation from your Board of Directors.

At its meeting of 24 May 2011, your Board of Directors authorised the Company to waive the €385,000 receivable from **PART HOUSE SRL.** This agreement was signed on 26 May 2011.

Persons concerned: Mr Thierry HELLIN, Chairman and Director of Part House and permanent representative of S.I.T.I. on the Board of Directors of Pierre et Vacances.

Agreements and commitments that have not received prior authorisation:

In accordance with Articles L. 225-40 and L. 823-12 of the French Commercial Code, we bring to your attention that the following agreements and commitments did not receive prior authorisation from your Board of Directors.

Our role is to inform you of the reasons why the authorisation process was not followed.

The agreement described below has not been authorised by your Board of Directors by simple omission, as the transaction has been treated by the Company as an intra-group post-merger reclassification of shares.

On 30 April 2011, your Company sold to **PIERRE & VACANCES TOURISME EUROPE SA** the 11,350 shares in PV-CP Distribution received in the context of the Center Parcs France SCS merger for a price of €12,848,831.

Persons concerned:

- Mr Sven BOINET, Chief Executive Officer of Pierre et Vacances and Chairman and Chief Executive Officer of Pierre & Vacances Tourisme Europe
- Mr Thierry HELLIN, permanent representative of S.I.T.I. on the Board of Directors of Pierre et Vacances and permanent representative of Pierre et Vacances on the Board of Directors of Pierre & Vacances Tourisme Europe.

Agreements and commitments already approved by the Shareholders' Ordinary Meeting:

Agreements and commitments approved during previous financial years that remained in effect during the year ended 30 September 2011:

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the following agreements, approved by the Shareholders' Ordinary Meeting during previous financial years, remained in force during the year under review.

With S.I.T.I. - Société d'Investissement Touristique et Immobilier.

Sale and leaseback transaction with Zeeland Investments Beheer BV:

S.I.T.I. has a freely transferable option to purchase 100% of the shares of the company **RECREATIECENTRUM DE EEMHOF BV**, or the buildings of the Eemhof village (owned by CENTER PARCS DE EEMHOF BV, a company wholly owned by **RECREATIECENTRUM DE EEMHOF BV**), initially exercisable within 10 years. This term was extended by five years in 2009/2010, following the signing of a renovation programme for the Eemhof village and including 564 cottages for a total of €14.5 million. Therefore, if the option is exercised, **S.I.T.I.** will acquire 100% of the shares of **RECREATIECENTRUM DE EEMHOF BV**, or ownership of the village buildings, on the 20th anniversary of the sale, or 31 October 2023, for a price of €70 million.

In addition, **PIERRE ET VACANCES** guaranteed to **ZEELAND INVESTMENTS BEHEER B.V.**, for the duration of the lease, the payment of the rent due by its operating subsidiary.

Finally, **PIERRE ET VACANCES** guarantees all obligations of the vendor under the sale contract, which were subscribed by **DN 8 HOLDING BV**, including all representations and guarantees made to the purchaser.

Paris and Paris La Défense, 10 January 2012

The Statutory Auditors

AACE ÎLE DE FRANCE	Ernst & Young et Autres
Patrick Ughetto	Marie-Henriette Joud

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Corporate Governance

ADMINISTRATION – MANAGEMENT

Composition of the Board of Directors

Name	Function	Date first appointed	End of current 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 BRÉMOND	Chairman of the Board of Directors	03/10/1988	Until the Shareholders' Ordinary Meeting called to vote on the financial statements for the financial year ending 30/09/2012	Chairman	/	No	10
Sven BOINET	Chief Executive Officer	24/02/2003		Chief Executive Officer	/	No	25
Olivier BRÉMOND	Director	10/07/1995		/	Company Manager	No	10
SA S.I.T.I., represented by Thierry HELLIN	Director	03/10/2003		Group Deputy CEO	/	No	3,903,548 3,338
Marc R. PASTURE	Director	10/09/1998		/	Consultant	No	10
Ralf CORSTEN	Director	11/03/2004		/	Attorney	Yes	10
GB DEVELOPPEMENT SAS, represented by Patricia DAMERVAL	Director	10/10/2005		Group Deputy CEO	/	No	10 3,343
Andries Arij OLIJSLAGER	Director	06/10/2008		/	Chairman of the Supervisory Board of Eriks BV and of Heijmans NV	No	500
Delphine BRÉMOND	Director	02/12/2008		/		No	10

(1) The criteria given in the AFEP-MEDEF Code are used to assess the independence of directors. The position of each director with regard to the independence criteria has been examined by the Board of Directors during its self-assessment of the way in which it operates.
(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 executives' and directors' duties and their private interests and/or duties.

In addition, to the Company's knowledge, no executive or non-executive corporate officer 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 executive or non-executive corporate officer has been barred by a court from serving as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the affairs of an issuer during at least the last five years.

As of the date of this Registration document, no executive or non-executive corporate 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 drafted by the AFEP and MEDEF, the April 2010 version of which consolidates the corporate governance principles resulting from the consolidation of the report of the AFEP and the MEDEF of October 2003 and their recommendations of January 2007 and October 2008 on the remuneration of executives and those of April 2010 on the representation of women on Boards.

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 165 to 178 of this Registration document).

Offices held in other companies in the last five years

Gérard BRÉMOND, **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 – S.I.T.I.
- Chairman of GB Développement SAS
- Director of Lepeudry et Grimard
- General manager of SCI S.I.T.I. R
- Member of the Supervisory Board of Maroc Télécom

Mr Gérard Brémond was:

- until 23 March 2007, permanent representative of SA S.I.T.I. at the CFICA company
- until 30 May 2007, permanent representative of SA S.I.T.I. at the SERL company
- until 12 December 2008, permanent representative of SA S.I.T.I. at the Lepeudry et Grimard company
- 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 – S.I.T.I.
- Director of Dinard Golf SA

Mr Sven Boinet was:

- until 30 September 2010, Director of EasyJet plc
- 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 BRÉMOND:

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 – S.I.T.I.
  - Kisan (Iceland)
  - Kisan Inc. (United States)

Mr Olivier Brémond was:

- until December 2009, Director of Caoz (Iceland)

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)
  - Sevenload AG (Germany)
- Director of:
  - Deutsche Auslandsgesellschaft (Germany)
- Member of the Advisory Board of:
- Gerling Versicherungen AG (Germany)
- Odewald & Compagnie (Germany)
- Comites GmbH (Germany)
- Hauck & Aufhäuser Privatbankiers GmbH&CoKG (Germany)

Mr Marc Pasture was:

- until 2007, member of the Supervisory Board of RWE-Harpen AG (Germany)
- until 2007, Director of Jöma Beteiligungsgesellschaft GmbH (Germany)
- until January 2010, member of the Supervisory Board of Société de Production Belge SA (Belgium)
- until March 2010, Director of TV Gusto Medien GmbH (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)

Mr Ralf Corsten was:

- until 25 May 2009, Chairman of the Supervisory Board of Messe Berlin GmbH (Germany)

Thierry HELLIN, Group Deputy Chief Executive Officer (4)

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 SARL TSF Jazz

Mr Thierry Hellin was:

- until 23 March 2007, permanent representative of SA Peterhof on the Board of Directors 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 Directors of SA S.I.T.I.
- until 12 September 2010, Joint General Manager of SARL Médiason
- until 31 December 2010, joint general manager of SARL TSF Côte d'Azur

(4) In charge of Human Resources, Development, Sustainable Development, Legal Affairs, Risk Management and General Services.

Patricia DAMERVAL, Group Deputy Chief Executive Officer [(5)]

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 S.I.T.I. on the Board of Driectors of SA Lepeudry et Grimard

Ms Patricia Damerval was:

- until 23 March 2007, permanent representative of SA Clubhotel Multivacances on the Board of Directors of SA CFICA
- until 30 May 2007, Director of SA SERL
- until 14 March 2008, permanent representative of SA S.I.T.I on the Board of Directors of GB Développement SA
- until 16 November 2009, permanent representative of GB Développement SAS on the Board of Directors of SA S.I.T.I.

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
- Chairman of the Supervisory Board of Detailresult Groep 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 BRÉMOND:

Date of birth: 14/07/1966

Business address: /

Ms Delphine Brémond does not hold any office in any other company

Composition of the Committees

At its meeting of 3 March 2011, the Board of Directors formed two permanent specialist Committees: the Audit Committee and the Remuneration Committee.

The specialist Committees are composed of members of the Board of Directors. The Board appoints the members and the Chairman of each of the Committees.

The responsibilities and functioning of these specialist Committees in assisting the Board of Directors in its work are stated in the report of the Chairman on the organisation of the Board and internal control procedures (pages 168 and 169 of this Registration document).

The Audit Committee

The Committee has two members, appointed for the duration of their term of office as a director: Mr Andries Arij Olijslager and Mr Ralf Corsten.

The Committee is chaired by Mr Andries Arij Olijslager.

The Remuneration Committee

The Committee has two members, appointed for the duration of their term of office as a director: Mr Marc Pasture and Mr Ralf Corsten.

The Committee is chaired by Mr Marc Pasture.

(5) In charge of Finance, Development, Audit and Portfolio Management.

Directors' interests

Remuneration of executive and non-executive corporate officers and of members of the Group Executive Management Committee

Remuneration of executive and non-executive corporate officers is detailed on page 121 "Remuneration of directors and members of the Board of Directors".

Total gross remuneration of members of the Group Executive 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 et Vacances SA to the members of the Group Executive Management Committee or the Board of Directors.

Interests of the directors in the capital of Pierre et Vacances SA

This information is given on page 115 in the section entitled "Ownership of shares and voting rights", on page 160 "Composition of the Board of Directors" and on pages 124-129 "Share options and bonus share grants".

There is no convention, agreement or partnership between the Company and the members of the Group Executive Management Committee or 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 strictly observe the recommendations of the AMF (French market authority) concerning executive and non-executive corporate officers declaring transactions involving shares in their Company.

In order that Pierre et Vacances SA can itself abide by these AMF recommendations, the directors must declare to the AMF and Pierre et Vacances SA transactions concerning their shares within five days of the transaction.

The summary of Company share transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code[6], occurring in the last financial year, is shown on page 129.

(6) Transactions completed on the Company's shares by the executives, related 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 2011.

Objectives and procedure

The internal control procedures and organisation that follow are intended to identify, prevent and control the risks that the Group faces. Like any control system, 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 the Group Executive Management and the Deputy Executive Management in charge of Finance, Development, Audit and Portfolio Management (hereinafter referred to as DGAF), 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 tourism and property development businesses. This report was drawn up based on interviews with the heads of the various Finance Departments, Group Internal Audit, as well as written information (descriptions of organisational structures and procedures, audit plans, etc.) provided by these departments.

Transformation plan

The transformation plan started by the Group at the beginning of the financial year has, in particular, resulted in:

- **operational restructuring of the Group's tourism business and a change to its organisational structure:**

This new structure is based around two main areas:

- the combination of the marketing departments of Center Parcs and Pierre & Vacances into a single Distribution Department;
- the combination of the operational structures of Center Parcs and Pierre & Vacances into a single business segment, separate from the marketing business segment.

In addition, a joint Center Parcs and Pierre & Vacances structure has been set up dedicated to supporting tourism operations and centralising all the joint operating processes (maintenance, security, cleaning, catering, etc.).

In addition to this pooling of operational organisations, since 2 May 2011 (backdated to 1 October 2010) the legal structures of Pierre & Vacances Tourisme Europe and Center Parcs Europe have been profoundly changed by restructuring which brought them into compliance with the new operational organisation.

The transformation plan has also resulted in Pierre & Vacances and Center Parcs pooling their support services: the Finance, Legal, Human Resources and IT teams have been combined, joint systems and processes have been set up, back-office and front-office IT systems have been brought together, and the Group's central departments have been concentrated in the registered in the Paris office. All of these functions are now managed by a single body covering the whole scope of Pierre & Vacances and Center Parcs;

- **the Group's governance bodies have been overhauled.**

The Pierre & Vacances Tourisme Europe and Center Parcs Europe business segments have now disappeared, as have each of their governance bodies (loss of two Executive Management positions at Pierre & Vacances Tourisme Europe and Center Parcs Europe).

This reorganisation is accompanied by a geographical combination of the teams with the closure of the office in Rotterdam.

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 the provisions of Article L. 225-37 of the French Commercial Code, the Company indicates that it refers to the Corporate Governance Code for listed companies drafted by the AFEP and MEDEF, the April 2010 version of which consolidates the corporate governance principles resulting from the consolidation of the report of the AFEP and the MEDEF of October 2003 and their recommendations of January 2007 and October 2008 on the remuneration of executives and those of April 2010 on the representation of women on Boards. The Code can be consulted on the website of the MEDEF (www.medef.fr).

The Code's recommendations are part of the approach to corporate governance taken by the Pierre & Vacances-Center Parcs Group, it being specified that their application must be suitable to the size and history 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's seniority within the Board of Directors. The Company considers, however, that Marc Pasture and Andries Olijslager are individuals outside the Group, whose freedom of judgement is not affected, even though they cannot be considered as independent directors according to the AFEP-MEDEF Code;
- the staggering of terms of office of directors: the various co-optations 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 et Vacances SA is composed of nine members, one of whom is classed as an independent director in accordance with the criteria given in the AFEP-MEDEF Code.

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 160 to 163 of the Registration document.

Pursuant to the amendments to the articles of association adopted by the Shareholders' Extraordinary Meeting of the Company of 11 March 2004, the term of office of directors 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 financial year 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 financial year ended, the Board of Directors met six times, with an overall attendance rate of 92%. 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. Documentation relating to agenda items is included with the meeting notice sent to each member of the Board of Directors 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 to present their activities and main results during meetings of the Board of Directors. 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 were invited and attended 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 registered office or at any other venue as permitted by the articles of association. 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 video-conferencing or telecommunication facilities. This option was used on two occasions during the 2010/2011 financial year. In general, after the Board has reviewed and approved 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 Regulations governing how it functions and a Code of Conduct for directors with regard to their office. 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 Regulations specify that the Board should carry out an annual appraisal of its operations. The functioning of the Board is governed by the Company's articles of association, some articles of which were amended by the Shareholders' Combined Ordinary and Extraordinary Meeting of 11 March 2004 and by the Shareholders' Combined Ordinary and Extraordinary Meeting of 14 February 2008 (reducing directors' terms of office from six to three years; prohibiting the appointment of directors 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 video-conferencing or telecommunication facilities) and by Articles L. 225-17 *et seq.* of the French Commercial Code.

In accordance with its Internal Regulations, the Board of Directors carried out its self-assessment at its meeting of 29 November 2011. 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 comply with the AFEP-MEDEF provisions concerning assessment carried out by an 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 S.I.T.I. SA does not abuse its powers of control:

- the Group Executive Management Committee includes executives mostly from the Pierre & Vacances and the Center Parcs structures;
- the other Committees include operational staff from Pierre & Vacances and Center Parcs ensuring that decisions are shared.

Application of the principle of equal representation of women and men on the Board of Directors

The Board of Directors currently has two female members out of a total of nine directors.

This means that the Company already fulfils the first stage necessary for equal representation of women and men on the Board of Directors in application of the Law of 27 January 2011[7].

Role of the Board of Directors

The Board of Directors determines the Company's key strategies and ensures their proper implementation and execution. The Board of Directors is briefed at least once a quarter on the activities of the Group's tourism and property development businesses, and examines the strategic aims of each business. It is regularly informed of the Group's revenue, the progress of significant 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 approval is required for transactions 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 financial 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 business segments, the main topics discussed concerned property transactions and developments (particularly the Citéa/Adagio transaction), corporate governance (distribution of directors' attendance fees, self-assessment of the Board of Directors, set-up of specialist Committees) and the progress of the Group transformation plan.

Committees created by the Board of Directors

At its meeting of 3 March 2011, the Board of Directors formed two permanent specialist Committees to assist it and effectively collaborate in preparing its decisions: the Audit Committee and the Remuneration Committee.

The specialist Committees are composed of members of the Board of Directors. The Board appoints the members and the Chairman of each of the Committees.

The Audit Committee

The Audit Committee has two members (Board members without operational functions), one of whom is independent according to the AFEP-MEDEF criteria. These members have the required skills in accounting, finance, internal control and risk management.

The Committee assists the Board in examining and approving the annual and half-yearly financial statements and, occasionally, with all operations or events that could have a significant impact on the situation of the Group, or its subsidiaries, in terms of commitments and/or risk.

In accordance with Article L. 823-19 of the French Commercial Code, and without prejudice to the skills of the Board of Directors which it does not replace, the Audit Committee is in particular responsible for monitoring the following issues:

- the process of preparing financial information;
- the efficiency of internal control and risk management systems;

(7) The law of 27/01/2011 set at 20% the threshold of representatives of each gender that must be reached at the end of the first Shareholders' Ordinary Meeting after 01/01/2014.

- the legal control of the annual financial statements and consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

In order to carry out its duties, the Audit Committee has access to all accounting and financial documents. It interviews those in charge of preparing the financial statements and the Statutory Auditors in order to obtain assurance that the latter have had access to all the information required to perform due diligence.

Since it was formed, the Audit Committee met once during financial year 2010/2011 to examine the half-yearly financial statements.

The Remuneration Committee

The Remuneration Committee has two members (Board members without operational functions).

The Remuneration Committee is responsible for presenting proposals or recommendations to the Board of Directors relating in particular to:

- the global remuneration policy of the Company's executive and non-executive corporate officers;
- the type and method for calculating the remunerations of these executives after comparison with the practices observed in other companies;
- share options or bonus share grants;
- and, generally, any question submitted to it by the Chairman or Board of Directors regarding the remuneration of executives.

Since it was formed, the Remuneration Committee met once during financial year 2010/2011. During this meeting, the Remuneration Committee discussed the 2011 and 2012 variable remuneration of eligible employees.

Powers of the Executive Management

The meeting of the Board of Directors held on 6 October 2009 opted to separate the functions of Chairman and Chief Executive Officer as of 16 November 2009.

Since 16 November 2009:

- Mr Gérard Brémond is 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 financial year ending 30 September 2012;
- Mr Sven Boinet is 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 financial 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 Shareholders' Ordinary 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

The "Société d'Investissement Touristique et Immobilier" brings together the principal Managers of the Pierre & Vacances-Center Parcs Group. As part of its management activities, S.I.T.I. makes them available to the Group. As such, these executives are included on the Management Committees described below.

Group Executive Management Committee (COMEX)

The Group Executive Management Committee has five 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 (revenue, 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.

The Chief Executive Officers of Pierre & Vacances Développement and Pierre & Vacances Conseil Immobilier take part in this Committee once a month.

Group Management Committee

The Group Management Committee meets once a month. This Committee consists of the COMEX and the principal Managers for 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 COMEX meetings.

Group Development Committee

The Group Development Committee, comprising the Chairman, Chief Executive Officer, two Group Deputy Chief Executive Officers and the Development Manager, meets each week in order to decide on development projects.

Group Tourism Management Committee

The Group Tourism Management Committee meets once a month. This Committee consists of the Chairman, the Chief Executive Officer, the two Group Deputy Chief Executive Officers and the Group Chief Executive Officer for Tourism and his principal deputies. This Committee decides on all questions relating to tourism revenue, and the main decisions on product strategy and price.

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, Chief Executive Officer and Development Manager) and Accor (Chief Executive Officer for Hotel Development and his Deputy Chief Executive Officer).

Property Development Committee

The Property Development Committee meets once a month. This Committee consists of the Chairman and Chief Executive Officer, the main executives of the property development business segment (Pierre & Vacances Développement and Pierre & Vacances Conseil Immobilier) and the Manager of the Treasury/Finance business segment. 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 Development Manager and the Chief Executive Officer of Les Senioriales. It discusses the business and current projects and authorises the purchase of land.

IT Strategy Committee

The IT Strategy Committee meets every six to eight weeks. The Committee consists of representatives of the Group's Executive Management, the Group Finance Management for Operations and Services, the Tourism business segment, and Management of the IT departments of Pierre & Vacances and Center Parcs Europe; it is responsible for monitoring the main IT developments and making the necessary decisions for the budgetary plan.

Management Board and Supervisory Board of Center Parcs Europe

The two corporate governance bodies of Center Parcs Europe NV, a Dutch company, are the Management Board and the Supervisory Board.

The Management Board of Center Parcs Europe NV has two members: the Group Chief Executive Officer for Tourism and the Group Finance Director for Operations and Services. The Management Board is required to comply with the instructions issued by the Supervisory Board in terms of the company's financial, social and economic strategy. The Supervisory Board, consisting of four members (two of whom are not executives of the Group), is specifically responsible for supervising more closely and advising the Management Board on a more regular basis. The Supervisory Board oversees the Management Board and the general conduct of the Company's business. It generally meets four times a year.

Special terms relating to the participation of shareholders in the Shareholders' Ordinary Meeting

Detailed information on special terms relating to the participation of shareholders in Shareholders' Ordinary Meetings is given in the Company's articles of association (Title V – Shareholders' Ordinary Meeting) and is also summarised on page 103-104 of this Registration document.

According to Article 16 of the articles of association, any shareholder, irrespective of the number of shares they hold, is entitled, on proving their identity and their capacity, to participate in Shareholders' Ordinary Meetings subject to entry of their shares in the books at midnight (Paris time) at least three working days before the Shareholders' Ordinary Meeting. The recording or entry in the books 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 executive and non-executive corporate officers

The Board of Directors of Pierre et Vacances SA, at its meeting of 2 December 2008, approved the updated version of the "Corporate Governance Code" ("Recommendations on the remuneration of executive corporate officers of companies whose shares are traded on a regulated market") presented by the MEDEF and AFEP on 6 October 2008. The Board of Directors has undertaken to ensure strict enforcement of these recommendations.

The executive and non-executive corporate officers whose remunerations are detailed in the Board of Directors' report to the Shareholders' Ordinary Meeting receive fixed and variable remuneration in accordance with their employment contract with the company S.I.T.I.[8].The amount set for the variable remuneration is linked to the financial performance of the Pierre & Vacances-Center Parcs Group and to the achievement of personal targets. They can be allocated options to subscribe for or purchase shares and be granted bonus shares in accordance with financial performance criteria.

There are no additional pension schemes specific to executive and non-executive corporate officers. They receive, in accordance with their contract of employment with S.I.T.I., 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 COMEX.

(8) It should be noted that neither Gérard Brémond nor Sven Boinet has an employment contract with S.I.T.I., nor with any of the companies in the Pierre & Vacances-Center Parcs Group.

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 of the Group's parent company,** the Board takes decisions that fall outside the remit of the parent company's executive and non-executive corporate officers (pledges and securities, 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 executive and non-executive 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 in particular.

Committees

The various Committees (COMEX, Group Management Committee, Group 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.

Corporate Departments

A number of the Pierre & Vacances-Center Parcs Group's corporate departments have been assigned internal control responsibilities. This is the case in particular for the Group Internal Audit and the Finance Department for Operations and Services, which are part of the DGAF, as well as the Legal Department, Insurance and Risk Management Department and the Human Resources Department, which are part of the Deputy Executive Management General Secretariat, and, lastly, the Purchasing Department. These corporate departments are centralised at the Group's Paris office and report to the Chief Executive Officer of the Pierre & Vacances-Center Parcs Group.

Their responsibilities include:

- controlling the proper application of policies (financial, legal, purchasing, human resources, etc.) defined at Group level, within the subsidiaries and operational departments of the Pierre & Vacances-Center Parcs Group;
- implementing horizontal strategies on behalf of these subsidiaries and departments, with each department applying its respective area of expertise in close collaboration with the subsidiaries' own teams and the teams of said departments (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 business segments 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 Executive Officers,
  - 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 executives from outside the business segment 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 Tourism, the latter business segment now having the following Departments:
  - three General Operational Departments:
  - Residences (Pierre & Vacances, Maeva and Latitudes Hôtels brands and Pierre & Vacances premium label),

- BNG resorts (Belgium, Germany and the Netherlands/ brands: Center Parcs and Sunparks),
- French resorts (Center Parcs 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 and markets,
- a Deputy Department delegated to the General Tourism Department in charge of shared tourism projects (including the joint venture for refurbishment of Center Parcs Europe) and larger functions such as maintenance, monitoring of site investment and operational risk management.

The corporate departments bring together:

- the Executive Management (which supervises the Purchasing Department, the General Secretariat of the IT Strategy Committee and the Group IT Department);
- the Deputy Executive Management in charge of Finance, Development, Audit and Portfolio Management;
- the Deputy Executive Management in charge of Development, Legal Affairs, Human Resources and Sustainable Development (hereinafter referred to as DGAJ), which supervises the Group Human Resources Department and two Legal Departments (BNG and France/Southern Europe).

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 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 Registration document. Owing to the nature of its business, the Group mainly monitors risks related to the seasonal nature of its business, construction risks, and risks 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 intervenes upstream to secure the Group's legal commitments and monitors disputes involving all of the operational subsidiaries. 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 Legal Department, last year launched a mission to map the risks facing the Group.

As part of its task, numerous interviews took place with key people in the Group in order to get an idea of the perception of risks within the Group.

The risks listed were assessed in terms of impact, frequency and level of control.

A final summary and validation workshop led by Group Executive Management took place in April 2011; this workshop confirmed a list of risks which the Group shall aim to work on as a priority by strengthening its level of control.

Summary of internal control procedures relating to the preparation of financial and accounting information

The DGAF carries out the main internal control tasks relating to the preparation of financial and accounting information, primarily through its Internal Audit Department and the Finance Department for Operations and Services. 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 portfolio or adversely affect its ability to achieve its corporate objectives.

Organisation of the DGAF's finance departments

The DGAF is responsible for central and operational management functions within a framework of delegated responsibilities for each business.

The central functions cover the holding company functions, which are: financial communication and strategic operations, consolidation (accounting and management) and those managed for the whole Group: tax (existance of a Group tax department), cash flow and financing management (existence of a cash flow agreement), internal audit, development of and management of strategic planning and portfolio management.

Management control and accounting tasks are more devolved within the tourism and property development businesses.

"Central" corporate functions

Group Internal Audit: this Department, attached jointly to the DGAF and to the Group Executive Management, was created in financial year 2009/2010 in order to strengthen the effectiveness of the internal control system. This Department operates in the Group's various business segments, within the framework of an annual audit plan and through periodic assignments at the request of the Group Executive Management.

The Group **Financial Communication and Strategic Operations** 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 ensures the overall coherence of financial information disclosures. This Department is also responsible for all of the Group's strategic equity financing transactions (capital increase, bond issue with capital component, etc.).

The Group **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 the Group's accounting procedures. Consolidated financial statements are prepared each quarter, enabling the alignment of accounting transactions and management, thereby providing an additional assurance on the quality and reliability of financial information.

The Group **Tax** Department supervises and coordinates the Group's specific tax policies in each of the countries in which the Group operates (France, the Netherlands, Germany, Belgium, Italy and Spain). It is directly responsible for the Group's tax consolidation in France and functionally supervises the work of the teams of the Accounting Department of the Tourism and Holding entities located in the Netherlands and Germany, and which supervise the tax entities located in the Netherlands, Germany and Belgium. The Group Tax Department advises and assists the operating departments in all issues relating to tax law.

The Group **Treasury/Financing** 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 the cash/debt position between banks, organises invitations to tender on behalf of the Group and ensures the consistency of information published in its scope of activity.

The Group **Development Department** is responsible for external growth operations, acquisitions of property assets (mainly holiday residences), business goodwill, asset disposals and relationships with institutional lessors/owners.

The **Portfolio Management Department** acts as the liaison between the owners and all of the Group Operational Departments for all issues relating to leases and property management of the owners' portfolio. It brings together all the teams and functions dedicated to management of relationships, contracts and properties with regard to owners and multiple owners.

The **Strategic Planning Department** coordinates all of the projects for development of Center Parcs in Europe. This function covers the development strategy, market analyses, business plans, structuring of financing for projects in BNG and the coordination of scheduling among the Project Committees.

"Operational" functions

In order to fulfil as far as possible the expectations of the Operational Departments, the financial functions are now organised as follows: a Property Development Operational Finance Department and a Group Tourism Operational Finance Department, which itself brings together the former Center Parcs and Pierre & Vacances Tourism Europe business segments.

Tourism

The tourism businesses of the Pierre & Vacances-Center Parcs Group, under the responsibility of a single Chief Executive Officer, are organised into three Business Lines: a Residences Business Line, a Resort France Business Line and a Resort BNG Business Line. In addition to these Business Lines there is a Distribution Department which manages all of the direct and indirect distribution and relationship marketing, and an Operational Support Department which provides all the Business Lines with support for maintenance, security, management and catering, among other areas.

To monitor all of the Group's tourism activities, the Operational Finance Department is divided into two business segments: a business segment based in Paris to assist the Residences Business Line and the Distribution Department and a business segment based in Kempervenen in the Netherlands to assist the two Resort Business Lines and the Operational Support Department. In addition to providing operational monitoring and performance appraisals for each of the Business Lines, this organisational structure makes it possible for the sales management control team to centralise monitoring of reservations by price and volume and of the evolution of the distribution channels for all the tourism activities in close collaboration with the Distribution Department and the Business Lines. The Operational Finance Department teams also provide financial monitoring of the tourism activities in Italy and in particular in Spain, where development has accelerated over the past two years.

The Tourism and Holding Company Accounting Department is divided into two teams:

- a team based in France, itself divided into three main departments: accounting services, owner financial management and sales administration. The accounting services department includes three business segments: supplier accounting, bank accounting and general accounting. The accounting services are organised into two centres. In Paris, the accounting departments are grouped together at the registered office. Regional accounting takes place in Cannes. The Owners' Financial Management Department, divided into three further departments, is responsible for administering the database (leases, owners), the receipting and payment of rents and the booking of transactions for Tourisme France and developments. This department also manages the stock of accommodation units to be marketed by Tourisme France. Sales administration is responsible for invoicing, collection, payment reminders, customer account management, prevention and management of customer risks, management of disputes and processing refund claims for 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);
- a team based in the Netherlands, in Kempervennen, in charge of the CP activities of the BNGF zone.

It is divided into five Departments, namely: General Accounting France/Germany, General Accounting the Netherlands/Belgium, Supplier and Collection Management, Customer and Receipt Management, Project Management.

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 within their field of responsibility.

Duties of the Group's financial departments

Group Internal Audit

Group Internal Audit manages and coordinates all of the audit tasks to be carried out as part of the annual audit programme each financial year. The tasks and themes dealt with may affect all of the Group's businesses and subsidiaries.

Tourism

The Operational Finance Department actively participates with the Group Internal Audit and Operating Control in financial audit tasks, but also social and regulatory audits of tourism operations related to holiday residences. These audits are mainly carried out on the operating sites (residences or villages from all the brands). In addition, the Operational Finance Department issues and distributes procedures aimed at limiting the risks of financial losses on-site. The main aim of the on-site audit missions is to ensure that procedures are correctly applied, but also, working closely with the Human Resources Department, to ensure that 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 revenue 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, revenue deletions and reimbursements are traced and analysed;
- the security of property and financial assets. As such, the 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, reminder 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.

The sites audited are either selected by Group Internal Audit at random or according to their profile (holiday villages have greater risk exposure than small residences) or in response to specific requests from Executive Management. There is a more robust programme for the Center Parcs villages given their combined revenue, with a full audit carried out every two years and a "mystery visit" carried out by the Group Internal Audit or by a specialist company where necessary; these visits may either be preventive or triggered by suspicions of fraud.

Group Internal Audit also carries out audits on specific subjects (application of ISO 14001 quality standards, compliance with procedures, etc.).

At the end of each audit assignment, audit reports are drawn up and submitted to the audited sites, to Executive Management and to the external auditors for the larger sites. An action plan is drawn up in collaboration with the site managers concerned and follow-up assessments are performed within a maximum of six months of the initial audit to ensure that the report's recommendations have been applied.

Theft and fraud prevention procedures have been put in place. These procedures include, for the Center Parcs villages, 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.

The Operational Finance Department

The Operational Finance Department supervises and measures the economic 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 business, which are analysed during regular financial reviews with operational managers. It is responsible for preparing the budget, business forecasts and medium-term operating profit (loss). More generally, the Operational Finance Department assists operational managers in all financial matters: simulations, planning (pricing policy, specific actions, etc.) and carries out the financial synthesis of the Group's economic performance.

It also advises on development issues, both in France and worldwide (business plans, profitability simulations on new and renovated property programmes) and on the renewal or creation of leasing formulae or on the reorganisation and rationalisation of the operating businesses.

Lastly, the Operational Finance Department actively participates in designing and implementing new front- and back-office tools.

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: The checks are carried out for each residence/village, then for each combined region; a check is also carried out by the corporate departments of the registered office which consolidate these data for each legal entity, then for each country in which the Group operates.

These checks are supplemented by horizontal accounting checks on revenue, cash flows, suppliers, rental commitments, etc.

In addition to its role in producing accounts, the accounting function's role is to support operational managers in providing financial information, and it takes part in implementing administrative and sales IT tools.

In the absence of a joint tool between the French and Dutch teams, these teams use different tools, namely ANAEL, for France, which is suited to the Pierre & Vacances businesses, and JDE, for the Netherlands, which is suited to the Center Parcs businesses.

A project to harmonise the Group accounting tools in SAP is underway, with roll-out scheduled for 2012.

Quarterly financial statements are prepared for each entity, for cross-checking management reporting. At Center Parcs villages, 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 dashboards 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.

Reporting system

The operations monitoring and control process is built upon a medium-term business plan, budget planning, re-forecasting and the reporting cycle for all of the Group's activities.

The five-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 renovation of assets, pricing trends and forecasts for occupancy rates. The first year of this business plan is used to define, at the end of July, a budgetary framework for the next financial year.

The budgeting process is organised and supervised by the Operational Finance Department in coordination with the businesses and Operational Departments. It has three phases:

- the pre-budget makes it possible for Property Development to identify the programmes and corresponding margins and for the tourism business to estimate the revenue by season and by brand from the development of the offering, the sales strategy and the operational expenses (advertising, personnel, rent, etc.) according to the assumptions of distribution policies, investment plans, salary policy, indices, etc.;
- the framework refines the pre-budget assumptions, in particular for all of the personnel structures and on the tourism businesses through operator validation of the sales targets, variable expenses, and additional revenue streams on each site;

- the budget, finalised in September, consolidates all the assumptions validated for each property development programme and site to site for the resorts and residences being operated. Approved by Group Executive 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.

Quarterly re-forecasts for all businesses in February, May and August of each year allow 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 business, which are analysed at regular intervals by operational managers and transmitted to the Group Finance Department and Executive Management.

- Weekly monitoring of tourism reservations enables the General Tourism Department, the Distribution Department and the Business Lines to optimise the sales policy and yield management, as well as allowing operators to adapt the organisation of operating sites in line with occupancy forecasts.
- Site operating expense reports are compared each month with monthly budgets and actual results recorded the previous year and given to the Business Line Managers and to the various operating managers in the regions concerned. These reports are also reviewed with the Business Lines. 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 Executive Management at meetings of the specialist Committees set up for each business activity (Group Tourism Management Committee, Property Development Committee, Management Board and the Supervisory Board of Center Parcs Europe).

REPORT OF THE STATUTORY AUDITORS, DRAWN UP IN APPLICATION OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE PIERRE ET VACANCES COMPANY

Year ending 30 September 2011

To the Shareholders,

In our capacity as Statutory Auditors of the Pierre et Vacances Company and in application of the provisions of Article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the year ended 30 September 2011.

It is the Chairman's responsibility to prepare and submit for the approval of 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 relating to matters such as corporate governance.

Our role is to:

- report to you our comments on 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 verify 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

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 mainly consist of:

- 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 documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we may 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 comments to make on the information regarding 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 application of the provisions of Article L. 225-37 of the French Commercial Code.

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.

Paris and Paris La Défense, 10 January 2012

The Statutory Auditors

AACE ÎLE DE FRANCE	ERNST & YOUNG et Autres
Patrick Ughetto	Marie-Henriette Joud

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Resolutions presented to the Shareholders' Combined Ordinary and Extraordinary Meeting

REPORT OF THE BOARD OF DIRECTORS ON PROPOSED RESOLUTIONS

Report of the Board on proposed resolutions to be voted on by the Shareholders' Ordinary Meeting

Approval of the financial statements

The Meeting is asked to approve the consolidated and parent company financial statements for 2010/2011 as presented in this document and during the Shareholders' Ordinary Meeting of 6 March 2012.

Appropriation of earnings

Net of all charges, taxes and amortisation, the parent company financial statements show a net profit of €74,509,936.18.

It is proposed that this profit be appropriated as follows:

▪ income for the financial year	€74,509,936.18
▪ unallocated earnings, prior year	€477,790,764.28
Total	€552,300,700.46
▪ to shareholders in dividends	€6,175,085.70
▪ retained earnings	€546,125,614.76

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

This dividend will be payable on 22 March 2012.

Following this appropriation, shareholders' equity at 30 September 2011 will break down as follows:

▪ issued capital	€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	€546,125,614.76
Total	€654,162,040.01

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:

Financial year	Number of shares [(1)]	Per value *(in euros)*	Amount distributed *(in euros)*	Net dividend per share *(in euros)*	Distribution eligible for reduction as in Article L. 158-3-2 of the General Tax Code (CGI) *(in euros)*
2009/2010	8,749,035	10	6,124,324.50	0.70	6,124,324.50
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

(1) Number of shares eligible for dividends for the financial 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 statement of financial position.

More detailed information on these subsidiaries and equity investments is given below:

Significant equity investments

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

Sunparks Bostalsee GmbH

On 28 March 2011, acquisition by Pierre et Vacances SA:

- of 3,475 shares in Sunparks Bostalsee GmbH from Center Parcs Europe NV for €3,475;
- of 1,500 shares in Sunparks Bostalsee GmbH from Société d'Investissement Touristique et Immobilier – S.I.T.I. for €1,500;
- capital increase of Sunparks Bostalsee GmbH subscribed by Pierre et Vacances SA for 14,924 shares, thereby bringing Pierre et Vacances SA's stake to 19.9%.

PV-CP Support Services BV

On 26 May 2011, following the creation of the company PV-CP Support Services BV, Pierre et Vacances SA subscribed for 180 shares (or 100% of the capital) in said company.

Pierre & Vacances Investissement XXXXVIII

On 29 August 2011, following the creation of SAS Pierre & Vacances Investissement XXXXVIII, Pierre et Vacances SA subscribed for 1,000 shares (or 100% of the capital) in said company.

Pierre & Vacances Investissement XXXXIX

On 29 August 2011, following the creation of SAS Pierre & Vacances Investissement XXXXIX, Pierre et Vacances SA subscribed for 1,000 shares (or 100% of the capital) in said company.

Significant disposals

During the last financial year, the Company disposed of the following investment:

PV-CP Distribution

On 30 April 2011, Pierre et Vacances SA sold 11,350 shares in PV-CP Distribution (received as compensation for the merger-acquisition of Center Parcs France SCS by PV-CP Distribution) to the company Pierre & Vacances Tourisme Europe for a price of €12,848,831.

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 2011/2012, the Board being free to distribute the attendance fees between its members.

Regulated agreements

Agreement governed by Article L. 225-38 of the French Commercial Code

A new agreement, previously authorised, has been made during the past financial year. It appears in the report of the Statutory Auditors appended hereto.

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

On 30 April 2011, Pierre et Vacances sold 11,350 shares in the company PV-CP Distribution to Pierre & Vacances Tourisme Europe for the price of €12,848,831.

The Company's Statutory Auditors were notified of this so that they could include it in their special report to be presented to the Shareholder's Ordinary Meeting.

Share buy-back programme

Since the authorisation given by the Shareholders' Ordinary Meeting of 3 March 2011 is valid until 3 September 2012, 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 Shareholders' Combined Ordinary and Extraordinary Meeting of 3 March 2011 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 equity securities held by the Company

As at 31 December 2011, the Company holds 276,553 of its own shares, or 3.14% of the capital:

- 5,728 shares as part of the AMAFI liquidity agreement;
- 26,000 shares were allocated to the share purchase option plan of 26 September 2005;
- 11,500 shares were allocated to the share purchase option plan of 21 July 2006;
- 46,875 shares were allocated to the share purchase option plan of 9 January 2007;
- 38,375 shares were allocated to the share purchase option plan of 7 January 2008;
- 5,000 shares were allocated to the share purchase option plan of 12 January 2009;
- 143,075 shares were allocated to the share purchase option plan of 3 March 2011.

Objectives of the buy-back programme

The shares bought may be used (in descending order of priority) to:

1) give impetus to the market through a liquidity contract according to the AMAFI's Code of Ethics;
2) grant bonus shares and/or share purchase options to executive and non-executive corporate officers of the company and to employees, or to sell shares to employees in the context of sharing in the benefits of the company's expansion, employee shareholding plans or company savings plans;
3) issue shares on the exercise of rights attached to securities giving access to the Company's capital by redemption, conversion, exchange, presentation of warrants or any other means;
4) issue shares as a means of payment or exchange in external growth transactions, in order to minimise the acquisition cost or, more generally, improve the terms of the transaction;
5) cancel shares, on condition that a specific resolution is voted on by the Shareholders' Extraordinary Meeting.

Maximum proportion of the capital, maximum number and details of the shares that the Company proposes to acquire and maximum purchase price

Pierre et Vacances will be able to acquire 10% of its capital, or, as of 31 December 2011, 882,155 shares at a par value of €10 each. Because of the 276,553 shares already held in treasury stock on 31 December 2011, the maximum number of shares that may be acquired as part of this buy-back programme is therefore 605,602, reflecting a theoretical maximum investment of €60,560,200 on the basis of the maximum buying price of €100 specified in the 7th resolution put to the vote of the Shareholders' Ordinary Meeting on 6 March 2012. 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

A total of 18 months from approval by the Shareholders' Combined Ordinary and Extraordinary Meeting of 6 March 2012, that is until 6 September 2013.

Extract from the Board report on the proposed resolutions put before the Shareholders' Extraordinary Meeting (9)

Authorisation for the Board of Directors to cancel the shares bought back under the share buy-back programme

Through the 7th resolution described above, the Shareholders' Meeting is 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 8th 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 aforementioned share buy-back programme. The requested authorisation, which will be for 18 months from the day of the Shareholders' Meeting, would replace that of the same type granted by the Shareholders' Meeting on 3 March 2011.

Authorisation for the Board of Directors to increase the share capital by issuing, with or without preferential subscription rights, shares in the Company and/or securities giving access to the Company's capital

The Meeting is asked to extend the authorisations to increase the share capital. By virtue of these authorisations, the Board of Directors may quickly and flexibly decide to carry out one or more capital increases and shall have the powers required to increase the capital using any means (excluding issues reserved for designated persons) up to a general ceiling that it sets, allowing the Board of Directors to decide which securities to issue and the methods of each issue.

Issues with preferential subscription rights (9th resolution): It is proposed that the Meeting grant a general authorisation for a maximum nominal amount of €44,000,000 with preferential subscription rights.

Issues without preferential subscription rights through a public offering (10th resolution): It is also proposed that the Meeting authorise the Board of Directors to carry out the capital increase by cancelling preferential subscription rights up to a nominal amount of €44,000,000 which will be deducted from the amount provided for above. The Board of Directors will be authorised to set the issue price in accordance with Article R. 225-119 of the French Commercial Code: the issue price will be at least equal to the weighted average price during the last three trading sessions prior to it being set, less a maximum possible discount of 5%.

The total nominal amount of the securities representative of debt giving access to the capital that may be issued based on the 9th and 10th resolutions may not exceed €400,000,000.

(9) The full version of the Board's report on proposed resolutions to be voted on by the Shareholders' Extraordinary Meeting has been sent to the shareholders owning nominal shares and to shareholders owning bearer shares who have requested it.

By virtue of these general authorisations, the Board may therefore increase the share capital using any means authorised by these texts. These general authorisations may not exceed 26 months. The Board must report to the annual Shareholders' Ordinary Meeting on its use of these general authorisations. These authorisations supersede the previous authorisations given by the Shareholders' Combined Ordinary and Extraordinary Meeting on 18 February 2010.

Authorisation for the Board of Directors to carry out a share capital increase with cancellation of preferential subscription rights through private investment

You are asked to authorise the Board of Directors to carry out a share capital increase and to issue, without preferential subscription rights, the Company's shares, and any securities, of any kind, providing access to the Company's capital. The nominal amount of the capital increases that may be carried out based on the 11th resolution may not exceed €44,000,000 and shall be deducted from the general ceiling for the capital increase of €44,000,000.

Your Board of Directors would therefore like to have the resources allowing it, if necessary through private investment, to quickly and flexibly raise the financial resources required for the development of your Company.

This capital increase would take place through private investment as mentioned in Article L. 411-2 of the French Monetary and Financial Code. The order of 22 January 2009 added, to the public offering, the possibility of issuing equity securities without preferential subscription rights through an offering addressed exclusively to qualified investors or to a restricted circle of investors acting on their own behalf. This issue of securities shall be limited to 20% of the share capital per year and shall be deducted from the general ceiling for the capital increase of €44,000,000.

It should be noted that a qualified investor is a person or an entity with the skills and resources required to understand the risks inherent to transactions on financial instruments. The list of these qualified investors is set by regulations. A restricted circle of investors comprises less than 100 persons, other than qualified investors.

The total nominal amount of debt securities that may be issued on the basis of the eleventh resolution may not exceed €400,000,000 and shall be deducted from the nominal ceiling of debt securities that may be issued in accordance with the ninth and tenth resolutions of this Shareholders' Meeting.

Within the framework of this authorisation, the issue price shall be at least equal to the minimum amount fixed by laws and regulations in force at the time this authorisation is used, after correction of this amount, if necessary, to take into account the difference in dated date.

As the regulations currently stand, the issue price of the new shares may not be less than the weighted average price during the last three trading sessions prior to the price being set, less a maximum possible discount of 5%.

This authorisation may not exceed 26 months.

This authorisation supersedes the previous authorisation given by the Shareholders' Combined Ordinary and Extraordinary Meeting on 18 February 2010.

Authorisation for the Board of Directors to increase the amount of share issues carried out, with or without preferential subscription rights, pursuant to the 9th, 10th and 11th resolutions

You are 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 9th, 10th and 11th resolutions.

You are asked to vote on the 12th resolution to increase the number of securities to be issued by up to 15% of the initial number of securities in the issue.

This authorisation may not exceed 26 months.

This authorisation supersedes the previous authorisation given by the Shareholders' Combined Ordinary and Extraordinary Meeting on 3 March 2011.

Authorisation for the Board of Directors to fix the issue price of shares to be issued within the framework of the 10th and 11th resolutions, with cancellation of preferential subscription rights, up to 10% of the capital per year

Article L. 225-136-1 of the French Commercial Code states that in the event of an issue with cancellation of preferential subscription rights, the Shareholders' Extraordinary Meeting may authorise the Board of Directors, up to 10% of the capital per year, to fix the issue price using the methods it chooses.

The issue price may not be lower than the volume weighted average price of the share during the last three trading sessions prior to the issue price being set, less a maximum possible discount of 10%.

In this case, the Board of Directors must draw up an additional report, certified by the Statutory Auditors, describing the conditions of the transaction and giving its assessment of the effective impact on the shareholders' situation.

This authorisation may not exceed 26 months.

This authorisation supersedes the previous authorisation given by the Shareholders' Combined Ordinary and Extraordinary Meeting on 18 February 2010.

Authorisation for the Board of Directors to proceed with capital increases reserved for members of a company savings plan

Within the framework of the authorisations above, shareholders must also decide on a proposed resolution to carry out a capital increase reserved for employees belonging to 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 20 trading 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 nominal amount of the increase or increases which may be carried out by virtue of this authorisation may not be more than €850,000. The authorisation requested shall be granted for a duration of 26 months and shall supersede the similar delegation granted by the Shareholders' Meeting of 3 March 2011.

Authorisation for the Board of Directors to grant share options

Reasons for opening a new share option plan

It should be noted that the Shareholders' Combined Ordinary and Extraordinary Meeting, in its Extraordinary session, on 3 March 2011, authorised the Board of Directors to grant, on one or more occasions, to executive officers and employees, options giving the right to the subscription of new shares in the Company or to purchase existing shares in the Company coming from purchases carried out by it, up to a limit of 250,000 options.

To date, the balance of options to allocate to this plan is 27,500 options. The Board of Directors has therefore decided to submit to the Shareholders' Meeting a plan which is similar to the previous one.

Method of setting the price

The Meeting is asked to approve a new share option plan 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 trading sessions preceding the date of allocation to the 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 10 years.

Your Board of Directors shall inform the Shareholders' Meeting every year of the transactions made under this authorisation.

This authorisation shall supersede the previous authorisation given by the Shareholders' Extraordinary Meeting on 3 March 2011, for the remainder of the unallocated shares.

Authorisation for the Board of Directors to proceed with bonus share grants

You are requested to authorise your Board of Directors, within the framework of Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code, to proceed with bonus share grants already existing or to be issued to executive and non-executive corporate officers and certain employees.

The total number of bonus shares which may be granted by virtue of this authorisation may not exceed 3% of the capital.

By virtue of this authorisation, the Board of Directors shall have all powers to choose the beneficiaries of these grants and to fix, if necessary, the criteria for the grants.

It is proposed that you set at two years the minimum duration of:

- the acquisition period, at the end of which the rights resulting from the bonus share grants shall be converted into shares registered in the name of the beneficiaries;
- and the duration of the share retention obligation for the beneficiaries, starting from the end of the acquisition period.

The Board of Directors will have the option of increasing the durations of the acquisition period and the retention obligation.

This authorisation shall be valid for a duration of 38 months.

Your Board of Directors shall inform the Shareholders' Meeting every year of the transactions made under this authorisation.

This authorisation shall supersede the previous authorisation given by the Shareholders' Extraordinary Meeting of 12 February 2009.

RESOLUTIONS PUT TO THE SHAREHOLDERS' COMBINED ORDINARY AND EXTRAORDINARY MEETING OF 6 MARCH 2012

Within the competence of the annual Shareholders' Ordinary Meeting

(Voting on these resolutions is subject to the quorum and majority conditions specified for Shareholders' Ordinary Meetings)

First resolution

The Shareholders' Meeting, having heard the reports of the Board of Directors and Statutory Auditors on the financial year ending 30 September 2011, 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 Shareholders' Meeting resolves to appropriate the income for the year, reflecting the net profit of €74,509,936.18, plus retained earnings from the previous year to the value of €477,790,764.28, making a total of €552,300,700.46, as follows:

- to shareholders in dividends €6,175,085.70
- retained earnings €546,125,614.76

The dividend to be distributed for the year is therefore €0.70 per share. This dividend will be payable on 22 March 2012.

The Shareholders' Meeting agrees that, in accordance with the provisions of Article L. 225 210 of the French Commercial Code, the amount of the dividend corresponding to shares in treasury stock held on the date they become payable will be allocated to the account "Retained earnings".

The Shareholders' Meeting notes that the dividends paid for each share for the three preceding financial years were as follows:

Financial year	Number of shares (1)	Per value *(in euros)*	Amount distributed *(in euros)*	Net dividend per share *(in euros)*	Distribution eligible for reduction as in Article L. 158-3-2 of the General Tax Code (CGI) *(in euros)*
2009/2010	8,749,035	10	6,124,324.50	0.70	6,124,324.50
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

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

Third resolution

The Shareholders' Ordinary Meeting, having heard the reports of the Board of Directors and Statutory Auditors on the consolidated financial statements for the financial year ending 30 September 2011, approves the consolidated parent company financial statements for that year, as presented, together with the transactions reflected in these financial statements or described in these reports.

Said consolidated financial statements for the year ending 30 September 2011 show consolidated revenue of €1,469.6 million and a net consolidated profit attributable to owners of the Company of €10,499,000.

Fourth resolution

The Shareholders' Ordinary Meeting sets the value of attendance fees to be distributed between the directors for the current year at €180,000.

Fifth resolution

The Shareholders' Ordinary Meeting, having heard the Statutory Auditors' special report on the agreements governed by Articles L. 225-38 *et seq.* of the French Commercial Code, approves the conclusions of said report and the agreements mentioned therein.

Sixth resolution

The Shareholders' Ordinary Meeting, having heard the Statutory Auditors' special report on an agreement governed by Article L. 225-42 of the French Commercial Code, and after taking note of the agreement entered into on 30 April 2011 regarding the sale by Pierre et Vacances to Pierre & Vacances Tourisme Europe of 11,350 shares in the PV-CP Distribution company, ratifies it as an agreement governed by the provisions of Article L. 225-42 of the French Commercial Code.

Seventh resolution

(Authorisation for the Company to buy back its own shares)

The Shareholders' Ordinary Meeting, having heard the report of the Board of Directors, authorises the Board of Directors, with the option to sub-delegate, to trade in the Company's shares, on condition that it complies with the legal and regulatory provisions applicable at the time of the transaction, and, in particular, complies with the conditions and obligations set by the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, and by Articles 241-1 to 241-6 of the General Regulations of the AMF.

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 €60,560,200 based on the share capital at 31 December 2011, taking account of the treasury shares held by the Company at that date.

These transactions must be carried out in line with the rules set out by the General Regulations of the AMF concerning the conditions and trading periods on the market.

This authorisation is designed to allow the Company (in decreasing order of priority) to:

1) give impetus to the market through a liquidity agreement according to the AMAFI's Code of Ethics;
2) grant bonus shares and/or share purchase options to executive and non-executive corporate 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 share ownership plans;
3) issue shares on the exercise of rights attached to securities giving access to the Company's capital by redemption, conversion, exchange, presentation of warrants or any other means;
4) issue shares as a means of payment or exchange in external growth transactions, in order to minimise the acquisition cost or, more generally, improve the terms of the transaction;
5) cancel shares, on condition that a specific resolution is voted on by the Shareholders' Extraordinary Meeting.

The Shareholders' Ordinary 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 bonus share grants 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 the number after the transaction.

The Shareholders' Ordinary Meeting agrees to give all powers to the Board of Directors, with the option to sub-delegate, 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 18 months from this date and terminates, with immediate effect, for the unused fraction, the authorisation given by the Shareholders' Combined Ordinary and Extraordinary Meeting of 3 March 2011.

Within the competence of the Shareholders' Extraordinary Meeting

(Voting on these resolutions is subject to the quorum and majority conditions specified for Shareholders' Extraordinary Meetings)

Eighth 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 Shareholders' Extraordinary Meeting, having heard the report of the Board of Directors and the Statutory Auditors' special report:

- 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 provisions;
- sets the validity of this authorisation to 18 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 Company's articles of association as a result and carry out all the required formalities.

The present authorisation supersedes the previous authorisation given by the Shareholders' Extraordinary Meeting of 3 March 2011, which was not used and which is thereby replaced.

Ninth resolution

(Authorisation for the Board of Directors to carry out a capital increase, with preferential subscription rights – Renewal of the previous authorisation of the same kind given by the Shareholders' Extraordinary Meeting of 18 February 2010, which has not been used and which this authorisation replaces)

The Shareholders' Extraordinary Meeting, having heard the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code, and in particular Article L. 225-129:

- decides to grant the Board of Directors authority to carry out in one or more transactions, at any time, in France or abroad, issuance through a public offering, either in Euros, or in foreign currency or any other currency unit established by reference to more than one currency, Company shares and any other securities giving immediate or eventual access to the Company's capital. The Extraordinary General Meeting decides to remove preferential subscription rights of shareholders to short-term investments, acknowledging that the Board of Directors can, in accordance with article L. 225-135 of the French Commercial Code, grant shareholders the option of a preferential right to subscribe to all or part of the issuance, within the allotted time and in adherence with the stated conditions. This preferential right to subscribe will not give rise to the creation of any negotiable rights, but can, should the Board of Directors deem appropriate, be exercised either irreducibly or reducibly. These securities can take any form in compliance with the applicable laws.
- sets the validity of this authorisation to 26 months from the present Meeting;
- decides that the nominal amount of the capital increases that may take place immediately and/or in the future by virtue of this authorisation may not, under any circumstances, and not taking into account the adjustments that may take place in accordance with the law, exceed an amount of €44,000,000 or its equivalent in foreign currency on the issue date. To this global amount shall be added, if applicable, the nominal amount of the additional shares to issue to preserve, in accordance with the law, the rights of the holders of securities giving entitlement to subscribe for Company shares.
- decides that the nominal amount of the debt securities giving access to capital that may be issued by virtue of this authorisation may not exceed €400,000,000 or its equivalent in foreign currency on the issue date;
- notes that, if applicable, this authorisation shall automatically entail, to the benefit of bearers of securities giving access to the Company's capital, express renunciation by the shareholders of their preferential right to subscribe to the shares to which these securities give entitlement;
- decides that the shareholders may exercise, under the legal conditions, their pre-emptive subscription rights. In addition, the Board of Directors shall have the option of granting shareholders a right to apply for excess shares which shall be exercised in proportion to their entitlements and up to the limit of their requests;
- decides that if the pre-emptive subscriptions and, if applicable, applications for excess shares have not absorbed all of the issue of shares or securities, the Board of Directors may use, in the order that it choose, one or more of the following options:
  - limit the issue to the amount of subscriptions gathered, subject to this amount reaching at least three quarters of the issue decided,
  - freely distribute all or some of the unsubscribed shares,
  - offer to the public all or some of the unsubscribed shares;
- delegates to the Board of Directors, with the option to sub-delegate to the Chief Executive Officer, under the conditions provided by law, all powers to:
  - set the amounts to be issued, determine the dates and terms of the issue and the form of the securities to be created and, generally, take all necessary steps and make all agreements to ensure 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 articles of association,
  - and in general make all agreements, take all measures and complete all formalities necessary for the transactions.

Furthermore, the Shareholders' Combined Ordinary and Extraordinary Meeting grants the Board of Directors the power, at its sole discretion, to charge the fees relating to the capital increases against the additional paid-in capital and to deduct from this amount the sums needed to ensure that the statutory reserve remains equal to one tenth of the new capital after each increase.

In the event of a capital increase, merger or demerger, as with other financial transactions including a preferential subscription right or reserving a priority subscription period for shareholders, the Board of Directors may suspend the exercise of the rights attached to the aforementioned securities for a period of three months at most.

The present authorisation supersedes the previous authorisation given by the Shareholders' Extraordinary Meeting of 18 February 2010, which was not used and which is thereby replaced.

Tenth resolution

(Authorisation for the Board of Directors to increase the capital, with cancellation of the preferential subscription right, through a public offering – Renewal of the previous authorisation of the same kind given by the Shareholders' Extraordinary Meeting of 18 February 2010, which this authorisation replaces)

The Shareholders' Extraordinary Meeting, having heard the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code, and in particular Article L. 225-129:

- decides to grant the Board of Directors authority to decide, on one or more occasions, in the proportions and at the times of its choosing, both in France and abroad, to issue through a public offering, either in euros or in foreign currency or in any other monetary unit established with reference to several currencies, Company shares as well as all other securities giving immediate or future access to the Company's capital. The Shareholders' Extraordinary Meeting decides to cancel shareholders' preferential subscription right to securities to be issued, it being understood that the Board of Directors may, in accordance with the provisions of Article L. 225-135 of the French Commercial Code, grant shareholders an option to subscribe by priority for all or part of the issue, within the period and subject to the conditions which it shall set. This subscription priority shall not result in the creation of negotiable rights, but may, if the Board of Directors deems it appropriate, be exercised both on a pre-emptive basis and for excess shares. These securities may take any form compatible with the laws in force;
- sets the validity of this authorisation to 26 months from the present Meeting;
- decides that the nominal amount of the capital increases that may take place immediately and/or in the future by virtue of this authorisation may not, under any circumstances, and not taking into account the adjustments that may take place in accordance with the law, exceed an amount of €44,000,000 or its equivalent in foreign currency on the issue date. To this global amount shall be added, if applicable, the nominal amount of the additional shares to issue to preserve, in accordance with the law, the rights of the holders of securities giving entitlement to subscribe for Company shares. The maximum nominal amount of the capital increases that may take place by virtue of this authorisation shall be deducted from the global ceiling of the capital increase of €44,000,000 set by the ninth resolution of this Shareholders' Extraordinary Meeting;
- also decides that the nominal amount of the debt securities giving access to capital that may be issued by virtue of this authorisation may not exceed €400,000,000 or its equivalent in foreign currency on the issue date, it being stated that this maximum nominal amount shall be deducted from the nominal amount of €400,000,000 set by the ninth resolution of this Shareholders' Extraordinary Meeting;
- decides that the minimum issue price of the shares shall be at least equal to the minimum value provided for the legal and regulatory provisions applicable when this authorisation is used, after correction, if applicable, of this amount to take into account the difference in dated date, it being stated that at present the minimum price provided for by Article R. 225-119 of the French Commercial Code is equal to the weighted average of the price during the last three trading sessions on the Euronext stock exchange preceding the setting of the subscription price, possibly less a maximum discount of 5%;
- notes that, if applicable, this authorisation shall automatically entail, to the benefit of bearers of securities giving access to the Company's capital, express renunciation by the shareholders of their preferential right to subscribe to the shares to which these securities give entitlement;
- decides that the sum charged to, or having to be charged to the Company for each of the shares issued within the framework of this authorisation, after taking into account, for issues of warrants independent of share subscription, the issue price of the said warrants, shall be fixed in accordance with the legal or regulatory provisions in force at the time of the issue;
- delegates to the Board of Directors, with the option to sub-delegate to the Chief Executive Officer, the same powers as those defined in the ninth resolution above.

This authorisation supersedes the previous authorisation given by the Shareholders' Extraordinary Meeting on 18 February 2010, which it replaces.

Eleventh resolution

(Authorisation for the Board of Directors to increase the capital, with cancellation of the preferential subscription right through private investment – Renewal of the previous authorisation of the same kind given by the Shareholders' Extraordinary Meeting of 18 February 2010, which has not been used and which this authorisation replaces)

The Shareholders' Extraordinary Meeting, after hearing the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code and, in particular Articles L. 225-129, L. 225-135 and L. 225-136:

- decides to grant the Board of Directors authority, on one or more occasions, in the proportions and at the times of its choosing, both in France and abroad, to issue through an offering mentioned in Article L. 411-2 II of the French Monetary and Financial Code, either in euros, foreign currency or any other monetary unit established with reference to several currencies, Company shares, as well as any other securities giving immediate or future access to the Company's capital. The Shareholders' Extraordinary Meeting decides to cancel shareholders' preferential subscription right to securities to be issued, it being understood that the Board of Directors may, in accordance with the provisions of Article L. 225-135 of the French Commercial Code, grant shareholders an option to subscribe by priority for all or part of the issue, within the period and subject to the conditions which it shall set. This subscription priority shall not result in the creation of negotiable rights, but may, if the Board of Directors deems it appropriate, be exercised both on a pre-emptive basis and for excess shares. These securities may take any form compatible with the laws in force;
- sets the validity of this authorisation to 26 months from the present Meeting;
- decides that the nominal amount of the capital increases that may take place immediately and/or in the future by virtue of this authorisation may not, under any circumstances, and not taking into account the adjustments that may take place in accordance with the law, exceed an amount of €44,000,000 or its equivalent in foreign currency on the issue date. The maximum nominal amount of the capital increases that may be carried out by virtue of this authorisation (i) shall be limited to 20% of the capital per year and (ii) shall be deducted from the general ceiling of the capital increase of €44,000,000 fixed by the ninth and tenth resolutions of this Shareholders' Extraordinary Meeting;
- decides that the minimum issue price of the shares shall be at least equal to the minimum value provided for by the legal and regulatory provisions applicable when this authorisation is used, after correction, if applicable, of this amount to take into account the difference in dated date; it should be noted that at present the minimum price provided for by Article R. 225-119 of the French Commercial Code is equal to the weighted average of the price during the last three trading sessions on the Euronext stock exchange preceding the setting of the subscription price, less a maximum possible discount of 5%;
- also decides that the nominal amount of the debt securities giving access to capital that may be issued by virtue of this authorisation may not exceed €400,000,000 or its equivalent in foreign currency on the issue date, it being stated that this maximum nominal amount shall be deducted from the nominal amount of €400,000,000 set by the ninth and tenth resolutions of this Shareholders' Extraordinary Meeting;
- notes that, if applicable, this authorisation shall automatically entail, to the benefit of bearers of securities giving access to the Company's capital, express renunciation by the shareholders of their preferential right to subscribe to the shares to which these securities give entitlement;
- decides that the sum charged to, or having to be charged to the Company for each of the shares issued within the framework of this authorisation, after taking into account, for issues of warrants independent of share subscription, the issue price of the said warrants, shall be fixed in accordance with the legal or regulatory provisions in force at the time of the issue;
- delegates to the Board of Directors, with the option to sub-delegate to the Chief Executive Officer, the same powers as those defined in the eighth resolution above.

The present authorisation supersedes the previous authorisation given by the Shareholders' Extraordinary Meeting on 18 February 2010, which was not used and which is thereby replaced.

Twelfth resolution

(Authorisation for the Board of Directors to increase the amount of issues carried out with or without preferential subscription rights – Renewal of the previous authorisation of the same kind given by the Shareholders' Extraordinary Meeting of 3 March 2011, which has not been used and which this authorisation replaces)

The Shareholders' Extraordinary Meeting, having heard the report of the Board of Directors and the the Statutory Auditors' special report and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

Authorises the Board of Directors, with the option to sub-delegate to the Chief Executive Officer, to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights, as mentioned in the ninth, tenth and eleventh resolutions, within 30 days from the end of the subscription period, up to a maximum of 15% of the initial number of securities in the issue and at the same price as that selected for the initial issue.

The nominal amount of the increase of the issue decided by virtue of this resolution shall be deducted, if applicable, from the general ceiling of the capital increase of €44,000,000 set by the ninth, tenth and eleventh resolutions of this Shareholders' Extraordinary Meeting.

This authorisation is valid for a duration of 26 months from this Meeting.

The present authorisation supersedes the previous authorisation given by the Shareholders' Extraordinary Meeting of 3 March 2011 which was not used and which is thereby replaced.

Thirteenth resolution

(Authorisation for the Board of Directors to fix the issue price of shares to be issued within the framework of the tenth and eleventh resolutions, with cancellation of preferential subscription rights, up to 10% of the capital per year – Renewal of the previous authorisation of the same kind given by the Shareholders' Extraordinary Meeting of 18 February 2010, which has not been used and which this authorisation replaces)

The Shareholders' Extraordinary Meeting, having heard the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code, and in particular Article L. 225-136-1, authorises the Board of Directors, for a duration of 26 months from this Meeting, and in application of the tenth and eleventh resolutions of this Meeting, up to a total of 10% of capital per year and in compliance with the ceiling mentioned in the ninth and tenth resolutions, with the option to sub-delegate to the Chief Executive Officer subject to legal and regulatory conditions, to fix the issue price of all shares and securities giving access to the capital at an issue price different from that selected for the issues authorised by virtue of the tenth and eleventh resolutions above, and in accordance with the following conditions:

The issue price may not be lower than the volume weighted average price of the share during the last three trading sessions prior to the issue price being set, less a maximum possible discount of 10%.

In this case, the Board of Directors must prepare an additional report, certified by the Statutory Auditors, describing the final terms of the transaction and giving its assessment of the effective impact on the shareholders' position.

The present authorisation supersedes the previous authorisation given by the Shareholders' Extraordinary Meeting on 18 February 2010, which was not used and which is thereby replaced.

Fourteenth resolution

(Capital increase reserved for the employees of companies or company combinations who are members of the Group Share Ownership Plan – Renewal of the previous authorisation of the same type given by the Extraordinary General Meeting of 3 March 2011, which was not used and which is replaced by the present authorisation)

The Shareholders' Extraordinary Meeting, having heard the report of the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code, and Articles L. 3332-1 *et seq.* of the French Labour 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 Company's capital, reserved for employees of the companies or company combinations who are members of the Group Share Ownership 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 Company's capital, which may be issued by virtue of this authorisation;
- sets the validity of this authorisation to 26 months from the present Meeting;
- limits the maximum nominal amount 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 20 trading 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 above-mentioned discount if it deems fit. The Board of Directors may also replace some or all of the discount with grants of bonus shares or other securities in application of the following provisions;
- decides that the Board of Directors may provide, as a bonus, for the grant of shares or other securities providing access to the Company's capital, it being understood that the total benefit resulting from this grant may not exceed the legal or regulatory limits. The Shareholders' Meeting also agrees that the features of the other securities providing access to the Company's capital shall be decided by the Board of Directors under the terms required by law;
- grants the Board of Directors, with the option to sub-delegate to the 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 securities to be created and, generally, take all necessary steps and make all agreements to ensure the successful completion of the planned issues, all in compliance with the applicable laws and regulations,
  - note the completion of such issues and make the appropriate amendments to the articles of association,
  - and in general conclude all agreements, take all measures and complete all formalities necessary to the transactions.

Furthermore, the Shareholders' Combined Ordinary and Extraordinary 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 provisions of law 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 Pierre & Vacances Group Share Ownership Plan under the terms required by law.

The present authorisation supersedes the previous authorisation given by the Shareholders' Extraordinary Meeting of 3 March 2011, which was not used and which is thereby replaced.

Fifteenth resolution

(Authorisation to grant corporate executives and certain personnel share options)

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Shareholders' Extraordinary Meetings, having heard the report of the Board of Directors and the Statutory Auditors' special report, authorises the Board of Directors to grant, on one or more occasions, to the benefit of the corporate executives and personnel – or 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 this authorisation, and subject to the conditions provided for in Article L. 225-186-1 of the French Commercial Code, the Board of Directors shall have the option of granting said options:

- either to the corporate executives;
- or to members of salaried personnel of the companies or economic interest groups of which at least 10% of the capital or 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 Company's capital.

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 the options are granted 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 Shareholders' Extraordinary 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 20 trading 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 20 trading 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 according to the provisions prescribed by law.

All powers are given to the Board of Directors acting under the above conditions to grant the above-mentioned share options, 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 share options, according to law and, in general, to decide and carry out all the necessary transactions and formalities.

This authorisation shall supersede the previous authorisation given by the Shareholders' Extraordinary Meeting on 3 March 2011, for the remainder of the unallocated shares.

Sixteenth resolution

(Bonus share grants)

The Shareholders' Extraordinary Meeting, having heard the report of the Board of Directors and the Statutory Auditors' special report, authorises the Board of Directors to proceed with grants of bonus shares already existing or to be issued to executive and non-executive corporate officers and certain employees, in accordance with Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code.

The total number of bonus shares which may be granted by virtue of this authorisation may not exceed 3% of the total number of shares forming the share capital.

By virtue of this authorisation, and subject to the conditions provided for in Article L. 225-197-6 of the French Commercial Code, the Board of Directors shall have the option of making bonus grants of said shares:

- either to the executive and non-executive corporate officers;
- or to members of salaried personnel of the companies or economic interest groups of which at least 10% of the capital or 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 Company's capital or voting rights;
- 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 Company's capital.

The Shareholders' Extraordinary Meeting decides that:

- the acquisition period, at the end of which the rights resulting from the bonus share grants shall be converted into shares registered in the name of the beneficiaries, shall have a minimum duration of two years;
- the duration of the retention obligation of the shares by the beneficiaries shall be fixed at a minimum of two years from the end of the acquisition period;
- the Board of Directors shall have the option of increasing the durations of the acquisition period and the retention obligation.

The bonus shares granted may consist of existing shares or new shares. In this last case, the share capital shall be increased proportionally through incorporation of reserves, profits or additional paid-in capital.

Since the decision to grant bonus shares falls to the Board of Directors, it shall determine the identity of the beneficiaries of the share grants, fix the conditions and, if applicable, the criteria for the share grants as well as the attendance conditions at the expiry of the acquisition period.

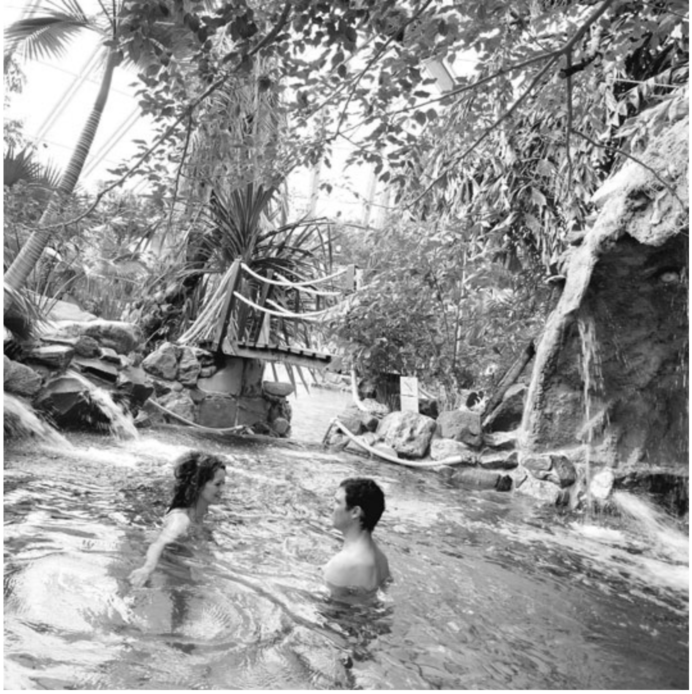
The Board of Directors may make use of this authorisation, on one or more occasions, during a period of 38 months starting from this Meeting.

The Shareholders' Extraordinary Meeting grants all powers to the Board of Directors, with the option to sub-delegate in accordance with the law, to implement this authorisation and in particular to:

- determine if the bonus shares are shares to be issued or existing shares;
- determine the identity of the beneficiaries of the share grants;
- increase, if applicable, the capital by incorporation of reserves, profits or additional paid-in capital to carry out the issue of bonus shares;
- set the conditions and, if applicable, the criteria for granting the shares;
- for bonus shares granted to executive and non-executive corporate officers, either decide that the bonus shares granted may not be sold by the parties in question before they leave their position, or fix the quantity of bonus shares that they must retain in nominative form until they leave their position;
- carry out, if applicable, in order to retain the rights of the beneficiaries, adjustments to the number of bonus shares granted in line with the any transactions carried out on the Company's capital;
- and, more generally, conclude all agreements, prepare all documents, note capital increases following final grants, modify, if applicable, the articles of association as a result, request that the new shares be admitted to trading on Euronext's Eurolist market or any other regulated market, complete all formalities and declarations with all bodies and, more generally, do everything that may be required.

The Shareholders' Meeting notes that this authorisation shall automatically entail the renunciation by the shareholders of the portion of profits, reserves and premiums which, if applicable, would be used to issue new shares.

This authorisation shall supersede the previous authorisation given by the Shareholders' Extraordinary Meeting of 12 February 2009, for the remainder of the unallocated shares.



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Notes

PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS AND THE REGISTRATION DOCUMENT

Name of the persons assuming responsibility for the Registration document

Gérard BRÉMOND, Chairman of the Board of Directors,

Sven BOINET, Chief Executive Officer.

This information is provided under the sole responsibility of the executives of the Company.

Statement by the persons assuming responsibility for the Registration document

After having taken all reasonable measures appropriate, we confirm that the information contained in this Registration document is, to our knowledge, a fair reflection of the true situation and is not subject to any omission likely to impair the meaning thereof.

We hereby confirm, to our knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true picture of the portfolio, 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.* includes an accurate presentation of the 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 at 30 September 2011 presented in chapter 1 of this Registration document have been reported on by the independent auditors in the same chapter, with said report containing a comment on the change in the accounting method taking place during the financial year regarding the definition of the operational sectors, in application of the IFRS 8 standard, following the merger of the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe.

In addition, the consolidated financial statements at 30 September 2010 have been reported on by the independent auditors, with said report containing a comment on the impacts of the new accounting standards IAS 1 Revised and IFRS 8.

We have obtained from the independent auditors a letter of completion, in which they indicate that they have verified the information relating to the financial position and financial statements given in this document and have read the whole of this document.

Paris, 11 January 2012

Gérard BRÉMOND,

Chairman of the Board of Directors

Sven BOINET,

Chief Executive Officer

Statutory Auditors

Principal Auditors:

ERNST & YOUNG & Autres
Marie-Henriette JOUD
1/2 place des Saisons – 92400 COURBEVOIE-PARIS-LA DÉFENSE 1
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
100, rue de Courcelles – 75107 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
1/2 place des Saisons – 92400 COURBEVOIE-PARIS-LA DÉFENSE 1
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
100, rue de Courcelles – 75107 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)	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
Audit								
Statutory Auditors services, certifications, examination of individual and consolidated financial statements	1,196	1,172	49%	73%	341	331	100%	100%
Issuer	329	314	13%	20%	142	37	42%	11%
Fully integrated subsidiaries	867	858	36%	53%	199	294	58%	89%
Other examinations and services directly associated with the task of the Statutory Auditor	129	100	5%	6%				
Issuer	129	50	5%	3%				
Fully integrated subsidiaries		50		3%				
Sub-total	**1,325**	**1,272**	**54%**	**79%**	**341**	**331**	**100%**	**100%**
Other services provided by the networks to fully integrated subsidiaries								
Legal, fiscal, social	1,106	337	46%	21%				
Others (to be specified if >10% of the audit fees)								
Sub-total	**1,106**	**337**	**46%**	**21%**				
TOTAL	**2,431**	**1,609**	**100%**	**100%**	**341**	**331**	**100%**	**100%**

The consolidated parent company financial statements of the Center Parcs Europe subgroup for 2010/2011 and 2009/2010 have been audited by the auditors of the Ernst & Young network in the Netherlands, Germany and Belgium and by Ernst & Young & Autres in France.

In addition, fees for taxation services relate to the review work carried out in 2010/2011 by members of the Ernst & Young network in the Netherlands, Germany and Belgium, primarily as part of the restructuring operations taking place following the implementation of the new organisational structure linked to the transformation plan.

ANNUAL INFORMATION REPORT

The list of information[10] published or made public by the Pierre & Vacances-Center Parcs Group over the last twelve months, in application of Article L. 451-1-1 of the French Monetary and Financial Code and Article L. 222-7 of the General Regulations of the AMF, is as follows:

Financial results

- 2009/2010 Registration document:
  - filed with the AMF on 24 January 2011 under No. D.11-0036;
  - notice of provision of the 2009/2010 Registration document, published on 25 January 2011;
- Shareholders' Combined Ordinary and Extraordinary Meeting of 3 March 2011:
  - meeting notice, published in the *Bulletin des Annonces Légales Obligatoires* of 26 January 2011 (bulletin no. 11);
  - notice of provision of preparatory documents, published on 14 February 2011;
  - meeting notice, published in the *Bulletin des Annonces Légales Obligatoires* of 14 February 2011 (bulletin no. 19) and in the *Journal Spécial des Companies* of 15 February 2011;
  - results of the voting on resolutions, published on 5 March 2011;
  - parent company financial statements – Certifications of the Statutory Auditors on the parent company financial statements and the consolidated financial statements, published in the *Bulletin des Annonces Légales Obligatoires* of 23 March 2011 (bulletin no. 35);
- Financial information:
  - 1st quarter 2010/2011, published on 18 January 2011;
  - 2nd quarter 2010/2011, published on 14 April 2011;
  - 3rd quarter 2010/2011, published on 21 July 2011;
  - 4th quarter 2010/2011, published on 20 October 2011;
- 1st half of 2010/2011:
  - Income in the first half of 2010/2011, published on 26 May 2011;
  - Notice of provision of the 2010/2011 half-yearly financial report, published on 31 May 2011;
  - 2010/2011 half-yearly financial report, published on 31 May 2011;
- 2010/2011 annual income, published on 1 December 2011.

Transactions on the share capital

- Issue of OCÉANE bonds:
  - press release on the launch, 25 January 2011;
  - press release on pricing (setting the final terms), 25 January 2011;
  - press release – visa obtained from the AMF – 25 January 2011;
  - offering circular, 25 January 2011;
  - press release – exercise in full of the over-allotment option – 27 January 2011;
- Half-yearly report on the liquidity agreement:
  - at 31 December 2010, published on 12 January 2011;
  - at 30 June 2011, published on 6 July 2011;
- Declaration of trading in treasury shares:
  - on 11 and 12 August 2011, published on 17 August 2011;
  - on 22 and 29 August 2011, published on 22 and 29 August 2011;
  - from 12 to 16 September 2011, published on 19 September 2011;
  - from 19 to 23 September 2011, published on 26 September 2011;
  - from 9 to 15 November 2011, published on 16 November 2011;
  - from 16 November 2011, published on 23 November 2011;
  - from 8 to 14 December 2011, published on 15 December 2011;
  - from 15 to 22 December 2011, published on 23 December 2011;
  - from 23 to 30 December 2011, published on 2 January 2012;
  - from 2 to 6 January 2012, published on 9 January 2012;
- Monthly declaration of the number of shares and rights on 31 December 2010, 31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 31 October, 30 November and 31 December 2011.

Other information

- Press release – Adagio acquires Citéa and becomes the European no. 1 in city holiday residences – published on 20 May 2011;
- Press release – Adagio confirms the acquisition of Citéa – published on 4 July 2011.

(10) Information is available on the Pierre et Vacances website at http://groupepvcp.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 Registration document:

- the consolidated financial statements and corresponding audit reports shown on pages 34 to 95 (financial report) of the 2009/2010 Registration document registered with the AMF on 24 January 2011 under number D. 11-0036;
- the consolidated financial statements and corresponding audit reports shown on pages 32 to 100 (financial report) of the 2008/2009 Registration document registered with the AMF on 13 January 2010 under number D. 10-0008;
- the Group management report shown on pages 4 to 33 (financial report) of the 2009/2010 Registration document registered with the AMF on 24 January 2011 under number D. 11-0036;
- the Group management report shown on pages 4 to 31 (financial report) of the 2008/2009 Registration document registered with the AMF on 13 January 2010 under number D. 10-0008;
- parts not included in these documents are either irrelevant to the investor or covered elsewhere in the Registration document.

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