

Financial report 2011 - 2012



Groupe
Pierre & Vacances
CenterParcs


PIERRE & VACANCES CENTER PARCS GROUP

Annual Financial Report 2011/2012

AMF

The following document named « Annual Financial Report 2011/2012 » completed with the « Business Report 2011/2012 » make up the whole reference document submitted (in its original French version) to the Autorité des Marchés Financiers* on January 23, 2013 in compliance with the article 212-13 of its general regulation. It may used in connection with a fi nancial transaction if completed by a prospectus approved by the Autorité des Marchés Financiers*. This document was made out by the issuer and commits the responsibility of the signatory.

* French market regulator

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Pierre & Vacances-Center Parcs Group

1

1

GROUP MANAGEMENT REPORT

For 45 years now, the Pierre & Vacances-Center Parcs Group has been developing innovative, environmentally-friendly, holiday and leisure concepts in outstanding natural settings, operated in accordance with sustainable development principles.

The European leader in local tourism, with complementary, well-known brands, namely Pierre & Vacances, Maeva, Center Parcs, Sunparks and Adagio, the Group manages a portfolio of nearly 50,000 apartments and houses, totalling over 231,000 beds, at the seaside, in the mountains, in the countryside or in city centres, in France and in Europe.

Its original business model, which combines tourism and property development, enables it to guarantee the quality of its offering, to evolve and innovate in order to provide customer satisfaction.

During the 2011/2012 financial year, the Group achieved 78% of its revenue from marketing and operating leisure residences or holiday villages, and 22% from property development.

Presentation of Group business and results and their change during financial year 2011/2012

Significant events

Governance

On 1 August 2012, Sven Boinet, Chief Executive Officer of the Pierre & Vacances-Center Parcs Group, left the Group to devote himself to new career projects.

On 2 January 2013, his duties were taken over by Françoise Gri, who had already been involved in formative Group decisions.

Françoise Gri has spent most of her working life at the IBM Group and was appointed as the Group's Chairman and Chief Executive Officer in France in 2001. At IBM she was, in particular, instrumental in transforming the business from selling hardware to providing services, with the company becoming a leader in technological integration in France.

In 2007, she became Chairman of Manpower and led the interim giant's "overhaul", turning it into a group specialising in workforce solutions. After this mission to transform the company had been successfully completed, Françoise Gri became Chairman of ManpowerGroup France and Southern Europe in 2011.

Françoise Gri is a member of the Economic, Social and Environmental Committee (CESE). She sits on the MEDEF Ethics and Employment Committees. She is also a member of the Board of Directors of Edenred and of the Board of Directors of Crédit Agricole.

Shareholders

Breaching of thresholds

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.

Development/Sale of tourism offer

Development of city residences

Launch of the Adagio City Aparthotel in Brazil

In February 2012, Adagio City Aparthotel and Accor Latin America signed a Master Franchise contract to launch the Adagio and Adagio Access brands in Brazil, with the aim of operating around 40 city residences.

The development of the Adagio brand in Brazil will involve both the conversion of some Accor Group hotels into Adagio residences and the construction of five aparthotels.

This contract is a significant international development opportunity for the Adagio brand and also provides a means of breaking into the rapidly expanding Latin American markets.

Center Parcs development projects

Bostalsee Center Parcs (Germany)

Located in the Sarre region of Germany, bordering on both France and Luxembourg, the Bostalsee Center Parcs will open its doors on 28 June 2013 with 350 cottages. Another 150 cottages are due to be added in September 2013.

Financing of the leisure facilities by a semi-public company and the real estate company which owns the cottages, was finalised on 2 December 2011. The cottages were first marketed to private investors at the end of March 2012, and with nearly 200 reservations to date, demonstrate the successful application of the Group's business model abroad, especially in Germany.

Allgäu Center Parcs (Germany)

New milestones were reached this year by the Center Parcs project bordering Bavaria and Baden Württemberg, with approval of the town plan by the Leutkirch and Markt Altusried local authorities. The public inquiry phase in relation to the final plans to be submitted for planning permission has now ended. This park, comprising 800 cottages, is due to open in 2016.

Vienne Center Parcs (France)

The opening of a fifth French Center Parcs, located in Trois-Moutiers and Morton, near Loudun in the Vienne, is planned for spring 2015. On 27 and 28 September 2012, site clearance approval and two planning permissions were granted. The leisure facilities, which form the central focus of the park, and representing a cost of €130 million, will be financed by a semi-public company, with the local French département holding the majority interest. The sale of the 800 cottages to institutional investors (3 plots of land, being a total of 340 cottages, have been reserved under contract) and private investors has begun.

Villages Nature development projects

Located just 6 kilometres away from Disneyland Paris, Villages Nature is a new and innovative tourist destination project, based on a new sustainable tourism development model which focuses on harmony between Man and Nature. This project is being led by Les Villages

Nature de Val d'Europe S.A.S. – a joint venture created as an equal partnership between Euro Disney and the Pierre & Vacances-Center Parcs Group – with active support from central and local government, including the Ile-de-France region and Seine-et-Marne *département*.

A number of milestones were reached in 2011/2012 including, in particular, in the last quarter of the financial year:

- five planning permissions obtained for the first wave of 857 accommodation units (apartments and cottages) and for two-thirds of the facilities;
- completion of the public procedures signed by the departmental prefect at the end of July 2012 (declaration of public utility, approval of assignment of land, site clearance authorisation) and in September 2012 (authorisation under the water act).

Marketing to private investors will start in the first half of 2013, with opening to the public planned for spring 2016.

Morocco development project

On 10 December 2012, the Group signed a strategic partnership agreement with the *Caisse de Dépôt et de Gestion* du Maroc.

In addition to the resort which is being developed in Marrakesh (480 holiday residence apartments and houses and 540 apartments and houses for permanent residences), the two Groups have decided to extend the scope of their partnership to cover the resorts of Taghazout and Saïdia.

- The *Caisse de Dépôt et de Gestion* will provide the financing (with the aim of opening investment company capital up to domestic and international partners) and will project manage these developments;
- The Pierre & Vacances-Center Parcs Group will be mandated to manage the tourist resorts and holiday residences. In addition, it will have a 25% stake in the Marrakesh property development programme and will also conduct its property sales in Morocco and Europe.

Withdrawal from the Latitudes Hôtel business

On 12 April 2012, the Group sold the business goodwill of the Latitudes hotel in Valescure to "SNC Compagnie Hôtelière Saint-Raphaël Valescure", for €650,000, thereby finalising its policy of withdrawing from the hotel business. By 30 September 2012, the Group was no longer operating any residences under this brand name.

Operation/Renovation

Renovation of the Domaine des Hauts de Bruyères Center Parcs (Sologne)

On 22 November 2011, the Group acquired 350 cottages in the Domaine des Hauts de Bruyères from Eurosic as part of a property renovation project which was completed in the 3rd quarter of the financial year. The works amounted to a total investment of nearly €20 million.

Renovation of Seven Center Parcs in the Netherlands, Germany and Belgium

Over the financial year 2011/2012, the Group continued to invest, on behalf of the Blackstone Group, in upgrading the accommodation provided in seven villages owned by Blackstone in the Netherlands, Germany and Belgium. These renovation works, accounting for a total investment of €30 million, were finalised prior to summer 2012.

Property development

Extension of the Censi-Bouvard tax incentive until 2016

France's revised budget for 2012, approved on 29 February 2012, extended the Censi-Bouvard tax incentive for service residences, including holiday residences, until the end of 2014 (11% tax break for accommodation acquired before 1 January 2015, where the application for planning permission was filed prior to 1 January 2012, and where the accommodation forms part of a property complex in which at least one unit was acquired before 30 June 2012).

On 20 December 2012, the French National Assembly adopted, in its final reading, an extension of the Censi-Bouvard 11% tax break for a further four years, that is, until the end of 2016, with no conditions of the type required for the first extension.

In addition:

- our investors will continue to benefit from VAT refunds and tax arrangements for non-commercial furnished property tenants (Loueur en Meublé Non Professionnel), under which depreciation of the property and furniture can be deducted from rental revenues;
- the Group is making use of alternative means of financing, such as the block sale of a significant proportion of development programmes to institutional investors or investment vehicles (REITs, OPCIs etc.).

1

Group revenue

Over the full financial year from 1 October 2011 to 30 September 2012, Group revenue totalled €1,419.1 million.

(in € millions)	2011/2012	2010/2011 on a like-for-like basis (*)	Change on a like-for-like basis	2010/2011
Tourism	**1,107.5**	**1,122.7**	**-1.3%**	**1,097.0**
Rental revenue	*731.9*	*734.4*	*-0.3%*	*702.9*
Pierre & Vacances Tourisme Europe (1)	592.7	598.4	-0.9%	569.9
Center Parcs Europe (2)	514.8	524.3	-1.8%	527.1
Property development	**311.5**	**372.6**	**-16.4%**	**372.6**
TOTAL, FINANCIAL YEAR	**1,419.1**	**1,495.2**	**-5.1%**	**1,469.6**

(1) Pierre & Vacances Tourisme Europe incorporates the Pierre & Vacances, Adagio City Aparthotel, Maeva and Latitudes Hôtels brands.
(2) Center Parcs Europe incorporates 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 + €28.5 million in 2010/2011, including + €26.6 million of rental revenue),*
   - *reclassification of "rental revenue" as "revenue from services" for revenue from the Adagio residences operated by external management companies (€4.9 million);*
2. *For Center Parcs Europe:*
   - *as of 1 October 2011, the alignment of internal commission rates on revenue from Center Parcs in France with the rates historically applied at PVTE (increase in "rental revenue" and equivalent drop in "revenue from services" of €9.9 million),*
   - *the outsourcing of catering in Center Parcs villages (€2.8 million).*

The tourism industry in France and Europe experienced a particularly difficult year, with nearly all operators generating a loss. Against this backdrop, the performance of the Pierre & Vacances-Center Parcs Group tourism businesses was almost unchanged from the previous year due to the diversity and quality of the Group's European holiday residence portfolio.

The Group's tourism revenue for the 2011/2012 financial year stood at €1,107.5 million compared with €1,122.7 million in 2010/2011.

Rental revenue totalled €731.9 million, almost unchanged from the previous year, due to an increase of 1.9% in the average net selling price and a fall of 2.2% in the number of nights sold. The average occupancy rate was nearly 65% (compared with 66.6% in 2010/2011).

Corporate initiatives forming part of the transformation plan to develop cross-selling and optimise distribution channels increased the percentage of sales generated on on-line sites from 41% of rental revenue in 2010/2011 to 44% in 2011/2012, and increased revenue achieved by Pierre & Vacances Tourisme Europe from Dutch customers by nearly 15%.

- **Pierre & Vacances Tourisme Europe** generated revenue of €592.7 million, including €404.9 million in rental revenue, up 0.6% on a like-for-like basis.
  - The city residences recorded growth of over 4% at constant scope (excluding the impact of the launch of a new Adagio residence in Caen, five new Adagio Access residences, and the annualisation of business from the Munich residence, opened in May 2011).
  - The downturn observed in seaside resorts mainly related to a drop in the number of apartments being marketed, the Group having, in particular, totally withdrawn from the hotel business and from management of the Cala Rossa residence in Sardinia. At constant scope, revenue was almost stable, despite poor climatic conditions affecting the tourism business in June and July, particularly on the Atlantic and Channel coasts.
  - Revenue from mountain resorts was also affected by a drop in the amount of stock marketed, due to the sale of the Latitudes hotel in Courchevel 1650 in June 2011, as well as the Praz de Lys and Pralognan residences in the 1st quarter of 2011/2012. Restated for these supply-side effects, business was up slightly.

Sales to foreign customers rose by 2.5%, driven by Dutch customers (up 15%). Sales in the French market were almost unchanged.

Sales from on-line sites rose by over 10%. These accounted for 34% of rental revenue, up from 31% the previous year.

- **Center Parcs Europe** generated revenue of €514.8 million, including €327.0 million in rental revenue, down 1.5% on a like-for-like basis.

This change was due to the drop in business in French villages, specifically affected by renovations at Domaines des Hauts de Bruyères in Sologne and at Bois Francs in Normandy.

Sales from on-line sites rose slightly (up 0.5%). They accounted for 55% of rental revenue, up from 54% the previous year.

Revenue from property development for the financial year 2011/2012 stood at €311.5 million, notably as a result of the renovation programme at Center Parcs des Hauts de Bruyères (€89.2 million), the expansion of Avoriaz (€58.6 million) and the contribution made by Les Senioriales (€69.1 million).

The number of property reservations recorded over the financial year accounted for revenue of almost €350 million, practically unchanged from the previous year (€374 million) despite the backdrop of a sharp downturn in property transactions in France.

Tourism business

Key indicators

(in € millions)	2011/2012	2010/2011 on a like-for-like basis	Change on a like-for-like basis	2010/2011
Revenue	**1,107.5**	**1,122.7**	**-0.3%**	**1,097.0**
rentals	731.9	734.4	-0.3%	702.9
services (1)	375.6	388.2	-3.2%	394.1
Average Net Selling Price (ASP) (2) *(in euros)*	**602**	**591**	**1.9%**	**599**
No. of weeks sold	**1,215,233**	**1,242,627**	**-2.2%**	**1,173,533**
Occupancy rate	**64.9%**	**66.8%**	**-2.9%**	**66.6%**

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

- **The number of weeks sold** was down 2.2%, against the backdrop of a downturn in the tourism industry. Poor weather conditions in spring and then in July, the general 'wait and see' attitude of consumers in an election period, as well as the reduction in the amount of property on the market, all contributed to this drop in the number of weeks sold.

  Average occupancy rate was nearly 65%.

- **The average net selling price** was up by 1.9%, illustrating, in particular, the optimisation of the pricing policy implemented as part of the transformation plan, the impact of renovation programmes and the improvement of the product offering.

  This increase concerned both Center Parcs Europe villages (+2.0%) and Pierre & Vacances Tourisme Europe residences and villages (+1.9%).

Breakdown of Group rental revenue by customer origin

	Pierre & Vacances Tourisme Europe		Center Parcs Europe		Total	
	2011/2012	2010/2011 on a like-for-like basis	2011/2012	2010/2011 on a like-for-like basis	2011/2012	2010/2011 on a like-for-like basis
France	64.3%	65.0%	31.7%	32.3%	49.8%	50.2%
The Netherlands	4.9%	4.3%	27.6%	28.8%	15.1%	15.4%
Germany	3.1%	3.1%	23.2%	22.7%	12.1%	12.0%
Belgium	3.4%	3.5%	12.7%	12.0%	7.5%	7.3%
UK	4.7%	5.4%	1.4%	1.3%	3.2%	3.5%
Spain	2.6%	2.9%	0.0%	0.0%	1.4%	1.6%
Russia and Eastern European Countries	2.5%	2.4%			1.4%	1.3%
Italy	1.7%	1.9%	0.0%	0.0%	0.9%	1.0%
Scandinavia	1.4%	1.6%	0.3%	0.3%	0.9%	1.0%
Switzerland	1.2%	1.0%			0.7%	0.6%
Other	10.2%	8.9%	3.1%	2.6%	7.0%	6.1%

Over the 2011/2012 financial year, revenue was evenly distributed between French and foreign customers: 50.2% of the Group's rental revenue stemmed from foreign customers and 49.8% from French customers.

Foreign customers were mainly Dutch and German holidaymakers (15.1% and 12.1%, respectively), given the presence of Center Parcs Europe in the Netherlands (eight villages) and Germany (four villages). Russian, Eastern European and Swiss customers continued to increase their share of Pierre & Vacances Tourisme Europe revenue, accounting for 3.7% of rental revenue for financial year 2011/2012, compared with 3.4% for financial year 2010/2011.

Characteristics of the holiday residence portfolio operated in financial year 2011/2012

Breakdown of tourism residence portfolio by brand/label

	Pierre & Vacances (1)	Maeva (2)	PV Premium (3)	Adagio	Adagio Access	Center Parcs	Sunparks	Total
Residences/Villages	97	76	19	34	52	19	3	300
Apartments/homes	17,037	6,946	2,198	4,288	5,351	12,887	1,285	49,992
Beds	88,952	31,253	12,590	13,472	13,485	64,603	6,904	231,259

(1) 17,237 apartments and 89,952 beds including the marketing business.
(2) 12,045 apartments and 56,748 beds including the marketing business.
(3) 2,218 apartments and 12,690 beds including the marketing business.

The holiday residence portfolio operated by the Group during financial year 2011/2012 comprised around 1,000 fewer apartments than the previous year.

The effect of the opening of five new Adagio Access residences (+577 apartments) and the leasing of three new residences in Spain (+250 apartments) was offset in part by the reduction in stock due to the sale of the Latitudes hotels (-269 apartments), discontinued management of the Cala Rossa residence in Sardinia (-304 apartments) and the loss of leases on the Maeva and Pierre & Vacances brands.

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

	Pierre & Vacances Europe	Center Parcs Europe	Total
Mainland France	29,473	3,367	32,840
French West Indies	667	-	667
The Netherlands	-	5,365	5,365
Belgium	259	3,127	3,386
Germany	252	2,313	2,565
Switzerland	177	-	177
Italy	178	-	178
Spain	4,690	-	4,690
Austria	124	-	124
TOTAL	**35,820**	**14,172**	**49,992**

In financial year 2011/2012, the Pierre & Vacances-Center Parcs Group operated 67% of its sites in France, where it offers many different destinations: Alpes du Nord, Pyrénées, Côte d'Azur, Atlantic and Channel coast, Provence, cities, French West Indies. In Europe, the Group is also present in the Netherlands (10.7% of the portfolio), Belgium (6.8%) and Germany (5.1%) 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	30,862	86.2%	2,974	21.0%	33,836	67.7%
Leases	*30,479*		*2,974*		*33,453*	
Management agreement	*383*		*0*		*383*	
Institutional investors	4,850	13.5%	11,198	79.0%	16,048	32.1%
Leases	*3,838*		*11,198*		*15,036*	
Management agreement	*1,012*		*0*		*1,012*	
Group portfolio	108	0.3%	0	0.0%	108	0.2%
TOTAL	**35,820**	**100%**	**14,172**	**100%**	**49,992**	**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 fixed or variable rent (depending on operating performances) with, or without, a guaranteed minimum. This last formula, initially developed in Spain, has now been extended to cover the French portfolio, particularly when leases are being renewed, and is also being used in Germany (Bostalsee).

  Profits generated over and above the rental payment belong to the Group. Renovation work is payable either by the lessor/owner, or by the Group;
- **under management agreements**, the agent (a Pierre & Vacances-Center Parcs Group company) acts as a service 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 2012, 67.7% of apartments operated were owned by individual investors, 32.1% 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, 86.2% of the apartments belong to individual investors and 13.5% to institutional investors, while just 0.3% is currently owned by the Group (Manilva site in Spain).

At Center Parcs Europe, 79% of the portfolio belongs to institutional investors. Cottages owned by individual investors are mainly located in French Center Parcs, namely:

- 882 cottages in Trois Forêts (Moselle);
- 799 cottages in Lac de l'Ailette (Aisne);
- 606 cottages in Hauts de Bruyères (Sologne);
- 463 cottages in Bois Francs (Normandy).

Analysis of revenue by resort/country

Pierre & Vacances Tourisme Europe

Seaside resorts

The revenue from seaside resorts was down 4.3%, reflecting:

- 3.8% drop in the number of nights sold, mainly relating to the impact of a reduction in stock (withdrawal from hotel business and from management of the Cala Rossa residence in Sardinia). At constant scope, revenue was relatively stable, despite poor climatic conditions affecting the tourism business in June and July, particularly on the Atlantic and Channel coasts;
- drop in the net average selling price of 0.6%.

Mountain resorts

Revenue from mountain resorts, down 3.3%, was also affected by a drop in the amount of stock marketed, due, in particular, to the sale of the Latitudes hotel in Courchevel 1650 in June 2011, as well as the Praz de Lys and Pralognan residences in the first quarter of 2011/2012.

The average net selling price was up 2.5%.

Restated for these supply-side effects, business was up slightly.

City residences

Revenue grew by 10.1% in the context of a product offering which grew by 8.4%, due in particular to the opening of five new Adagio Access residences in Asnières, Strasbourg, Nantes and Brussels and in San Cugat in Spain.

The average net selling price rose by 5.7%.

Growth in revenue was driven by both French (+8.9%) and foreign customers (+11.4%).

At constant scope, rental revenue was up by over 4%.

The Adagio Access sites accounted for 40.5% of city destination sales in 2011/2012, compared with 25% in 2010/2011.

French West Indies

Revenue from the French West Indies was up 1.6%, driven mainly by an increase in the average net selling price (3.9%).

Changes on a like-for-like basis

Number of apartments	**2011/2012**	**2010/2011**	**Change**
Seaside resorts	17,749	18,458	-709
Mountain resorts	7,765	8,354	-589
City residences	9,639	9,382	257
French West Indies	667	851	-184
TOTAL	**35,820**	**37,045**	**-1,225**

Rental revenue *(in € millions)*	**2011/2012**	**2010/2011**	**Change**
Seaside resorts	165.7	173.2	-4.3%
Mountain resorts	87.1	90.0	-3.3%
City residences	139.8	127.0	10.1%
French West Indies	12.3	12.1	1.6%
TOTAL	**404.9**	**402.3**	**0.6%**

Average net selling price (for a week's rental) *(in euros before VAT)*	**2011/2012**	**2010/2011**	**Change**
Seaside resorts	543	546	-0.6%
Mountain resorts	636	620	2.5%
City residences	519	491	5.7%
French West Indies	599	577	3.9%
TOTAL	**553**	**542**	**1.9%**

	Number of weeks sold			**Occupancy rate**		
	2011/2012	**2011/2010**	**Change**	**2011/2012**	**2011/2010**	**Change**
Seaside resorts	305,158	317,126	-3.8%	54.7%	56.3%	-2.8%
Mountain resorts	136,841	145,094	-5.7%	73.6%	75.1%	-2.0%
City residences	269,437	258,666	4.2%	69.6%	71.2%	-2.2%
French West Indies	20,554	21,030	-2.3%	65.6%	60.5%	8.4%
TOTAL	**731,990**	**741,916**	**-1.3%**	**62.6%**	**63.8%**	**-1.9%**

Center Parcs Europe

The Netherlands

Rental revenue grew by 0.5%, driven by an increase in average net selling prices of 4.1% due, in particular, to a price rise for the Eemhof village which underwent a major renovation in 2010/2011 and to the delivery of new top-of-the-range apartments as part of its marina development.

Growth was driven by German and Belgian customers, offsetting the reduction in Dutch customers.

Sales from on-line sites rose by 3.3%, mainly driven by direct sales. The percentage of sales made via the Internet (direct and indirect) is now 58% (compared with 56% in 2010/2011).

France

France was penalised this year by major renovation work at the Bois Francs village in Normandy and the Hauts de Bruyères village in Sologne. The number of nights sold was down 4.8% on French villages taken as a whole. Average selling prices grew by 1.5% and rental revenue was down 3.4% over the period.

Average occupancy rates remained high at 78.6%.

The percentage of on-line sales (direct and indirect) accounted for 49% of rental revenue compared with 47% in 2010/2011.

Belgium

The 3.3% drop in rental revenue for Belgian villages was due to a 5.6% drop in the number of nights sold which was only partially offset by a 2.4% increase in the average net selling price.

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The percentage of on-line sales accounted for 63% of rental revenue compared with 62% in 2010/2011.

Germany

Rental revenue for German villages was up 0.9%, driven by a 1.3% rise in the number of nights sold.

The percentage of sales made on-line was stable at 56%, with a 1.8% rise in direct Internet sales.

Changes on a like-for-like basis

Number of apartments	2011/2012	2010/2011	Change
The Netherlands	5,365	5,263	102
France	3,367	3,286	81
Belgium	3,127	3,124	3
Germany	2,313	2,313	0
TOTAL	**14,172**	**13,986**	**186**

Rental revenue *(in € millions)*	2011/2012	2010/2011	Change
The Netherlands	111.1	110.5	0.5%
France	119.5	123.7	-3.4%
Belgium	54.4	56.3	-3.3%
Germany	42.0	41.6	0.9%
TOTAL	**327.0**	**332.1**	**-1.5%**

Average net selling price (for a week's rental) *(in euros before VAT)*	2011/2012	2010/2011	Change
The Netherlands	613	589	4.1%
France	939	925	1.5%
Belgium	568	554	2.4%
Germany	531	533	-0.4%
TOTAL	**677**	**663**	**2.0%**

	Number of weeks sold			Occupancy rate		
	2011/2012	2011/2010	Change	2011/2012	2011/2010	Change
The Netherlands	181,119	187,483	-3.4%	67.3%	72.0%	-6.5%
France	127,297	133,657	-4.8%	78.6%	81.4%	-3.4%
Belgium	95,864	101,597	-5.6%	64.1%	67.6%	-5.1%
Germany	78,962	77,974	1.3%	67.2%	67.4%	-0.2%
TOTAL	**483,242**	**500,711**	**-3.5%**	**69.2%**	**72.5%**	**-4.5%**

Property development

Revenue from property development stood at €311.5 million, notably as a result of the renovation programme at Center Parcs Hauts de Bruyères in Sologne (€89.2 million), the Avoriaz expansion (€58.6 million) and the contribution made by Les Senioriales (€69.1 million).

Breakdown of 2011/2012 property development revenue by programme

(in € millions)

New	119.6
Avoriaz (Amara + Crozats)	58.6
CP Moselle 2	23.0
Belle Dune Argousiers	12.2
Courseulles sur Mer	7.7
Douarnenez	7.3
Le Havre	6.1
Branville Normandy Garden	3.2
Other	1.5

Renovation	105.0
CP Hauts de Bruyères	89.2
Biarritz	13.2
Plagne Lauzes	2.3
Other renovations	0.3

New Les Senioriales	69.1
Rambouillet	10.2
Saint Julien des Landes	5.5
Lucé en Ville	5.4
Montélimar	5.2
Saint Avertin en Ville	4.8
Bassan	4.8
Juvignac en Ville	4.2
Lacanau	3.7
Montélimar en Ville	3.7
Montagnac	3.1
Other	18.5

Other	17.8

- **Revenue from new programmes (including Les Senioriales)** was down slightly at €188.7 million compared with €206.6 million in 2010/2011. This result was due in particular to:
  - the Avoriaz programme (475 units marketed), delivery of the last wave was in December 2012;
  - the expansion of Center Parcs des Trois Forêts in the Moselle region, with 109 units delivered in December 2011;
  - programmes delivered over the course of the 2011-2012 financial year such as Belle Dune (58 unit expansion), Branville (54 unit expansion), Courseulles sur Mer (102 units) and Douarnenez (64 units);
  - the new Le Havre programme with 111 units undergoing construction;
  - the Les Senioriales programmes with, notably, ten programmes delivered over the financial year.
- **Renovation activity** accounted for 33.7% of property development revenue in financial year 2011/2012, compared with 39.5% in 2010/2011. 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:
  - the Hauts de Bruyères Center Parcs site in Sologne (213 units renovated in 2010/2011 and 350 units renovated in 2011/2012);
  - the Biarritz Haguna site, operated under the Pierre & Vacances brand, which will be fully renovated in 2012/2013;
  - the mountain resort of Plagne Lauzes (111 units) delivered during the financial year.
- "Other" revenue" totalled €17.8 million during financial year 2011/2012 compared with €18.7 million in 2010/2011 and was primarily made up of non-Group marketing fees and the write-back of support funds from property programmes already delivered.

1

Deliveries in financial year 2011/2012

	New (N)/ Renovation (R)	No. of accommodation units 2011/2012	No. of accommodation units 2010/2011
Belle Dune Argousiers	N	58	
Branville Normandy Garden	N	54	
Courseulles sur Mer	N	102	
Total Channel Resorts		**214**	
Douarnenez	N	64	
Total Atlantic Resorts		**64**	
Total Côte d'Azur Resorts		**0**	**115**
Total Seaside Resorts		**278**	**115**
Avoriaz (Amara + Crozats)	N	374	
Plagne Lauzes	R	111	
Total Mountain Resorts		**485**	**109**
Hauts de Bruyères	R	350	
Moselle 2	N	109	
Total Center Parcs		**459**	**386**
Total City Residences		**0**	**322**
Gonfaron	N	49	
Lacanau	N	45	
Lucé	N	87	
Montagnac	N	51	
Montélimar	N	59	
Montélimar (city)	N	76	
Rambouillet	N	52	
St Julien des Landes	N	49	
Soulac	N	57	
Total Les Senioriales		**585**	**96**
TOTAL		**1,807**	**1,028**

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 €343.7 million, corresponding to 1,585 reservations. Excluding Les Senioriales, reservations totalled €268.7 million (including €58.7 million in re-sales) corresponding to 1,265 reservations compared with €301.9 million in 2010/2011 for 1,298 reservations (including €60.9 million in re-sales).

Reservation contracts enable buyers to pay a deposit to reserve a property asset currently being built or renovated.

	2011/2012	2010/2011	Change
New			
Reservations *(in millions of euros)*	210.0	241.0	-12.9%
Number of apartments	897	906	-1.0%
Average price *(in euros)*	234,114	266,004	-12.0%
Re-sales			
Reservations *(in millions of euros)*	58.7	60.9	-3.6%
Number of apartments	368	392	-6.1%
Average price *(in euros)*	159,511	155,357	2.7%
Les Senioriales			
Reservations *(in millions of euros)*	75.0	71.7	4.6%
Number of apartments	320	273	17.2%
Average price *(in euros)*	234,375	262,637	-10.8%
Total			
RESERVATIONS *(in millions of euros)*	**343.7**	**373.6**	**-8.0%**
NUMBER OF APARTMENTS	**1,585**	**1,571**	**0.9%**
AVERAGE PRICE *(in euros)*	**216,845**	**237,810**	**-8.8%**

The reduction in revenue from reservations was mainly due to an 8.8% drop in the average price which stems from the significance of small units and re-sales as a percentage of total revenue. However, by volume, the number of units marketed was stable.

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 generates commission of around 5% on the selling price.

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Principal stock of apartments marketed at 30 September 2012

Programme by destination	New/ Renovation	Delivery date	No. of units	% reserved
Channel				
Belle Dune Argousiers	N	June 2012	58	98%
Deauville Presqu'île de la Touques	N	July 2014	135	18%
Atlantic				
Biarritz	R	June 2013	93	91%
Saint Cast	N	June 2015	90	13%
Seaside resorts			**376**	**47%**
Avoriaz Amara	N	December 2012	104	92%
Flaine Hélios	N	December 2014	116	39%
Mountain resorts			**220**	**64%**
CP Sologne 2B	R	June 2012	168	86%
CP Moselle - Lorraine expansion 3	N	December 2013	59	93%
Center Parcs			**227**	**88%**
Nancy	N	December 2014	110	84%
City residences			**110**	**84%**
Villages Nature	N	December 2015	145	14%
Villages Nature			**145**	**14%**
Manilva	N	December 2008 and March 2009	328	34%
Marrakech	N	End of 2015	51	41%
International			**379**	**30%**
TOTAL (EXCL. LES SENIORIALES)			**1,457**	**52%**
Senioriales North/North West			**504**	**44%**
Senioriales South West			**402**	**66%**
Senioriales South East			**844**	**41%**
Total Les Senioriales			**1,750**	**65%**
TOTAL GROUP			**3,207**	**60%**

Presentation of Group income

Operating profit (loss) from ordinary activities

Operating profit (loss) from ordinary activities was -€7.0 million, compared with €28.0* million in the previous financial year.

(in € millions)	**2011/2012**	**2010/2011** *pro-forma*
EBITDA [1]	28.6	70.1
Depreciation, amortisation and provisions net of write-backs	-35.6	-42.1
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**-7.0**	**28.0**
Operating margin	*-0.5%*	*1.9%*

(1) EBITDA = earnings before interest, taxes, depreciation and amortisation.

Operating profit (loss) from Tourism

	Tourism	
(in € millions)	**2011/2012**	**2010/2011** *pro-forma*
Revenue	1,107.5	1,097.0
Operating profit (loss) from ordinary activities	**-18.5**	**-4.1**
Operating margin	-1.7%	-0.4%

Operating profit (loss) from tourism business was -€18.5 million, impacted negatively by:

- inflation on costs (estimated at -€15 million), due to the mechanical effect of indices on employee expenses and rental expenses in particular;
- the negative impact of the decline in rental revenue (-€2 million).

In addition, savings made within the context of the implementation of the transformation plan (reduction in rental expenses, restructuring and savings on purchases) were, in the main, offset by the residual cost of setting up new IT systems.

Operating profit (loss) from property development activities

	Property development	
(in € millions)	**2011/2012**	**2010/2011**
Revenue	311.5	372.6
Operating profit (loss) from ordinary activities	**11.5**	**32.1**
Operating margin	3.7%	8.6%

The property development business contributed €11.5 million compared with €32.1 million in the previous financial year. This change was due to:

- additional costs relating to the Avoriaz expansion works, which reduced the previous margin and resulted in a negative contribution from the programme of around €10 million over the financial year;
- the drop in annual revenue relating to the phasing of property development programmes.

** Adjustment of published operating profit (loss) from ordinary activities by -€1.3 million (revised property depreciation arrangements).*

1

Profit (loss) attributable to owners of the Company

(in € millions)	2011/2012	2010/2011 *pro-forma* [1]
Revenue	1,419.1	1,469.6
Operating profit (loss) from ordinary activities	**-7.0**	**28.0**
Net financial income	-18.3	-16.6
Taxes	2.6	-4.2
Profit (loss) from ordinary activities attributable to owners of the Company [2]	**-22.7**	**7.2**
Other operating income/expenses net of tax [3]	-4.7	2.4
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY	**-27.4**	**9.6**

(1) Adjustment of published operating profit (loss) from ordinary activities by -€1.3 million (revised property depreciation arrangements), namely, -€0.9 million net of tax.
(2) 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.
(3) 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 €18.3 million in 2011/2012 compared with €16.6 million in 2010/2011. This change was mainly due to the annualisation of interest expense on the €115 million OCÉANE bond issue in January 2011.

Other operating income/expense net of tax accounted for an expense of €4.7 million.

This essentially comprised restructuring costs relating to the continuation or consolidation of the transformation plan (-€4.1 million, net).

After taking into account these factors, **profit (loss) attributable to owners of the Company** totalled -€27.4 million.

Investments and financial structure

Main cash flows

Cash requirements generated over the 2011/2012 financial year (€104.8 million) were mainly due to:

- a major investment initiative within the tourism business for the renovation of existing sites, improvements to the product offering and development of new IT systems;
- the drop in cash inflows generated by Group businesses, directly related to the drop in EBITDA.

Summary statement of cash flows

(in € millions)	2011/2012	2010/2011
Cash flows after interest and tax	1.6	42.7
Change in working capital requirements	-12.7	-32.6
Cash flow from operating activities	**-11.1**	**10.1**
Investment spending	-55.5	-34.7
Asset disposals	5.8	14.3
Net cash allocated to assets due to be sold off	-1.8	8.0
Cash flow from investment activities	**-51.6**	**-12.4**
Acquisitions and disposals of treasury shares	-5.2	-1.2
Dividends paid	-6.0	-6.1
Change in loans and other borrowings	-30.9	86.1
Cash flow from financing activities	**-42.1**	**78.8**
Increase (decrease) in cash and cash equivalents	**-104.8**	**76.5**

The Group's tourism and property development businesses generated a cash requirement of €11.1 million in financial year 2011/2012.

The fall in **cash inflows** was €41.1 million, resulting primarily from the deterioration in EBITDA (€41.5 million).

Financing requirements generated in 2011/2012 by **changes in working capital requirements** (€12.7 million) stemmed mainly from property development. They reflected:

- an increase in stocks from property programmes, in particular Center Parcs sites under development in France, as well as Les Senioriales;
- partially offset by an increase in funds receivable as the work progresses, mainly for the Avoriaz programme and the expansion of the Center Parcs in the Moselle region.

Net cash flows allocated to investments totalled -€51.6 million and primarily concerned:

- **net investments of €46.8 million on sites** as part of tourism business operations, including:
  - €28.6 million investment on residences and villages operated under Pierre & Vacances Tourisme Europe brands, including:
    - €12.9 million on the new "Aquariaz" water park in Avoriaz,
    - €7.5 million on French residences and villages, namely €3.2 million on residences and €4.3 million on villages, including €2 million invested in improving the Pont-Royal offering (Leisure facilities, children's club, etc.),
    - €2.7 million for renovation of the villages of Sainte-Anne and Sainte-Luce in the French West Indies,
    - €2.4 million on infrastructure facilities for residences (Avoriaz, Belle Dune, Courseulles),
    - €1.7 million on Adagio residences,
    - €1.4 million on residences in Spain;
  - €18.0 million investment on renovating and improving the product mix at all Center Parcs Europe villages, including:
    - €7.0 million on French villages (including €5.8 million on the Bois Francs village in Normandy, on furniture and leisure facilities),
    - €5.5 million on Dutch villages,
    - €3.1 million on Belgian villages,
    - €2.4 million on German villages.

  In addition, over the financial year 2011/2012, the Group continued to invest, on behalf of the Blackstone Group, in upgrading the accommodation provided in 7 villages owned by Blackstone in the Netherlands, Germany and Belgium. These renovation works, accounting for a total investment of €30 million, were finalised prior to summer 2012;
- **€5.2 million investment within the context of setting up and rolling out new IT systems** (websites, reservation system, CRM etc.);
- **€1.8 million in pre-financing by the Group of certain IT assets**, as part of the outsourcing of IT solutions and hardware (sale and leaseback).

  Note that an investment of €8.3 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;
- **€0.6 million in cash generated by the sale of the Latitudes hotel in Valescure**;
- **€1.9 million in income from the disposal of the investment** in the PV subsidiary in Italy operating the Cala Rossa village in Sardinia.

The €30.9 million drop in sundry loans and liabilities (excluding bank overdrafts) at 30 September 2012, compared with 30 September 2011, was mainly due to:

- €20 million annual amortisation of the Corporate debt taken out by the Group in June 2010;
- repayment of the €9 million loan taken out in November 2009, intended to finance the Group's general needs.

In addition, the Group **consolidated its cross holdings by buying back shares worth €5.2 million** on the market.

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.);
- a percentage of 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.

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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 reported using 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 not acquiring land before final planning permission has been obtained.

However, the property programmes concerning the Center Parcs villages and in particular, construction of facilities on behalf of institutional investors, could result in a temporary deterioration in working capital requirements since, in some cases, 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 residences, generally from institutional investors, with the aim of renovating them 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 around €6 million.

The cash flows generated by the Group's business in 2011/2012 helped maintain a sound financial position. The net bank debt-to-equity ratio attributable to owners of the Company stood at just 14.8%.

Simplified statement of financial position

(in € millions)	**30/09/2012**	**30/09/2011** *pro-forma* **(*)**	**Changes**
Goodwill	155.3	155.3	0
Net fixed assets	496.3	492.4	3.9
WCR and others	4.5	0	4.5
INVESTMENTS	**656.1**	**647.7**	**8.4**
Shareholders' equity	450.2	488.2	-38.0
Provisions for risks and charges	27.7	38.5	-10.8
Net financial debt	178.2	102.6	75.6
including net bank debt	*66.8*	*-10.4*	*77.2*
including rental commitments - Ailette facilities	*111.3*	*113.0*	*-1.7*
WCR and others	0	18.4	-18.4
RESOURCES	**656.1**	**647.7**	**8.4**

(*) Adjustments following revised property depreciation arrangements (€7.7 million drop in net fixed assets, €2.2 million rise in deferred tax assets and €5.5 million drop in shareholder's equity).

The net carrying amount of goodwill totalled €155.3 million.

The main goodwill items broke down as follows:

- Tourisme Europe: €135.6 million;
- Les Senioriales: €17.8 million.

The €3.9 million increase in net fixed assets was mainly due to:

- €51.9 million of net investments in tourism business and the development of new IT systems;
- net of depreciation, amortisation and impairment losses for the period (€47.3 million).

Net fixed assets at 30 September 2012 comprise principally:

- €116.2 million of intangible assets; this amount is mainly the net amount of the Center Parcs brand for €85.9 million;
- €353.3 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 €251.0 million and villages and residences from the Pierre & Vacances Tourisme Europe brands for a net amount of €100.8 million;
- €23.4 million in non-current financial assets.

The amount of equity attributable to owners of the Company totalled €450.2 million at 30 September 2012, compared with €488.2 million on 30 September 2011, after taking into account:

- profit (loss) over the period of -€27.4 million;
- a dividend payout of -€6.0 million;
- the Group's buyback of €5.2 million of treasury shares over the period;
- a net increase in equity before earnings of €0.6 million due to IFRS accounting of stock options and financial hedging instruments.

Provisions for risks and charges totalled €27.7 million at 30 September 2012, compared with €38.5 million at 30 September 2011.

This change mainly related to the reversal of provisions for renovations of €12.6 million in relation both to renovation costs incurred over the financial year and changes made within the Group in the way such renovation works were carried out.

At 30 September 2012, provisions for risks and charges broke down as follows:

- provisions for renovation: €8.2 million;
- provisions for pensions: €13.6 million;
- provisions for disputes, restructuring and various risks: €5.9 million.

Net debt reported by the Group at 30 September 2012 broke down as follows:

(in € millions)	**30/09/2012**	**30/09/2011**	**Changes**
Gross debt	305.9	335.1	-29.2
Cash and cash equivalents (net of credit balances)	-127.7	-232.5	104.8
Net debt	**178.2**	**102.6**	**75.6**
including net bank debt	*66.8*	*-10.4*	*77.2*
including rental commitments - Ailette facilities	*111.3*	*113.0*	*-1.7*

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

Net debt reported by the Group at 30 September 2012 (€178.2 million) corresponded mainly to:

- the OCÉANE bond issue for a gross amount of €115 million;
- the principal amount outstanding (€60.0 million) on the corporate loan initially contracted by the Group for €100 million in June 2010.

  The refinancing of the corporate loan also included a confirmed credit line for €100 million (undrawn at 30 September 2012).

  One adjusted net debt/EBITDAR ratio for the loan and the credit line is 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 6.0%,
  - EBITDAR designates EBITDA increased by annual rents.

  This ratio, which, in accordance with the amendment signed in 2011/2012, must be equal to or lower than 3.75 at 30/09/2012, has been met.
- the amount of financial liabilities prompted by adjustments for sale and lease-back contracts for €115.9 million, including €111.3 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 €8.0 million (concerned mainly Les Senioriales programmes at 30 September 2012);
- net bank overdrafts of €11.7 million;
- net of available cash.

1

Information on social, societal and environmental issues (1)

Sustainable development policy

Organisation

The PVCP Group's sustainable development policy is coordinated and led by a dedicated team: the Sustainable Development Department reporting to the Deputy Chief Executive Officer, an Executive Committee member.

Every year, the Sustainable Development Department agrees with each operating department the priority areas of work, broken down into objectives and action plans. It is also tasked with defining, implementing and monitoring the strategic tools employed by the Group's sustainable development approach. It collects indicators from the various coordinators in accordance with the established reporting protocol, checks information for consistency and organises an external audit.

Operating departments and divisions achieve sustainable development objectives and supply qualitative and quantitative data in accordance with agreed indicators.

New 2012 policy

2012 marked a fesh impetus for the Group's sustainable development approach, with the definition of a new policy. The policy was drafted on a joint basis with members of the Executive Committee following consultation with representatives of the Group's main stakeholders at a workshop organised in November 2011.

This new policy reaffirms the Group's objectives: to design and operate sites that are integrated, as well as possible, to the local natural and cultural environments; to contribute to local economic development; to offer its customers real holidays where they can reconnect with themselves, others and nature.

It covers the three aspects of sustainable development (social, environmental and societal commitment) and is based on four founding main principles:

- proximity to its customers, not only geographically but also in terms of shared values;
- lead by example, as market leader;
- integration of sustainable development approach into all of the Group's activities;
- anticipation and innovation, notably through emblematic projects.

The entire sustainable development policy is available at *www.groupepvcp.com.*[1]

Social responsibility

The Group's human resources

The Group's social policy

The Group's vision in terms of human resources is as follows: "delighted guests need delighted employees". The task of the Human Resources Department is, therefore, to guarantee the development of every employee in every role within the Company, to create a climate of trust and to anticipate employees' expectations so that, feeling comfortable in their jobs, they can provide the best service to customers and give them the best holiday possible.

The Human Resources Department focuses in particular on looking after employees' health, safety and satisfaction in the workplace, being receptive to their needs and developing the skills and employability of each and every worker, and ensuring diversity in recruitment and equal opportunities.

Organisation of the Human Resources Department

In 2012, the Human Resources Department was restructured and is now centrally organised at Group level. Two Human Resources Managers (HRM Northern Europe and HRM Southern Europe & France) report to the Group Human Resources Department and are supported by Human Resources Managers in each Northern European country or in each legal entity, for Southern Europe & France. Cross-disciplinary functions (training, recruitment & skills development, internal communications) report to the Group HRD and are organised by country. Internal communications make use of the Group's dynamic Intranet, known as KIT, which can be accessed from all sites, European offices and at the headoffice. The Intranet enables Group and site news as well as internal procedures to be communicated in both French and English, or in each country's language for certain specific subjects.

(1) A table cross-referencing social and environmental issues relating to Decree No. 2012-557 of 24 April 2012 appears on page 194 of the annual financial report.

Breakdown of headcount by country (number of employees on 30 September)

Country *Scope: Group (not including Adagio residences abroad and PV Maroc, which account for less than 1% of total workforce)*	**2011/2012**
France	5,158
Belgium	2,490
The Netherlands	2,994
Germany	822
Spain	231
TOTAL	**11,695 √**

√ *Indicator reviewed by external consultant.*

Over the 2011/2012 financial year, the average number of full-time equivalent staff at Group level stood at 7,465 employees.

Breakdown of headcount by contract type (based on the number of employees on 30 September)

Type of contract *Scope: Group (not including Adagio residences abroad and PV Maroc)*	**2011/2012**
Permanent	71.1%
Fixed-term	14.6%
Other (work placements, internships, temporary contracts etc.)	14.3%

Turnover and absenteeism

	2011/2012
Turnover *Scope: Group (not including Adagio residences abroad and PV Maroc)*	27% √
Absenteeism *Scope: Group (not including Adagio residences abroad, PV Maroc and Spain)*	11% (1)

(1) For absenteeism, data were extrapolated for the last quarter of 2011 for 44% of the workforce.
√ *Indicator reviewed by external consultant.*

Organisation of dialogue between management and employees

In France, employee representative bodies (staff representatives, Workers' Council, Workplace Health and Safety Committee) are organised by scope: PVCI, ADAGIO, UES Supports and UES Tourisme Exploitation.

In the Netherlands, there are employee representative bodies for each site and each support function as well as a national central body made up of two representatives from each of the bodies mentioned previously.

In Belgium, each site has a workplace health and safety committee (CPBW) and a union delegation as well as a workers' council at national level (with representatives from each of the bodies at each site).

In Germany, there are employee representative bodies at each site as well as for those working in support functions. A national central body is made up of two representatives from each of the aforementioned bodies.

There is a European employee representative body comprising representatives from bodies in all the countries mentioned above.

Health and safety

In order to ensure the health and safety of employees and customers, the Pierre & Vacances-Center Parcs Operational Risks (OR) Department coordinates the operational risk policy.

This involves eight areas of risk relating to personal and material safety: swimming pools, fire prevention, prevention of legionella, leisure activities, play areas, general safety, food hygiene (HACCP) and security (further details are contained in the "risk management" section).

Safety

Scope: Group (not including Adagio residences abroad, PV Maroc and Spain)	**2011/2012**
Frequency rate of accidents at work (1)	36.74 √
Accident severity rate (2)	2.39

(1) Number of accidents with at least 24 hours of downtime per million hours of work.
(2) Number of days of temporary incapacity per 1,000 hours of work.
√ Indicator reviewed by external consultant.

Employee satisfaction

In May 2012, the internal DELIGHT satisfaction survey was completed for the Group as a whole. It enabled employees to express their level of satisfaction (satisfied, unsatisfied or very satisfied) in relation to 51 items. The objective of this survey was not just to measure employee satisfaction levels but also to draw up action plans. Conducted between June 2011 and May 2012, with a 40% participation rate, the survey showed an overall rate of satisfaction for the Group (not including Les Senioriales) of 90% (84% of employees were satisfied and 6% were very satisfied).

An action plan was drawn up to improve employee satisfaction and commitment.

It was based on:

- the creation of an integration programme for new employees and managers;
- the implementation of a Group-wide skills development strategy;
- the introduction of evaluation and annual career development talks;
- improving internal Group-wide communications.

Talent development programme

A talent development programme has already been set up in Northern Europe. In 2012, the Human Resources Department made a priority of rolling out a Group-wide programme of this type. In order to do so, a dedicated multidisciplinary team was created, comprising the Recruitment & Skills Development Manager and the Training Manager.

The Group's skills development programme comes under HR forecasting and planning (GPEC) agreements and aims to take a personal approach for each employee. It is based on annual career development talks which result in the drafting of individual career development plans. A skills development report is compiled on a quarterly basis so as to ensure the Group moves forward on the issue.

One part of this programme is specifically aimed at managers and experts with the introduction of dedicated in-house training, individual coaching, teambuilding sessions and workshops on specific subjects. In particular, three in-house training programmes are offered: IOP (International Orientation Programme) intended for all new managers (57 participants in 2011/2012); MEP (Management Educational Program) for young people aged between 25 and 30 who show potential and are likely to be given management posts (31 participants in 2011/2012) and "manager career development" whose contents are adapted according to management level and training requirements (414 participants in 2011/2012).

Skills management and development is based on OLE, an on-line tool which makes it possible to structure interviews with managers and experts, to identify skills already mastered and areas where potential has yet to be developed. This tool has been tested on a number of pilot departments and sites and is due to be rolled out in 2013.

Training

Scope: Group (not including Adagio residences abroad, PV Maroc and Spain)	**2011/2012**
Total number of training hours	134,807
Percentage of employees trained over the year	56%

Equal opportunities

Human Resources are committed to fighting discrimination and promoting diversity and equal opportunities. Most notably, in 2009, Gérard Brémond, the Group's founder, signed the Diversity Charter aiming to prevent discrimination and improve team-wide diversity.

A new agreement on gender equality in the workplace was signed in the first half of 2012 covering the French sites. Negotiated with social partners, it deals with three issues: wage equality, career advancement and gender mix, and work-life balance.

The Group has also taken specific measures to promote the integration of disabled workers. The first Disability Agreement, signed in 2005, gave rise to various measures such as: recruitment quotas, preserving jobs by adapting working environments and providing help with physical working conditions, raising co-workers' awareness of disability and implementing a responsible purchasing policy. In 2012, the Disability Programme was attached to the Human Resources Department, thereby confirming the Group's desire, wherever possible, to make the equal opportunities initiative one of its core commitments. A new agreement, with ambitious objectives, has been signed for the next three years (2012 to 2014), reaffirming the Group's commitment to employing disabled people and to keeping disabled people in employment.

Finally, practical initiatives have been launched to fight age discrimination: recruitment, promotion, training, skills development and help with preparing for retirement.

Gender equality in the workplace

Scope: Group (not including Adagio residences abroad and PV Maroc)	**2011/2012**
Percentage of women in group headcount	61.2% √
Percentage of women managers	48.2% √

√ *Indicator reviewed by external consultant.*

Disability

Scope: France	**2011/2012**
Rate of direct employment of disabled persons	2.31%
Number of disabled workers at 30/09	119
Number of disabled employees recruited over the year	30
Number of disabled employees whose working environment has been adapted	16

Breakdown by age

Scope: Group (not including Adagio residences abroad and PV Maroc)	**2011/2012**
Employees under 25	13%
Employees aged 25-45	50.4%
Employees over 45	27.5%
Employees over 55	9.1%

Collective labour agreements

List of ongoing agreements

Type of agreement *Scope France*	**Scope (UES (*) concerned)**	**Date**
Disability	France (excluding French West Indies)	2012
Group profit sharing	France	2012
Teleworking	UES Support	2008
Seniors	France	2009
35 hour week	France	2003
Hardship	UES Tourisme Exploitation and Adagio	2012
Gender equality in the workplace	France	2012
GPEC agreement (**)	France (excluding French West Indies, SITI and Les Senioriales)	In the process of being renewed

(*) UES = Economic and Social Unit.
(**) GPEC = HR forecasting and planning.

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Environmental Responsibility

Environmental management organisation and tools

The Group's environmental policy is coordinated by the Sustainable Development Department, which acts in conjunction with individual operating departments. Sustainable development objectives are defined on an annual basis for each department. For department whose business is directly or indirectly linked to the Group's environmental performance, the objectives cover primarily environmental issues (Purchasing, Infrastructure, IT Systems Management, Maintenance, Operations, Marketing and Communications, Operational Risks, Adagio, Asset Management Department, Pierre & Vacances Développement, Pierre & Vacances Conseil Immobilier).

Tourism business

On the ground, the sites use the BEST ! management system to manage their social, environmental and societal performances. Using this on-line questionnaire, each Director takes his/her teams through an annual process of self-assessing their site's performance on 18 issues. Twelve of these issues relate to environmental aspects. The outcome of the 2011/2012 self-assessment is shown in the business report. As part of a continuous improvement initiative, the Director then draws up a plan of action for the coming year. This action plan is followed by Operations Directors and by the Sustainable Development Department. BEST ! also makes it possible to feedback certain qualitative indicators relating to environmental performance of the site as well as best practices.

BEST ! has now been rolled out in France, at all Adagio sites and, since 2012, at sites in Spain. A Group-wide rollout (including at sites in the Netherlands, Germany and Belgium) is planned for early 2013.

Labels and certifications relating to the tourism business

Since 1999, the environmental management system in place at 18 Center Parcs sites in France, Belgium, Germany and the Netherlands has been ISO 14001 certified. The management tools have been gradually revised to be applied to all the Group's sites. The ultimate objective is to have a single management system, based on an internal manual made up of Golden Rules, shared working procedures and tools, conforming to ISO 14001 requirements and compatible with other labels in existence at certain sites.

Since 2010, the Group has also been involved in a labelling programme reflecting the sites' commitment to an environmentally-friendly approach. To date, 42 Pierre & Vacances, Maeva and Center Parcs brand sites are labelled Green Key and 17 Adagio city residence sites are labelled with the European "tourist accommodation services" Ecolabel. These labels not only enable the promotion of the sites' environmentally-friendly approach to customers, but are also effective tools for the continuous improvement of environmental performances.

Labels and certifications relating to the tourism business

Scope: Group excluding Les Senioriales	**2011/2012**
Percentage of sites which have obtained an environmental management certification or label: European Ecolabel, Green Key, ISO 14001	24%

Property development business

The Group's environmental commitments in terms of property development and renovation are contained in two basic documents: the Golden Rules of Sustainable Construction (which specify the minimum environmental measures to be taken for operations) and a green building site Charter (*Charte Chantier vert*). Attached to contracts, these documents are signed by all those involved in the construction, from contractors to companies.

The Golden Rules of Sustainable Construction aim to ensure that projects take the following into consideration:

- the impact of the construction on the environment and natural resources by selecting energy saving systems and eco-labelled materials;
- environmental label operating requirements (frame of reference Green Key, European Ecolabel).

In addition, environmental certification (*NF Bâtiment tertiaire*, the French High Quality Environmental Standard (HQE)) or energy performance certification (RT2005 High Energy Performance labels) initiatives are launched to add value to projects whose environmental performance is superior to basic commitments or regulatory requirements.

Construction-related labels

Scope: France (excluding Adagio)	**2011/2012**
Number of accommodation units delivered already labelled or in the process of being labelled	52.10%

Waste management

The Group's tourism and property development businesses generate waste. Measures have been taken to limit the volume of waste and optimise recycling.

Tourism business

In the tourism business, in addition to the general waste generated by site operation, a large percentage of the waste is produced by customers. The Groups is, therefore, focusing its efforts on introducing equipment to facilitate recycling in accommodation units and in parks and residences, and on providing information to raise awareness amongst its customers and employees.

For Center Parcs, direct waste removal contracts are signed at national level, thereby facilitating the monitoring of sorting and recycling performances. In 2011/2012, a framework contract was signed with a single supplier for the four German parks, which enabled processing costs to be reduced by 16% compared with the previous year (2010/2011 cost of around €400,000) and improved reporting on volumes of recycled waste.

The global recycling rate over the 22 Center Parcs and Sunparks in France, Belgium, the Netherlands and Germany, rose from 25.3% in 2010/2011 to 27.4% in 2011/2012 at constant scope. The objective for 2012/2013 is to increase the percentage of waste recycled to 30%. In addition to the environmental benefits, increasing the recycling rate reduces the cost of waste processing.

Waste production

Scope: Center Parcs and Sunparks in France, Belgium, the Netherlands and Germany	**2011/2012**
Number of sites monitored	22
Total *(in tonnes)*	14,943
Recycling rate	27.9%

Breakdown by type of waste

Scope: Center Parcs and Sunparks in France, Belgium, the Netherlands and Germany	**2011/2012**
NHIW not recycled (Non-Hazardous Industrial Waste)	72.1%
Glass	10%
Cardboard/paper	9.8%
Green waste	3.3%
Other recycled waste (including hazardous waste)	4.8%

For residences located in France, waste removal is provided by local authorities. Nearly all of the Group's sites follow their local recycling code. Waste collection organisations are not, however, able to communicate the volume of waste collected as waste generated by specific residences is not weighed separately. Sites have to pay a local waste removal tax which is not based on actual volumes of waste collected. One of the Group's future objectives is to consolidate the volumes of waste sorted and sent direct to recycling units i.e. batteries, WEEE, light bulbs, cartridges.

On-site sorting facilities

Scope: the 190 sites which participated in the BEST ! self-assessment 2011/2012	
Percentage of sites with sorting facilities and encouraging customers to recycle in 2011/2012	97%

Construction & renovation

Waste management is one of the main issues dealt with by a green building site Charter. The core initiatives consist of guaranteeing, by means of a "*Charte Chantier vert*", that worksites are well-run, that unbuilt areas of the plot are respected, disturbance to nearby residents is limited and that waste is well-managed. These points are checked and monitored by the primary contractor or the project manager.

Green building site Charter

Scope: France (excluding Adagio and Les Senioriales)	**New builds**	**Renovations**
Percentage of projects benefiting from the "Green building site Charter" in 2011/2012	100%	48%

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Energy management

Managing and reducing energy consumption is one of the Group's biggest challenges, particularly during the operating phase.

Tourism business

Energy accounts for 14% of operating costs and is the second-largest item of site expenditure. In 2012, a dedicated Group energy management department was created. It was tasked with implementing procedures and tools and supporting on-site Technical Managers with energy management (technical support, allocation of capital expenditure, etc.)

A Group-wide energy master plan was also drawn up to help sites improve their energy consumption. It is based on monitoring consumption (using an in-house tool: ICARE or an EXCEL spreadsheet), weekly monitoring of installations and the implementation of improvement initiatives. Awareness-raising communication tools inviting customers and employees to pay attention to their energy consumption is also provided on sites.

Construction

So as to limit its energy bills, the Group ensures the high energy performance of its new builds. Since 2008, all buildings have been constructed in accordance with the RT 2005 Very High Energy Performance label (THPE). A low energy-consumption pilot building, located at high altitude 1,800 m) in Avoriaz, was amongst the buildings delivered at the end of 2011. With the entry into force of the 2012 thermal regulations, energy performance is a key component of the Group's programmes. The Group has also renewed its efforts with regard to environmental quality via HQE certification or international equivalents (e.g. LEED, BREAM) certifying buildings' overall environmental performance.

Water management

Tourism business

Water consumption is also a core concern for the Group which seeks to optimise water consumption at all stages, from the design of facilities through to operation. "Consuming just the water required" as well as "Monitoring discharge into the natural environment" are two of the issues assessed by the BEST ! management system. This management is subject to rigorous oversight and analysis consisting of monthly consumption reports, rapid response to any detection or reports of leaks, regular provision of "green" advice and tips to employees and customers as well as extending the implementation of measures to prevent accidental pollution by hazardous chemicals.

The main areas of water consumption are accommodation units, watering green spaces, swimming pools and water parks.

- With regard to accommodation units, water-saving equipment is installed in new builds and during renovations. Specific information to raise customers and employee awareness is available at residence reception areas and in offices,
- With regard to green spaces, the teams apply simple rules regarding the responsible use of water (e.g. watering times adjusted to weather) and some sites are equipped with rainwater harvesting systems for the purpose of watering green spaces, cleaning or providing water for animals on petting farms,
- For swimming pools and, more particularly, at Center Parcs, specific measures have been put in place. For example, filter backwash water is cleaned using a purification system (reverse osmosis) and re-introduced into the pools in combination with new water. This system, which has already been introduced at all new Center Parcs holiday parks is gradually being installed at existing sites (Bispinger Heide, Nordseeküste, Hochsauerland, De Eemhof, De Vossemeren, Lac d'Ailette and Les Trois Forêts). It enables savings of between €10,000 and €20,000 per park and per year (drinking water, water purification and heating).

Water and energy consumption during the operating phase

	CP 2010/2011	CP (*) 2011/2012	PV 2010/2011	PV (**) 2011/2012	Group 2010/2011	Group 2011/2012
Number of sites monitored:	21	21	208	218	229	239
Total water *(en m³)*	**3,321,209**	**3,067,646**	**2,991,690**	**3,468,467**	**6,312,899**	**6,536,113** √
Volume of water *(in m³/week of occupancy***)*	6.90	6.55	4.50	5.03	5.70	5.70
Total energy *(in MWh)*	**654,401**	**634,592**	**226,820**	**228,509**	**881,221**	**863,101** √
Volume of energy *(in kWh/week of occupancy)*	1,351	1,354	411	332	1,109	1,084
■ Electricity *(in MWh)*	141,368	142,022	194,627	198,261	335,995	340,283
■ Gas *(in MWh)*	497,057	478,215	17,674	13,741	514,731	491,956
■ Wood-fired heating *(in MWh)*	15,976	14,355	0	921	15,976	15,276
■ Fuel oil *(in litres)*	0	0	971,524	402,486	971,524	402,486
■ Urban heat *(in MWh)*	0	0	3,372	6,821	3,372	6,821
Greenhouse gas emissions *(in tonnes of CO_2eq.****)*	**155,676**	**149,298**	**18,271**	**25,940**	**173,947**	**175,238** √

Scope:
(*) Center Parcs in France, Belgium, Germany (excluding Nordseeküste), and the Netherlands and Sunparks Belgium;
(**) Pierre & Vacances Premium, Pierre & Vacances and Maeva residences, Pierre & Vacances village club (including the French West Indies), some Adagio and Pierre & Vacances Spain.
Adagio Access sites and some Adagio sites are not included, i.e. 3% of accommodation capacity by number of beds in the holiday residence portfolio operated by the Group.
(***) Week of occupancy: a stay of one week whatever the number of guests and apartment type.
(****)Conversion into tonnes CO2eq. produced in accordance with version 7 of the Carbon Inventory ®.
√ *Indicator reviewed by external consultant.*

Construction & renovation

In 2011/2012, in accordance with the Golden Rules, all buildings which were delivered (and a minimum of 80% of renovated buildings) incorporated green materials and water- and energy-saving equipment.

Climate change

The fight against climate change was one of the main points of the "sustainable development action plan" launched by the Group in 2008. Following a carbon inventory in 2008, practical measures were put in place, including the gradual introduction of electric vehicles at sites and the implementation of a Group travel policy. This aims to reduce the use of planes and cars for business travel (mandatory train travel for all journeys of less than three and a half hours, increased use of telephone and video-conferencing).

One of the results observed has been an improvement in the environmental performance of the fleet of work vehicles. The average carbon footprint per vehicle dropped from 146 in 2009, to 143 in 2010, 135 in 2011 and 131 g/km in 2012.

Measures were also taken to limit customers' greenhouse gas emissions during their stays. Encouraging customers to car share and to use environmentally-friendly means of transport (bicycles, electric buggies) and offering local produce in catering facilities were some of the initiatives carried out in 2011/2012.

For Group entities affected by Article 75 of Law No. 2010-788, greenhouse gas emission inventories (BEGES) and associated action plans are available on the Group's website (www.groupepvcp.com).

Regulatory inventory of greenhouse gas emissions (BEGES)

Entities subject to regulatory BEGES	**Total emissions of CO_2eq. in tonnes**	**Total emissions of CO_2eq. per customer in kg**
PVCP Resorts	26,280	6
PVCP Résidences Exploitation	23,456	4
GIE PVCP Services	1,215	not applicable

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Protection of biodiversity

Aesthetics, such as the flora and fauna of the gardens, green spaces and forests which form part of the Group's residences and parks, all contribute to making sites more attractive and are one of the Group's major assets in terms of its tourism and property development offering. Specific measures have been taken to limit the impact of their maintenance on the environment and on biodiversity.

Tourism business

Nearly 25% of the Group's sites have green spaces and nature areas (gardens and forests) of over 2,000 m^2. To limit the impact of maintaining these spaces, differentiated management of green space was launched in 2008 to reduce the use of phytosanitary products, watering need and systematic grass cutting. Its aim was to maintain a balance between providing attractive public areas, developing biodiversity and protecting natural resources. 22 sites (i.e. 26% of sites affected) drew up their differentiated management plan, specifically adapted for their site, in spring 2013.

Construction

The flora and fauna that are a feature of the plots on which projects are to be developed are naturally taken into consideration during the design phase. Sensitive issues and constraints in terms of respect for biodiversity are identified using impact studies, the results of which are incorporated into specifications for site designs. In order to go beyond regulatory measures, site designs seek to limit degradation of the natural environment and to prioritise retention of local features by making specific adjustments (central green spaces, ponds etc.) so as to offer customers a high quality natural setting and encourage the preservation and development of biodiversity.

Societal responsibility

Responsible purchasing policy

The Purchasing Department ensures that all suppliers referenced by the Group comply with regulations, including those relating to environmental and social factors. Before any order is placed, suppliers are required to sign general terms and conditions of purchase and a code of ethics obliging them to conduct business in a responsible manner and to prevent corruption.

In June 2012, the Group signed the inter-company relations charter compiled jointly by the credit mediation body, Médiation du Crédit, and the French corporate officers and buyers' organisation (CDAF). It aims to ensure that major buyers implement a continuous improvement programme in respect of their suppliers and, in particular, small and medium-sized enterprises (SMEs). By signing this charter, the Group agrees to implement best practices in its relations with its suppliers, particularly with regard to financial fairness, prevention of risks of dependency, assessment of overall cost, incorporation of environmental issues and respect for the principle of territoriality. The mediator, or "SME contact", appointed by the Group is Thierry Hellin, Deputy Chief Executive Officer.

In terms of responsible purchasing, since 2007 the Group has implemented a policy which aims to promote the use of suppliers committed to sustainable development and to increase the percentage of products and services purchased that have added environmental and social value. This initiative, introduced by the Purchasing Department with the help of the Sustainable Development Department, applies to all types of purchases of services and construction and purchases relating to site operation. All suppliers approached for bids must complete a questionnaire which enables the level of maturity of their social and environmental responsibility initiatives to be assessed. If the suppliers being considered score below average, they are asked to attend a specific meeting on this issue so that a second assessment can be made. Additionally, as part of the final selection process, two sustainable development criteria are included in the bid analysis tables. Social audits are also conducted in accordance with the SA8000 standard on suppliers located in at-risk countries in Asia, so as to ensure that the Group's requirements are met with regard to international labour law and environmental issues.

Responsible purchasing policy

Scope: Group not including Les Senioriales	
Number of suppliers winning bids in 2011/2012	57
Rate of response to the questionnaire on sustainable development performance	60%
Percentage of these suppliers obtaining average, or above average, scores	79%
Percentage of suppliers located in at-risk countries audited in 2011/2012	100%

Contribution to local economic development

The presence or establishment of a site in a region ties the Group to a long-term relationship with the local area. In order to integrate as successfully as possible into the local economy, the Group is particularly keen to strike up real partnerships from an early stage with French regional authorities, environmental and heritage associations and with local business people. This happens, most notably, by means of permanent consultation with locally elected officials and public bodies and by sharing ideas about the creation of infrastructures which may also benefit the local population.

By calling on local businesses during construction and operation phases, creating local jobs, offering training in cooperation with local public bodies, prioritising the use of local craftsmen and local trades and by preferring short supply chains, the Group makes an active contribution to the economic development of the regions where its sites are located.

By way of illustration, Center Parcs Le Lac d'Ailette has created nearly 800 direct and indirect job opportunities since its opening in October 2007. In 2012, 74 people were trained in cleaning techniques at this site and 58 permanent employment contracts were offered. Park visitors generated estimated annual off-site expenditure of €4.7 million, and the resulting benefits for Aisne were valued at €4,5 million (study conducted in 2011 at the request of the Aisne local council - source "Espace" magazine dated 01/11/2012).

Lastly, the Group's promotional initiatives give highlights to local areas where it has sites. The residences and parks also act as real gateways to local cultural and natural attractions. The largest sites offer a local tourism information center and local produce markets during high season and all offer local tourist information. For instance, 60% of customers at Center Parcs Ailette in Picardy visit at least one tourist site in the region (source "Espace" magazine dated 01/11/2012).

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. The Group's fundamentals provide a means of resistance to the current economic and financial crisis 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 clientele, 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 real assets.

Specific risks relating to the Group's activities

Risks relating to the seasonality of the tourism business

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 activity of the residences and villages operated under the Pierre & Vacances and Maeva brands has a clear seasonal nature. It 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. Rental revenue generated by those residences and villages in the first half of 2011/2012 represented only 37% of the annual revenue, while fixed operating expenses (including rents) were spread on a straight-line basis across the whole financial year.

The Group endeavours to reduce the seasonality of this business segment by putting in place the following strategic initiatives:

- increasing sales abroad, both in European markets bordering France (continuing to market the Pierre & Vacances brand, in particular in BNG) and in areas further towards Eastern Europe (signing of partnership agreements with foreign tour operators);
- 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;
- using tariffs which vary according to the different periods, with large variations between high and low seasons.
- targeted promotional campaigns.

This seasonal aspect of the Group's tourism business has also been cushioned by the development of the product offering:

- the city residences (Adagio & Adagio Access), which are open year-round, have high occupancy rates, and target two complementary customer categories: long-stay business customers and short-stay tourists.
- Center Parcs villages, whose covered facilities enable them to remain open throughout the 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 the financial year 2011/2012 was 41% and 59% respectively.

Risk related to the cyclical nature of the property market

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), Censi Bouvard and Scellier) for French private investors, which help to optimise the profit earned by the buyers of apartments in the residences thanks to tax incentives;
- expanding sales of Center Parcs cottages to private investors in Germany, the Netherlands and Belgium;
- bulk sales of Center Parcs cottages in France to institutional investors via savings vehicles (real estate investment schemes (OPCI), REITs (SCPIE), etc.);
- public-private partnerships to finance recreational infrastructure and facilities;
- diversification of its investors in geographic terms (British, Irish and Spanish);
- 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 ensure 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 2012, only 272 completed apartments had not had their sales finalised (including 215 apartments in the Manilva programme in Spain, which has been particularly affected by the property crisis).

The table of "Principal stock of apartments marketed at 30 September 2012", which appears in the management report, presents the percentage sold. On average, almost 60% 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 2011/2012), 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;
- 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 €2,576 million at 30 September 2012, i.e. €1,932 million discounted at a 6% rate. (See Note 36 of 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). Since 2002, the ICC has increased by nearly 40% while the Consumer Price Index has only risen by nearly 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 business.

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

- the change in the benchmark index of 75%* of leases (from the ICC to the IRL), starting from 2013, to ensure consistency between the performance of the tourism business and the level of rents. Since the February 2008 law on purchasing power, the IRL (Rent Reference Index) corresponds to the average change in consumer prices (excluding tobacco and rents) over the past 12 months.
- renegotiation of leases when they are renewed:
  - the maximum annual indexation is capped to 2% (uniformly applied to all new contracts concluded). This policy is expected to increase the capped portion of rents paid to retail investors to 85% in 2017.
  - reduction in cash rents, on a residence-by-residence basis, possibly associated with an increase in the occupancy rate to compensate the owners,
  - introduction of variable rents,
  - in some cases, operating under management agreements or potentially withdrawing from certain operations (28 target sites).

These actions should help to gradually reduce the rent expense by €45 million through 2017 (including indexation(1) and excluding the development of the product offering).

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

(1) Assumes an annual variation in the IRL of 2%.

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); ensuring that the products sold comply with regulatory requirements);
- the safety rules applicable to holiday residences and facilities available to customers (swimming pools, slides, etc.);
- 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 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.

The risks associated with tourism operations 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 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 Operational Risks Department.

In addition, the Pierre & Vacances Center Parcs Group has an IT application and procedures that help to ensure constant monitoring of the information published on the web, which may harm its "e-reputation".

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 led by the Operational Risks Department and intended to limit the occurrence and consequences of such risks as far as possible. The Group's integrated risk management tool, "Health, Safety and Environment", enables regular site self-assessments which result in action plans and internal audits. A team of six experts provides help, assistance and support to the teams in the field. There is also a crisis management unit that deals with the risks relating to customers and damage to the image of the Group's 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.

Description of ongoing disputes

At 30 September 2012, 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 legal proceedings at 30 September 2012 is detailed in Note 19 - Provisions, 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 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 fewer than one hundred individual cases that have been brought before industrial tribunals.
- As part of the measures to accelerate the transformation plan initiated in October 2012, some internal reorganization measures will result in redundancies in both France and BNG. Employee representation bodies and relevant national authorities, as applicable, were notified by the Group for the purpose of obtaining the approvals necessary to carry out these measures. The Group has proposed specific assistance to the affected employees, including a voluntary redundancy plan, the full package being under negotiation at the time of publication of this report.

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 2011/2012; 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, such as: 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 a specific insurance cover 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 is the main insurer in the blanket cover programme for public liability.

The Group does not have a captive insurance or reinsurance company.

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 are 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, 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 (COMEX), the Chief Executive Officer or the Chairman.

Recent development and future prospects

Market and competition

Tourism business

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 nearly 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 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.

In financial year 2011/2012, the Pierre & Vacances-Center Parcs Group generated nearly 35% of sales directly from the Internet.

With 300 sites, almost 50,000 apartments and 231,000 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 (109,000 beds in the Pierre & Vacances and Maeva brands in France out of a total of more than 506,000 beds in seaside and mountain resorts [source SNRT at 1 January 2012]). Its main rivals are: Odalys (67,000 beds), Lagrange (40,000 beds) Belambra (37,000 beds) Eurogroup (26,000 beds), Goelia (15,000 beds) and France Location (15,000 beds).
- In Northern Europe, the main rivals for Center Parcs Europe are Landal Greenparks (65 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 86 Adagio and Adagio Access residences, or around 10,000 apartments, out of a total of 596 residences, or around 50,000 apartments at 1 January 2012 (source Deloitte Conseil). City residences generally receive a mixed clientele 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 in France are: Appart'City/Cap Affaires (18,000 beds - Group Dom'Ville'Services), Park & Suites (15,000 beds - Equalliance Group) Residhome/Séjours & Affaires/ Relais Spa (12,000 beds - Group Résidétudes) Resid ' hotel (12,000 beds), Citadines/Ascott (9,000 beds - Ascott Group) (source KPMG - An overview of the French Hotel Industry 2012).

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. 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.

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Objectives for 2012/2013 and outlook

The Group's sales performance demonstrated the resilience of the tourism business against the backdrop of a significant decline in the tourism industry in Europe. However, this performance was insufficient, as the transformation plan generated fewer savings than expected over the year.

The property development business also held up well in an unfavourable environment, but its contribution was negatively impacted by additional costs for the Avoriaz programme and by lower annual revenue due to the phasing of property development programmes.

In view of the Group's earnings and the persistent economic difficulties in France and Europe, the Group has decided to implement an active sales policy and an aggressive cost reduction plan aimed at returning its operations to profitability in 2012/2013.

The sales action plan focuses on five areas:

- **streamlining and clarifying the offering** (transfer of 40 Maeva residences to the Pierre & Vacances brand);
- **adapting the pricing policy** (a simplified price policy, improved early-booking pricing, etc.);
- **adapting the distribution strategy** (improved reservations tools, increased site sales, optimising marketing, etc);
- **making targeted product investments** (Aquariaz in Avoriaz, Spa in Arc 1950, etc.);
- **developing a selective offering** in buoyant brands/markets (opening of Center Parcs Bostalsee in Germany in 2013, delivery of 276 additional apartments in Avoriaz, etc).

The cost reduction plan includes:

- **a 15% decrease in head office costs and a 4% decrease in site operating costs**, or €35 million in permanent savings, of which €25 million as of 2012/2013.

  These targets are reflected in a project to streamline the Group's organisation, currently being discussed with the trade unions. The project concerns 195 staff in France and Europe, or 2.6% of the Group's overall headcount. Assistance measures (voluntary redundancy, outplacement, part-time work, etc.) are to be implemented by the Group to minimise the social impact. This plan also includes the non-renewal of fixed-term contracts and temporary staff contracts, as well as a strict salary increase policy;
- stepping up activities with respect to lease renewals, which should result in €8 million in savings as of 2012/2013 excluding index variations. This policy should help to gradually reduce the rent expense by €45 million through 2017 (including indexation[1] and excluding the development of the product offering).

In addition to measures that seek to increase the profitability of the tourism business, the Group is stepping up its development in France, Germany, Spain and Morocco, with a twofold objective:

- extending its holiday residence portfolio (in particular with major projects such as the Center Parcs in the Vienne region and Villages Nature);
- increase the margins of its property development business.

The appointment of Françoise Gri as the Group's CEO comes as part of this strategy to turn around the Group's earnings in 2012/2013 and to increase profitability of the Group's business, in order to take a further step in its ongoing expansion, especially outside France.

(1) Assumes an annual variation in the IRL of 2%.

First quarter 2012/2013 revenue

(in € millions)	2012/2013	2011/2012 on a like-for-like basis (*)	Change on a like-for-like basis	2011/2012 reported
Tourism	**198.2**	**196.1**	**+1.0%**	**199.0**
Pierre & Vacances Tourisme Europe	86.1	81.7	+5.4%	83.7
Center Parcs Europe	112.1	114.5	-2.0%	115.2
of which rental revenue	*133.9*	*132.0*	*+1.4%*	*131.4*
Pierre & Vacances Tourisme Europe	*59.7*	*56.6*	*+5.5%*	*58.7*
Center Parcs Europe	*74.2*	*75.4*	*-1.7%*	*72.7*
Property	**42.2**	**165.8**	**-74.5%**	**165.8**
Revenue from reservations (incl. tax)	*188.0*	*127.3*	*+47.7%*	*127.3*
TOTAL Q1	**240.4**	**361.9**	**-33.6%**	**364.8**

(*) On a like-for-like basis, revenue has been adjusted for the difference in school holiday dates in France and, in the case of Center Parcs Europe, for the harmonisation of internal commission rates on revenue from the Dutch, German and Belgian Center Parcs (increase in rental revenue and corresponding decrease in "Revenue from services").

Tourism revenue

1st quarter revenue in financial year 2012/2013 amounted to €198.2 million.

Rental revenue was €133.9 million, up 1.4% on a like-for-like basis compared with Q1 2011/2012.

- The contribution of **Pierre & Vacances Tourisme Europe** rose by 5.5% to €59.7 million, driven by strong performances by mountain resorts and city residences (58% of the Pierre & Vacances Tourisme Europe rental revenue in Q1 2012/2013).

  Direct sales from on-line sites rose by nearly 10%. They accounted for 16.4% of rental revenue, up from 15.3% in the first quarter of the previous year.

- **Center Parcs Europe** contributed €74.2 million, a slight fall of 1.7%, with strong performances from Dutch and Belgian customers partly offsetting the drop in business at French villages.

  Direct sales from on-line sites are increasing, representing 54% of rental revenue compared with 52% in Q1 of the previous year.

Property development revenue

The drop in revenue in Q1 is related to the phasing of property programmes.

Revenue for Q1 2011/2012 was mainly from the renovation programme at Center Parcs des Hauts de Bruyères (€54.8 million), the expansions of Avoriaz (€40.3 million) and the Domaine des Trois Forêts (€22.6 million) and the contribution made by Les Senioriales (€20.4 million).

Property development revenue represented €42.2 million in Q1 2011/2012, notably due to the expansion of Avoriaz (€11.7 million) as well as the contribution from Les Senioriales (€12.8 million).

Revenue from property reservations in Q1 2011/2012 totalled €188 million, a rise of 48% compared with Q1 2010/2011 (€127 million), in particular as a result of reservation contracts signed with institutional investors and in respect of sales of cottages at Center Parcs in the Vienne region.

Trends in tourism reservations

In light of the level of business seen in Q1 and reservations to date, we currently expect tourism business in the first half of 2012/2013 to be slightly higher than the same period in 2011/2012.

1

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in € thousands)	Notes	2011/2012	2010/2011 restated (*)
Revenue	26	1,419,074	1,469,605
Purchases and external services	27	-1,049,496	-1,057,389
Employee expenses	28	-322,555	-317,411
Depreciation, amortisation and impairment	29	-44,180	-53,810
Other operating income from ordinary activities	30	21,043	22,496
Other operating expenses on ordinary activities	30	-30,840	-35,515
Operating profit (loss) from ordinary activities	**3**	**-6,954**	**27,976**
Other operating income	3/31	4,929	11,519
Other operating expenses	3/31	-11,468	-20,991
Operating profit (loss)	**3**	**-13,493**	**18,504**
Financial income	32	2,874	3,703
Financial expenses	32	-21,143	-20,266
Net financial income		**-18,269**	**-16,563**
Income tax	33	4,514	7,656
Share of net income (loss) of equity-accounted investments	8	-129	-33
Profit (loss) for the year		**-27,377**	**9,564**
Of which:			
■ *attributable to owners of the Company*		*-27,372*	*9,566*
■ *non-controlling interests*		*-5*	*-2*
Basic earnings per share, attributable to owners of the Company *(in €)*	34	-3.18	1.10
Diluted earnings per share, attributable to owners of the Company *(in €)*	34	-3.18	1.09

(*) Restated for the retrospective corrections described in Note 1.3 of the notes to the consolidated financial statements.

Consolidated statement of comprehensive income

(in € thousands)	Notes	2011/2012	2010/2011 restated (*)
Profit (loss) for the year		**-27,377**	**9,564**
Translation adjustments		22	19
Effective portion of gains and losses on hedging financial instruments		-574	-98
Deferred tax		198	34
Other comprehensive income (loss), net of tax		**-354**	**-45**
Total comprehensive income (loss)		**-27,731**	**9,519**
Of which:			
■ *attributable to owners of the Company*		-27,726	9,521
■ *non-controlling interests*		-5	-2

(*) Restated for the retrospective corrections described in Note 1.3 of the notes to the consolidated financial statements.

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Consolidated statement of financial position

Assets

(in € thousands)	Notes	30/09/2012	30/09/2011 restated (*)
Goodwill	4	155,273	155,285
Intangible assets	5	116,207	114,349
Property, plant and equipment	7	353,252	351,661
Equity-accounted investments	8	1,788	253
Available-for-sale financial assets	10	1,654	1,705
Other non-current financial assets	9	23,443	24,478
Deferred tax assets	33	76,789	66,309
Non-current assets	**3**	**728,406**	**714,040**
Inventories and work in progress	11/12	212,098	161,586
Trade receivables	13	211,684	309,499
Other current assets	14	258,764	228,672
Current financial assets	14	25,076	18,663
Cash and cash equivalents	15/23	139,448	237,061
Current assets	**3**	**847,070**	**955,481**
Non-current assets and disposal groups held for sale	16	1,844	-
TOTAL ASSETS	**3**	**1,577,320**	**1,669,521**

(*) Restated for the retrospective corrections described in Note 1.3 of the notes to the consolidated financial statements.

Equity and liabilities

(in € thousands)	Notes	30/09/2012	30/09/2011 restated (*)
Share capital		88,216	88,216
Share premium		8,637	8,637
Treasury shares		-11,402	-6,158
Accumulated other comprehensive income (loss)		-503	-149
Reserves		392,648	388,039
Consolidated profit (loss)		-27,372	9,566
Equity attributable to owners of the Company	**18**	**450,224**	**488,151**
Non-controlling interests		-1	4
Shareholders' equity		**450,223**	**488,155**
Long-term borrowings	20/23	274,424	294,679
Non-current provisions	19	18,638	27,597
Deferred tax liabilities	33	13,483	13,765
Other non-current liabilities	25	2,595	4,502
Non-current liabilities	**3**	**309,140**	**340,543**
Short-term borrowings	20/23	42,294	44,683
Current provisions	19	9,074	10,861
Trade payables	24	296,865	259,308
Other current liabilities	25	448,402	498,951
Current financial liabilities	25	21,322	27,020
Current liabilities	**3**	**817,957**	**840,823**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,577,320**	**1,669,521**

(*) Restated for the retrospective corrections described in Note 1.3 of the notes to the consolidated financial statements.

Consolidated statement of cash flows

(in € thousands)	Notes	2011/2012	2010/2011 restated (*)
Operating activities			
Consolidated profit (loss)		**-27,377**	**9,564**
Depreciation, amortisation and impairment of non-current assets		35,183	48,300
Expenses on grant of share options		1,004	1,113
Gains (losses) on disposals of assets	31	-600	-7,895
Share of net income (loss) of equity-accounted investments	8	129	33
Net borrowing costs	32	18,182	16,360
Tax expense (including deferred taxes)	33	-4,514	-7,656
Operating cash flows before change in working capital requirements		**22,007**	**59,819**
Net borrowing costs: net interest paid		-16,482	-13,251
Taxes paid		-3,871	-3,816
Cash flows after interest and tax		**1,654**	**42,752**
Change in working capital requirements (including in employee benefits liability)		**-12,734**	**-32,603**
Inventories and work in progress	11	-54,653	-8,380
Other working capital items		41,919	-24,223
Net cash flows from operating activities (I)		**-11,080**	**10,149**
Investing activities			
Acquisitions of property, plant and equipment, and intangible assets	3/5/7	-52,854	-36,103
Acquisitions of financial assets		-2,664	-1,139
Acquisitions of business goodwill	4/17	-	-
Acquisitions of subsidiaries (net of cash acquired)	17	-	2,535
Subtotal of disbursements		**-55,518**	**-34,707**
Proceeds from disposals of property, plant and equipment, and intangible assets		926	4,666
Proceeds from disposals of financial assets		2,314	2,244
Proceeds from disposals of business goodwill	17	650	7,274
Divestments of subsidiaries (net of cash paid)	17	1,921	85
Subtotal of receipts		**5,811**	**14,269**
Cash flows on assets and disposal groups held for sale	16	-1,844	8,047
Net cash flows from investing activities (II)		**-51,551**	**-12,391**
Financing activities			
Acquisitions and disposals of treasury shares	18	-5,244	-1,249
Dividends paid to owners of the Company		-5,961	-6,124
Proceeds from new loans and other borrowings	20	8,058	119,667
Repayments of loans and other borrowings	20	-38,985	-33,584
Net cash flows from financing activities (III)		**-42,132**	**78,710**
Net increase (decrease) in cash and cash equivalents (IV = I + II + III)		**-104,763**	**76,468**
Cash and cash equivalents at beginning of year (V)	15/17	232,506	156,038
Cash and cash equivalents at end of year (VI = IV + V)	15/17	127,743	232,506

(*) Restated for the retrospective corrections described in Note 1.3 of the notes to the consolidated financial statements.

1

Consolidated statement of changes in equity

(in € thousands)	Number of shares	Share capital	Share premium	Treasury shares	Translation adjustments	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 2010 (*)	**8,821,551**	**88,216**	**8,637**	**-8,779**	**38**	**-142**	**387,539**	**6,680**	**482,189**	**7**	**482,196**
Other comprehensive income (loss)	-	-	-	-	19	-64	-	-	-45	-	-45
Profit (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,566**	**9,566**	**-2**	**9,564**
Total comprehensive income (loss)		**0**	**0**	**0**	**19**	**-64**	**0**	**9,566**	**9,521**	**-2**	**9,519**
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	-	-	-	-	-	-	6,680	-6,680	0	-	0
Balance at 30 September 2011 (*)	**8,821,551**	**88,216**	**8,637**	**-6,158**	**57**	**-206**	**388,039**	**9,566**	**488,151**	**4**	**488,155**
Other comprehensive income (loss)	-	-	-	-	22	-376	-	-	-354	-	-354
Profit (loss) for the year	-	-	-	-	-	-	-	-27,372	-27,372	-5	-27,377
Total comprehensive income (loss)		**0**	**0**	**0**	**22**	**-376**	**0**	**-27,372**	**-27,726**	**-5**	**-27,731**
Capital increase	-	-	-	-	-	-	0	-	0	-	-
Dividends paid	-	-	-	-	-	-	-5,961	-	-5,961	-	-5,961
Change in treasury shares held	-	-	-	-5,244	-	-	-	-	-5,244	-	-5,244
Changes due to share-based payments	-	-	-	-	-	-	1,004	-	1,004	-	1,004
Issue of OCÉANE compound financial instruments	-	-	-	-	-	-	-	-	0	-	0
Other movements	-	-	-	-	-	-	-	-	0	-	0
Allocation of profit for the year	-	-	-	-	-	-	9,566	-9,566	0	-	0
BALANCE AT 30 SEPTEMBER 2012	**8,821,551**	**88,216**	**8,637**	**-11,402**	**79**	**-582**	**392,648**	**-27,372**	**450,224**	**-1**	**450,223**

(*) Restated for the retrospective corrections described in Note 1.3 of the notes to the consolidated financial statements.

Notes to the consolidated financial statements

Preamble

Pierre & 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 Group's consolidated financial statements for the year ended 30 September 2012 on 3 December 2012.

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 2012 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union on 30 September 2012 (these standards are available at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The IFRS accounting standards include 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 2011, except for those adopted by the European Union which must be applied for the first time in the financial year beginning 1 October 2011 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 2011, have not had any material impact on the Group's consolidated financial statements for financial year 2011/2012.

The new standards, interpretations and amendments applied by the Group for the 2011/2012 financial year and not anticipated in the 2010/2011 financial statements include the following:

- 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 IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments". This amendment clarifies the accounting of the equity instruments issued by an entity to settle, in full or in part, a financial liability;
- amendment to IFRS 7, concerning disclosures related to transfers of financial assets. This amendment enables the Group to better assess the risks to which it is exposed and the impact of these risks on its financial position in the case of transactions involving transfers of financial assets (applicable to financial years beginning on or after 1 July 2011);
- "Improvements to IFRSs" (May 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 IAS 12 "Recovery of underlying assets", which mainly concerns investment properties measured at fair value and has an impact only in cases where the taxation applicable to the disposal of an asset is different from that applicable during the use of the asset (applicable to financial years beginning on or after 1 January 2012);
- 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 2014);
- 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);
- amendment to IFRS 7 "Financial instruments - Disclosures: Offsetting of assets and liabilities" (applicable to financial years beginning on or after 1 January 2013);
- IFRS 10 relating to consolidated financial statements (applicable to financial years beginning on or after 1 January 2014);
- IFRS 11 "Joint arrangements" (applicable to financial years beginning on or after 1 January 2014);
- amendment to IAS 32 "Financial instruments - Presentation: Offsetting of assets and liabilities" (applicable to financial years beginning on or after 1 January 2014);

- IFRS 9 "Financial Instruments": classification and measurement of financial assets and liabilities and the amendment to IFRS 9 aiming to move the date of compulsory application of the standard to annual periods beginning on or after 1 January 2015.

The Group is reviewing all these standards and interpretations, in particular revised IAS 19, IFRS 10, IFRS 11 and IFRS 12, in order to measure their potential impact on the consolidated profit (loss), financial position and cash flows and to assess the required disclosures.

The main effects of the revised IAS 19 are: (i) imposing the immediate recognition in other comprehensive income or loss of actuarial gains and losses on post-employment benefits, (ii) eliminating the recognition in profit or loss of the return on plan assets based on an expected rate of return (and imposing instead the use of the rate of return on high quality bonds which is applied when discounting liabilities), (iii) eliminating the amortisation of past service cost, and (iv) improving disclosures by refocusing them on the characteristics of the plans and associated risks.

The revised standard also redefines the accounting for termination benefits, which must be recognised when the entity can no longer withdraw its offer or when a restructuring liability must be recorded under IAS 37. The Group is currently working with its actuaries to assess the impact of these changes.

The new standards IFRS 10 and IFRS 11, as well as the amendment to IAS 28 prohibit the use of the proportionate consolidation method. Accounting for partnership agreements is based solely on the nature and substance of the contractual rights and obligations, regardless of the legal form of the agreement.

IFRS 10 specifically defines a single model for evaluating control, the basis for full consolidation, which comprises three elements: power over the investee, exposure to returns and the ability to affect those returns through power over the investee.

IFRS 11 aims to eliminate the use of the proportionate consolidation method. The Group will review its partnership agreements: in case of a joint venture, the Group will consolidate the subsidiary using the equity method and in case of a joint operation, the Group will recognise its share of the applicable assets, liabilities, income and expenses.

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 - Retrospective correction identified during the Group's review of its policy for the depreciation and amortisation of non-current assets

As part of its review of the depreciation and amortisation methods with regards to non-current assets, in 2011/2012 the Group revised the depreciation and amortisation base and periods for certain items used in the villages marketed under the Center Parcs and Sunparks brands.

In accordance with IAS 8, this correction has been accounted for retrospectively and the shareholders' equity balance at 1 October 2010 as well as the reported comparative amounts have been restated.

The following changes have been made to the shareholders' equity reported in the financial statements published for 2010/2011:

(in € thousands)	**30/09/2010**	**2010/2011 profit (loss)**	**30/09/2011**
Shareholders' equity, as published in the Financial Report 2010/2011	**486,845**	**10,497**	**493,737**
Amortisation of intangible assets	-19	-3	-22
Depreciation of property, plant and equipment	-6,423	-1,290	-7,713
Deferred tax on depreciation and amortisation correction	1,793	360	2,153
Shareholders' equity, restated	**482,196**	**9,564**	**488,155**

1.4 - 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.

1.5 - 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.

1.6 - 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.

1.7 - 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.

1.8 - Foreign currency translation

Translation of transactions denominated in foreign currency

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 statement 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 statement 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.

1.9 - 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, amortisation, 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 is reassessed at fair value on the date control is acquired and the difference from the net carrying amount is 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.

1.10 - 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.

1.11 - 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.

1.12 - 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.

1

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.

1.13 - 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.

1.14 - 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 - 54 years
Equipment, fixtures and fittings	5 - 16 years
Furniture	8 - 12 years
Other property, plant and equipment	3 - 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.

1.15 - 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.

1.16 - 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.

1.17 - 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".

1.18 - 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 Pierre & Vacances 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.

1.19 - 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.

1.20 - Pierre & Vacances treasury shares

Shares in Pierre & Vacances held by the parent company and/or by Group companies, irrespective of the purpose of the holding, are recorded at their acquisition cost as a reduction to consolidated 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.

1.21 - 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 corresponding increases in 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.

1.22 - 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 future renovation costs to be paid by the Group through the end of the lease term. 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 and included in a detailed, formal plan before the reporting date.

1.23 -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 cost

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.

1.24 -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.

1.25 - 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.

1.26 - 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.

1.27 -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 during operational ramp-up, 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.

1.28 - Revenue

Consolidated revenue comprises:

- **tourism**: the pre-tax value of holidays and related income earned during the financial year and fees due 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 1.29 - Revenue recognition method - Property development) less, on the date the apartments are delivered, the "support funds" (see Note 1.27 - 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,
  - marketing fees.

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.

1.29 - 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.

1.30 - 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.

1.31 - 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.

1.32 -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, introduced 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 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.

1.33 -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 & 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 & 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 2011/2012 financial year

Disposals

On 12 April 2012, the Group sold the business goodwill of the Latitudes hotel in Valescure, which generated a gain of €527,000. This disposal completed the Group's withdrawal from the hotel business.

On 11 June 2012, the Pierre & Vacances Center Parcs Group sold its shareholdings in Cala Rossa (a company that operated a village in Sardinia) to the Sogepi Group for a net amount of €1,921,000. This sale resulted in a gain of €21,000 after the completion of works whose costs, amounting to €587,000, were borne by the Group. These items are reported in "Other operating income and expenses".

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 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.

Disposals

On 22 December 2010, the business goodwill 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 1,650 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.

2.2 - Highlights for 2011/2012

Launch of Adagio City Aparthotel in Brazil

In February 2012, Adagio City Aparthotel and Accor Amérique Latine entered into a master franchise agreement to set up the Adagio and Adagio Access brands in Brazil with the aim of operating around 40 city residences.

The development of the Adagio brand in Brazil is to be achieved through both the conversion of a number of Accor Group hotels into Adagio residences and the construction of five aparthotels.

This agreement represents a significant international expansion opportunity for the Adagio brand and provides it an opening in the rapidly growing Latin American markets.

Center Parcs Bostalsee (Germany)

Located in the Sarre region of Germany, near the border between France and Luxembourg, Center Parcs Bostalsee is scheduled to open with 350 cottages on 28 June 2013, 150 additional cottages to be delivered in September 2013.

Financing for the leisure facilities by a semi-public company and the real estate company that owns the cottages was finalised on 2 December 2011. The marketing of these cottages to individual investors began at the end of March 2012 and, with nearly 200 reservations to date validates the viability of the Group's business model abroad, especially in Germany.

Center Parcs Allgäu (Germany)

New steps were taken this year for the Center Parcs project near the border between Bavaria and Baden-Württemberg, whose local site plan was approved by the towns of Leutkirch and Markt Altusried. Public hearing on the final plan for obtaining permits is now closed. This 800-cottage Center Parcs is scheduled to open to the public in 2016.

Center Parcs Vienne (France)

The opening of a fifth Center Parcs in France, in Trois-Moutiers and Morton near Loudun in the Vienne region, is planned for spring 2015. The land clearing authorisation and two building permits were issued on 27 and 28 September 2012. The leisure facilities, representing the core of the site and having a sale value of €130,000,000, will be financed by a semi-public company majority owned by the region.

The sale of the 800 cottages is underway, to both institutional investors (reservation contracts were concluded for 3 lots, i.e. a total of 340 cottages) and individual investors.

Project development - Villages Nature

Located 6 km from Disneyland Paris, Villages Nature is a new, innovative holiday destination project, based on an unprecedented and sustainable tourism development model in a quest for harmony between Man and Nature. This project is run by Les Villages Nature de Val d'Europe S.A.S., a 50-50 joint venture between Euro Disney and the Pierre & Vacances-Center Parcs Group, and is actively supported by the French government and regional authorities, including the Ile-de-France region and the Seine-et-Marne department.

Many steps were taken in 2011/2012, in particular during the last quarter of the year:

- obtaining five building permits for a first tranche of 857 apartments and cottages and two thirds of the facilities;
- completion of the public procedures, which were approved by the department Prefect at the end of July 2012 (declaration of public interest, transferable nature of land, land clearing authorisation) and September 2012 (authorisation under the French Water Act).

The marketing to individual investors will start in the first half of 2013, while the opening to the public is planned for spring 2016.

Renovation of Center Parcs Domaine des Hauts de Bruyères (Sologne)

On 22 November 2011, The Group acquired 350 cottages of Domaine des Hauts de Bruyères from Eurosic as part of a renovation operation, which was completed in the third quarter of the financial year.

Renovation of seven Center Parcs in the Netherlands, Germany and Belgium

During financial year 2011/2012, the Group continued, on behalf of the Blackstone Group, renovation work related to the upgrading of seven villages held by Blackstone in the Netherlands, Germany and Belgium. These renovations, representing an investment of €30,000,000, were completed before summer 2012.

2.3 - Main consolidated entities

French Companies

Legal form	Company	Consolidation method [1]	% interest at 30/09/2012	% interest at 30/09/2011
Holding Companies				
SA	Pierre & Vacances	Parent company	100.00%	100.00%
SNC	Pierre & Vacances FI	Full	100.00%	100.00%
GIE	PV-CP Services	Full	100.00%	100.00%
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 Service Holding	Full	100.00%	100.00%
Tourism				
Tourism France				
SA	Citéa	Proportional	-	50.00%
SARL	Clubhotel	Full	100.00%	100.00%
SA	Clubhotel Multivacances	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity-accounted.

Legal form	Company	Consolidation method (1)	% interest at 30/09/2012	% interest at 30/09/2011
SARL	Club Univers de France	Full	99.00%	99.00%
SNC	Commerce Patrimoine Cap Estérel	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%
SNC	Le Christiana Loisirs	Full	100.00%	100.00%
SNC	Locarev Maeva Résidences	Full	-	100.00%
SNC	NLD	Proportional	50.00%	50.00%
SAS	Orion	Full	100.00%	100.00%
SNC	Plagne Gémeaux Loisirs	Full	100.00%	100.00%
SAS	Pierre & Vacances Estérel Développement	Full	100.00%	100.00%
SA	PV-CP Distribution	Full	100.00%	100.00%
SAS	Pierre & Vacances Rénovation Tourisme	Full	100.00%	100.00%
SAS	PV-CP City	Full	100.00%	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 Hôtelière 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				
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 Équipements	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	Biarritz Loisirs	Full	100.00%	100.00%
SNC	Belle Dune Village	Full	100.00%	100.00%
SNC	Bois de la Mothe Chandenier Cottages	Full	100.00%	100.00%
SNC	Bois de la Mothe Chandenier Équipements	Full	100.00%	100.00%
SNC	Bois de la Mothe Chandenier Foncière	Full	100.00%	100.00%
SNC	Bois Francs Rénovation	Full	100.00%	100.00%
SNC	Caen Meslin Loisirs	Proportional	40.00%	40.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity-accounted.

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Legal form	Company	Consolidation method (1)	% interest at 30/09/2012	% interest at 30/09/2011
SNC	Chamonix Loisirs	Full	100.00%	100.00%
SNC	Chaumont Cottages	Full	100.00%	100.00%
SNC	Chaumont Équipements	Full	100.00%	100.00%
SNC	Chaumont Foncière	Full	100.00%	100.00%
SNC	Colmar Loisirs	Full	100.00%	100.00%
SARL	Cobim	Full	100.00%	100.00%
SNC	Courseulles sur Mer Loisirs	Full	100.00%	100.00%
SNC	Danestal Tourisme Développement	Full	100.00%	100.00%
SNC	Dhuizon Loisirs	Full	100.00%	100.00%
SNC	Flaine Montsoleil Centre	Full	100.00%	100.00%
SNC	Flaine Montsoleil Extension	Full	100.00%	100.00%
SNC	Houlgate Loisirs	Full	100.00%	100.00%
SNC	Le Hameau de Pont Royal Loisirs	Full	100.00%	100.00%
SNC	Le Havre Loisirs	Full	100.00%	100.00%
SNC	Le Rouret Loisirs	Full	100.00%	100.00%
SCI	Les Senioriales Biscarosse	Full	-	100.00%
SCI	Les Senioriales Boulou	Full	100.00%	-
SCI	Les Senioriales Charleval	Full	100.00%	-
SCI	Les Senioriales d'Equemauville	Full	100.00%	100.00%
SCI	Les Senioriales de Bassan	Full	100.00%	100.00%
SCI	Les Senioriales de Bergerac	Full	-	100.00%
SCI	Les Senioriales de Bracieux	Full	100.00%	100.00%
SCI	Les Senioriales de Camargue - St Gilles	Full	100.00%	100.00%
SCI	Les Senioriales de Carcassonne - Villegly	Full	100.00%	100.00%
SCI	Les Senioriales de Casteljaloux	Full	-	100.00%
SCI	Les Senioriales de Cavillargues	Full	100.00%	100.00%
SCI	Les Senioriales de Cevennes - St Privat des Vieux	Full	100.00%	100.00%
SCI	Les Senioriales de Fargues Saint Hilaire	Full	100.00%	100.00%
SCI	Les Senioriales de Ferrals	Full	100.00%	100.00%
SCI	Les Senioriales de Gonfaron	Full	100.00%	100.00%
SCI	Les Senioriales d'Izon	Full	100.00%	-
SCI	Les Senioriales de Jonquières	Full	100.00%	100.00%
SCI	Les Senioriales de Juvignac	Full	100.00%	100.00%
SCI	Les Senioriales de la Celle	Full	100.00%	100.00%
SCI	Les Senioriales de la Côte d'Azur - Grasse	Full	100.00%	100.00%
SCI	Les Senioriales de la Méditerranée	Full	-	100.00%
SCI	Les Senioriales de l'Atlantique - Meursac	Full	-	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%	100.00%
SCI	Les Senioriales de Pringy	Full	100.00%	100.00%
SCI	Les Senioriales de Provence - les Mées	Full	-	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity-accounted.

Legal form	Company	Consolidation method [1]	% interest at 30/09/2012	% interest at 30/09/2011
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%	100.00%
SCI	Les Senioriales de Saleilles	Full	-	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%
SCI	Les Senioriales de Thonon	Full	-	100.00%
SCI	Les Senioriales de Villereal	Full	100.00%	100.00%
SCI	Les Senioriales des Landes - Hinx	Full	100.00%	100.00%
SCI	Les Senioriales du Bassin d'Arcachon	Full	-	100.00%
SCI	Les Senioriales du Lombez	Full	100.00%	100.00%
SCI	Les Senioriales Rochefort du Gard	Full	100.00%	100.00%
SCI	Les Senioriales St Julien des Landes	Full	100.00%	100.00%
SCI	Les Senioriales de St Laurent de la Prée	Full	100.00%	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 Cenon	Full	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%	100.00%
SCI	Les Senioriales en Ville de Saint Avertin	Full	100.00%	100.00%
SCI	Les Senioriales en Ville d'Emerainville	Full	100.00%	-
SCI	Les Senioriales en Ville Manosque	Full	100.00%	-
SCI	Les Senioriales en Ville de Moins	Full	100.00%	-
SCI	Les Senioriales en Ville Mulhouse	Full	100.00%	-
SCI	Les Senioriales Teyran	Full	100.00%	-
SAS	Les Villages Nature de Val d'Europe	Proportional	50.00%	50.00%
SCI	Montrouge Développement	Proportional	50.00%	50.00%
SNC	Nancy Loisirs	Full	100.00%	100.00%
SCCV	Nantes Russeil	Proportional	50.00%	50.00%
SARL	Peterhof II	Full	100.00%	100.00%
SA	Pierre & Vacances Conseil Immobilier	Full	100.00%	100.00%
SARL	Pierre & Vacances Courtage	Full	100.00%	100.00%
SA	Pierre & Vacances Développement	Full	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Promotion et Commercialisation	Full	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Exploitation	Full	100.00%	100.00%
SNC	Plagne Lauze Tourisme Développement	Full	100.00%	100.00%
SNC	Presqu'île de la Touques	Full	100.00%	100.00%
SNC	Sologne Cottages	Full	100.00%	100.00%
SNC	St Cast Le Guildo Loisirs	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity-accounted.

Legal form	Company	Consolidation method (1)	% interest at 30/09/2012	% interest at 30/09/2011
SAS	Tourisme et Rénovation	Full	100.00%	100.00%
SNC	Tréboul Tourisme Développement	Full	100.00%	100.00%
SNC	Villages Nature Hébergements	Full	100.00%	100.00%
SARL	Villages Nature Management	Proportional	50.00%	50.00%
Center Parcs				
SNC	Ailette Équipement	Full	100.00%	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	Les Hauts de Bruyères Cottages	Full	100.00%	100.00%
SNC	Roybon Cottages	Full	100.00%	100.00%
SNC	Roybon Équipements	Full	100.00%	100.00%
Other				
SNC	Financière Pierre & Vacances I	Full	-	100.00%
SNC	Financière Pierre & Vacances II	Full	-	100.00%
SNC	La Financière Pierre & Vacances & Cie	Full	-	100.00%
SAS	Pierre & Vacances Investissement 24	Full	100.00%	100.00%
SAS	Pierre & Vacances Investissement 38	Full	100.00%	100.00%
SAS	Pierre & Vacances Marques	Full	100.00%	100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity-accounted.

Foreign companies

Legal form	Company	Country	Consolidation method [1]	% interest at 30/09/2012	% interest at 30/09/2011
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%
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	PVCP Support Services	The Netherlands	Full	100.00%	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%	100.00%
GmbH	Center Parcs Entwickelungsgesellschaft	Germany	Full	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Heilbachsee	Germany	Full	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Hochsauerland	Germany	Full	100.00%	100.00%
GmbH	Center Parcs Leisure Deutschland	Germany	Full	100.00%	100.00%
NV	Center Parcs Netherlands	The Netherlands	Full	100.00%	100.00%
NV	CP SP België	Belgium	Full	100.00%	100.00%
GmbH	Sunparks Bungalowpark Nordseeküste	Germany	Full	100.00%	100.00%
NV	Sunparks Groep	Belgium	Full	100.00%	100.00%
NV	Sunparks Vielsalm	Belgium	Full	100.00%	100.00%
NV	Sunparks 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%
Orion					
SA	Orion Exploitation Bruxelles Belliard	Belgium	Full	100.00%	100.00%
SL	SET Orion	Spain	Full	100.00%	100.00%
Other tourism					
Srl	Part House	Italy	Proportional	55.00%	55.00%
SPRL	Pierre & Vacances Belux	Belgium	Full	100.00%	100.00%
Srl	Pierre & Vacances Italia	Italy	Full	100.00%	100.00%

(1) Full: Fully consolidated   Proportional: Proportionally consolidated   Equity: Equity-accounted.

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Legal form	Company	Country	Consolidation method (1)	% interest at 30/09/2012	% interest at 30/09/2011
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%
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	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%
SAS	Pierre & Vacances Maroc	Morocco	Full	100.00%	1100.00%

(1) Full: Fully consolidated Proportional: Proportionally consolidated Equity: Equity-accounted.

Segment information

Based on the new internal organisation of the Group (described in the 2010/2011 annual report), the segment information shows the tourism business and the property development business. This breakdown reflects the operational organisation of the Group in terms of management and control of operations.

The Group develops its activities through two complementary business lines:

- 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 and Sunparks and located in Europe (mainly in France, the Netherlands, Germany, Belgium, Spain and Italy).

Within each business segment, there is a country-based organisation that runs the activities from day to day. Revenue and total non-current assets in France, where the registered office of the parent company is located, amounted to €1,051,818,000 and €404,800,000, 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

(in € thousands)	2011/2012 Tourism	Property development	Unassigned	Total
Revenue	1,116,848	313,118	-	1,429,966
Intra-business group revenue	-9,318	-1,574	-	-10,892
External revenue	**1,107,530**	**311,544**	**0**	**1,419,074**
Operating profit (loss) from ordinary activities	**-18,418**	**11,464**	**-**	**-6,954**
Other operating income and expenses	-4,237	-2,302	-	-6,539
Operating profit (loss)	**-22,655**	**9,162**	**0**	**-13,493**
Depreciation and amortisation	**-47,056**	**-201**	**-**	**-47,257**
Impairment losses	304	-	-	304
Property, plant and equipment, and intangible assets	**49,197**	**435**	**3,222**	**52,854**
Non-current assets	598,077	22,475	107,854	728,406
Current assets	306,964	373,225	166,881	847,070
Total assets	**905,041**	**395,700**	**276,579**	**1,577,320**
Non-current liabilities	22,929	723	285,488	309,140
Current liabilities	518,189	209,917	89,851	817,957
Total liabilities excluding equity	**541,118**	**210,640**	**375,339**	**1,127,097**

(in € thousands)	2010/2011 restated 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	**-4,084**	**32,060**	**-**	**27,976**
Other operating income and expenses	-8,575	-897	-	-9,472
Operating profit (loss)	**12,659**	**31,163**	**0**	**18,504**
Depreciation and amortisation	**44,532**	**191**	**-**	**44,723**
Impairment losses	**2,775**	**-**	**-**	**2,775**
Property, plant and equipment, and intangible assets	**35,448**	**310**	**345**	**36,103**
Non-current assets	599,839	22,254	91,947	714,040
Current assets	261,065	435,383	259,033	955,481
Total assets	**860,904**	**457,637**	**350,980**	**1,669,521**
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**

(*) Restated for the retrospective corrections described in Note 1.3.

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Analysis of main statement of financial position items

NOTE 4 GOODWILL

(in € thousands)	30/09/2012	30/09/2011
Gross amount	177,962	177,974
Accumulated impairment losses	-22,689	-22,689
NET AMOUNT	**155,273**	**155,285**

Goodwill was automatically tested for impairment loss at 30 September 2012, 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 2011/2012. The same applied at 30 September 2011.

Net amount at reporting date

(in € thousands)	30/09/2012	30/09/2011
Tourisme Europe	135,646	135,658
Les Senioriales	17,828	17,828
Pierre & Vacances Développement	1,463	1,463
Pierre & Vacances Développement España	336	336
TOTAL NET AMOUNT	**155,273**	**155,285**

NOTE 5 INTANGIBLE ASSETS

(in € thousands)	Brand names	Other intangible assets	Total intangible assets
At 30 September 2010 (*)			
Gross amount	105,877	25,525	131,402
Accumulated depreciation, amortisation and impairment losses	-1,508	-21,326	-22,834
Net amount	**104,369**	**4,199**	**108,568**
Changes			
Acquisitions	-	3,511	3,511
Net disposals and retirements	-	-267	-267
Business combinations	-	6,566	6,566
Amortisation	-	-1,275	-1,275
Impairment losses	-2,226	-549	-2,775
Reclassifications	-	21	21
Total changes for the year	**-2,226**	**8,007**	**5,781**
At 30 September 2011 (*)			
Gross amount	105,877	35,331	141,208
Accumulated depreciation, amortisation and impairment losses	-3,734	-23,125	-26,859
Net amount	**102,143**	**12,206**	**114,349**
Changes			
Acquisitions	-	5,169	5,169
Net disposals and retirements	-	-485	-485
Business combinations	-	9	9
Amortisation	-	-2,677	-2,677
Impairment losses	-	-	-
Reclassifications	-	-158	-158
Total changes for the year	**-**	**1,858**	**1,858**
At 30 September 2012			
Gross amount	105,877	39,647	145,524
Accumulated depreciation, amortisation and impairment losses	-3,734	-25,583	-29,317
NET AMOUNT	**102,143**	**14,064**	**116,207**

(*) Restated for the retrospective corrections described in Note 1.3.

Intangible assets at 30 September 2012 consisted of:

- **the "Brand names" item** including €85,870,000 for the Center Parcs brand, €7,472,000 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 2012 for each of the brand names on the statement of financial position. These tests did not lead the Group to recognise impairment losses on brand names for financial year 2011/2012;
- "**Other intangible assets**" for €14,064,000. The change is essentially due to:
  - €5,169,000 in acquisitions, including the implementation of a new CRM tool rolled out at the Group level (€940,000) and the development of websites for individual customers and owners (€2,663,000),
  - €485,000 in various disposals, including an image library for €419,000.

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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 1.11 - Goodwill impairment tests and Note 1.12 - 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 selling prices, 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. The assumptions used to estimate the value in use are based on forecast cash flows from operating activities, which are driven mainly by:

- revenue, which varies depending on the offering, occupancy rate, average selling prices and distribution strategy aimed to increase the share of Internet sales;
- the implementation of a new cost reduction plan, and finally;
- the lease renewal policy that enables to lower the rent expense.

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 weighted average cost of the Group's capital. The latter is calculated from the rate of return on 10-year French government bonds and sectoral characteristics, primarily to assess the risk premium and the marginal borrowing cost.

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 2012 and 30 September 2011.

	30/09/2012			30/09/2011		
(in € thousands)	Goodwill	Brand name	Total	Goodwill	Brand name	Total
Tourisme Europe	135,646	100,103	235,749	135,658	100,103	235,761
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	**155,273**	**102,143**	**257,416**	**155,285**	**102,143**	**257,428**

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 selling prices) 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%** (the same as at 30 September 2011)
Discount rate used	**9.5%** (versus 8.45% at 30 September 2011)
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 5% and -5%, 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 -12% and 16%, 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 9% and -9%, respectively, on the recoverable amount.
Sensitivity of the recoverable amount to the average selling price	A one-point increase and decrease in the average selling price has an impact of 7% and -7%, respectively, on the recoverable amount.
Sensitivity of the recoverable amount to the margin rate	A one-point increase and decrease in the margin 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 selling price more than 6%.

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.

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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 2010 (*)					
Gross amount	17,366	205,801	267,129	151,966	642,262
Accumulated depreciation, amortisation and impairment losses	-1,039	-52,372	-122,832	-98,238	-274,481
Net amount	**16,327**	**153,429**	**144,297**	**53,728**	**367,781**
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	-	-7,304	-23,786	-12,316	-43,406
Reclassifications	-63	-1,345	-18,928	-20,400	-2,880
Total changes for the year	**253**	**-6,409**	**-2,284**	**-7,680**	**-16,120**
At 30 September 2011 (*)					
Gross amount	17,511	204,588	286,982	143,024	652,105
Accumulated depreciation, amortisation and impairment losses	-931	-57,568	-144,969	-96,976	-300,444
Net amount	**16,580**	**147,020**	**142,013**	**46,048**	**351,661**
Changes					
Acquisitions	2,676	14,909	19,112	10,988	47,685
Net disposals and retirements	-111	20	-155	-580	-826
Depreciation	-	-10,097	-23,683	-10,800	-44,580
Reclassifications	-220	10,001	-9,634	-835	-688
Total changes for the year	**2,345**	**14,833**	**-14,360**	**-1,227**	**1,591**
At 30 September 2012					
Gross amount	19,856	244,380	280,426	149,603	694,265
Accumulated depreciation, amortisation and impairment losses	-931	-82,527	-152,773	-104,782	-341,013
NET AMOUNT	**18,925**	**161,853**	**127,653**	**44,821**	**353,252**

(*) Restated for the retrospective corrections described in Note 1.3.

Property, plant and equipment items, with a total net carrying amount of €353,252,000 at 30 September 2012, essentially include the assets used in the operations of:

- **the Center Parcs and Sunparks villages**, with a net amount of €251,007,000, mainly consisting of furniture and general fittings needed for operating the villages.

  The main changes for the year arose from:

  - investment of €17,972,000 for improving the product mix of all the Center Parcs villages, including €5,527,000 for the Dutch villages, €6,950,000 for the French villages, €2,401,000 for the German villages and €3,094,000 for the Belgian villages,
  - depreciation for the period of €23,442,000;

- **the Pierre & Vacances Tourisme Europe residences and villages**, for a net amount of €100,734,000. Property, plant and equipment mainly comprise general services, fittings and equipment needed for operating the sites.

During the financial year, the operating companies invested €27,996,000, notably to modernise existing sites and to open new sites. This amount includes in particular an investment of €12,900,000 related to Aquariaz, a path breaking mountain water park. Depreciation for the period stood at €20,629,000.

Finance leases:

At 30 September 2012, the net amount of "Property, plant and equipment" included €130,180,000 representing the restatement of tangible and intangible assets under finance leases, compared to €137,657,000 at 30 September 2011. The corresponding residual financial liability stood at €115,906,000 at 30 September 2012, compared to €119,858,000 at 30 September 2011 (see Note 20 - Financial liabilities).

At 30 September 2012, the line item "Finance leases" includes, in particular:

- the central facilities of the Domaine Center Parcs du Lac d'Ailette for €129,189,000; the corresponding financial liability amounts to €111,330,000;
- the overhaul of the television sets in the residences operated by Pierre & Vacances Tourisme Europe for €991,000.

NOTE 8 EQUITY-ACCOUNTED INVESTMENTS

(in € thousands)	30/09/2012	30/09/2011
Société de développement de résidences touristiques	1,788	253
TOTAL	**1,788**	**253**

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 et de Gestion du Maroc*).

NOTE 9 OTHER NON-CURRENT FINANCIAL ASSETS

(in € thousands)	30/09/2012	30/09/2011
Gross accrued interest income	15	14
Impairment losses	-	-
Net accrued interest income	**15**	**14**
Gross loans and other financial assets	23,704	24,787
Impairment losses	-276	-323
Net loans and other financial assets	**23,428**	**24,464**
TOTAL	**23,443**	**24,478**

"**Loans and other financial assets**", whose net carrying amount at 30 September 2012 was €23,428,000, consist primarily of guarantee deposits in the amount of €21,553,000 paid to property owners/lessors and suppliers. These deposits are distributed mainly between residences and villages of Pierre & Vacances Tourisme Europe (€4,901,000) and villages of Center Parcs Europe (€16,023,000).

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NOTE 10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

(in € thousands)	30/09/2012	30/09/2011
Gross amount	**1,654**	**1,705**
Impairment losses	-	-
NET AMOUNT	**1,654**	**1,705**

"**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)	30/09/2012	30/09/2011
Work in progress	149,067	105,771
Finished goods	57,697	50,106
Gross property development programmes	**206,764**	**155,877**
Provisions	-1,388	-2,304
Net property development programmes	**205,376**	**153,573**
Other inventories	6,722	8,013
TOTAL	**212,098**	**161,586**

In financial year 2011/2012, the net amount of inventories and work in progress increased by €50,512,000, of which -€4,142,000 arose from the sale of Cala Rossa, fluctuations in exchange rates and reclassifications of statement of financial positions items.

This increase primarily reflects the change in the contribution of property development programmes (€51,803,000). 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)	30/09/2011	Increases	Reductions	30/09/2012
Manilva	30,538	-	-1,000	29,538
Roybon	26,278	2,173	-1,850	26,601
Bois de la Mothe Chandenier Cottages	6,082	13,900	-	19,982
Bois des Harcholins	13,358	28,636	-22,925	19,069
Chaumont Cottages	4,712	77,804	-72,706	9,810
Center Parcs Allgäu	6,809	2,375	-	9,184
Avoriaz	7,271	74,072	-72,569	8,774
Villages Nature de Val d'Europe	3,514	4,692	-	8,206
Morocco	6,138	410	-	6,548
Presqu'île de La Touques	4,834	1,552	-	6,386
Biarritz Loisirs	115	16,055	-9,903	6,267
Flaine Montsoleil Centre	2,583	3,497	-	6,080
Center Parcs - Other	2,237	5,618	-3,690	4,165
St Cast Le Guildo	824	2,850	-	3,674
En ville – Marseille	649	3,958	-1,632	2,975
Chaumont Équipement	93	2,530	-	2,623
Rambouillet	1,673	8,272	-7,602	2,343
Pringy	253	2,471	-489	2,235
St Laurent de la Prée	404	3,087	-1,267	2,224
Soulac	1,373	2,359	-1,836	1,896
Nancy Loisirs	-	1,776	-	1,776
Juvignac	498	4,589	-3,315	1,772
Bassan	580	4,522	-3,378	1,724
St Julien des Landes	1,376	3,955	-3,860	1,471
Pont Aven	431	1,329	-386	1,374
SNC Villages Nature Hébergements	-	1,352	-	1,352
La Celle	402	1,780	-830	1,352
Montélimar	971	4,198	-3,922	1,247
Paradou	2,604	29	-1,452	1,181
Lacanau	908	2,726	-2,661	973
Montagnac	865	2,142	-2,176	831
SNC Les Senioriales en Ville d'Emerainville	-	705	-	705
Colmar Loisirs	293	380	-	673
En Ville - Luce	576	4,460	-4,421	615
Jonquières	1,653	75	-1,114	614
Ruoms	770	19	-212	577
Charleval	-	575	-	575
Izon	-	539	-	539
Lombez	1,141	13	-646	508
Ville de Mions	-	506	-	506
Bois Francs Foncière	501	-	-	501

(in € thousands)	30/09/2011	Increases	Reductions	30/09/2012
Saint Gatien	160	331	-	491
Cavillargues	156	298	-	454
Bracieux	217	213	-	430
Other Property development programmes	22,037	88,524	-104,618	5,943
SUBTOTAL PROPERTY DEVELOPMENT	**155,877**	**381,347**	**-330,461**	**206,764**

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

- increases for the year arising essentially from:
  - €63,572,000 for purchases and renovation of existing residences and cottages for resale under the Pierre & Vacances sales formula, with lease attached, which mainly concern:
    - the cottages of Domaine Center Parcs des Hauts de Bruyères (Sologne). This transaction resulted in an increase in gross inventories for the year of €77,804,000 following the acquisition of 350 cottages (€53,572,000) and their renovation (€24,232,000),
    - the residence in Biarritz, which was acquired for a total amount of €16,055,000. The renovation work on these residences resulted in an increase of €6,055,000;
  - acquisitions of land for new construction programmes totalling €21,934,000. This amount relates, in particular, to the land acquired for Les Senioriales programmes (€11,663,000), Flaine Montsoleil (€3,046,000) and Saint Cast Le Guildo (€2,111,000);
  - work done during the year on the new construction programmes thus creating an increase in gross inventory of €265,554,000.

    The main programmes concerned are Avoriaz (€74,072,000), Domaine Center Parcs du Bois des Harcholins (€28,636,000), Bois de la Mothe Chandenier Cottages (€12,248,000), Les Senioriales de Rambouillet (€8,272,000), Courseulles-sur-Mer (€6,279,000), Belle Dune Villages (€5,655,000), and Tréboul (€5,386,000);
- reductions relating to recognition of deferred income from new construction or renovation programmes totalling €330,461,000. These reductions are found in the following programmes in particular: Center Parcs Domaine des Hauts Bruyères (€72,706,000), Avoriaz (€72,569,000), Domaine du Bois Center Parcs des Harcholins (€22,925,000), the residence in Biarritz (€9,903,000), Les Senioriales Rambouillet (€7,602,000), Belle Dune Village (€7,144,000), Courseulles sur Mer (€6,279,000), Tréboul (€5,386,000), Le Havre (€4,604,000).

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

- the Manilva programme, representing 220 apartments in Spain. The revival of their marketing in spring 2012, in the challenging economic environment, enabled the closing of some deals at a price higher than the average cost of inventories. These apartments are to be sold over several financial years;
- the Center Parcs Roybon programme. The latter was the subject of a recourse action filed by an association opposing the project in September 2010. In June 2011, the municipal order authorising the building permit was cancelled by the Administrative Court of Grenoble on the grounds of a procedural error concerning the opinion of a body that should have been consulted. This ruling was overturned by the Administrative Court of Appeal of Lyon on 24 April 2012, which rejected all pleas against the local development plan of the city and the building permit. The association appealed to the French Council of State and the admissibility of the appeal will only be known in early 2013. Pending a favourable outcome for this dispute, the Group has temporarily halted the development and marketing of this property development programme.

NOTE 13 TRADE RECEIVABLES

(in € thousands)	30/09/2012	30/09/2011
Property development	113,781	213,870
Tourism	103,713	97,170
Services	2,505	5,801
Gross trade receivables	**219,999**	**316,841**
Property development	-1,205	-1,315
Tourism	-7,067	-5,961
Services	-43	-66
Provisions	**-8,315**	**-7,342**
TOTAL	**211,684**	**309,499**

At 30 September 2012, the net amount of "**Trade receivables**" fell by €97,815,000, of which €99,979,000 are attributable to property development activities.

This decline in the net amount of property development trade receivables is mainly due to the receipts on the programs sold during financial year 2011/2012, such as Avoriaz, Courseulles-sur-Mer and Tréboul.

This decline is partially offset by outstanding calls for funds on sales signed in the presence of a notary and related to programmes not yet delivered at 30 September 2012, in particular Le Havre Loisirs.

The €5,437,000 rise in the net value of tourism trade receivables is mainly related to the expansion of this business, particularly in Spain (€2,705,000).

NOTE 14 OTHER CURRENT ASSETS

14.1 - Other current assets

(in € thousands)	30/09/2012	30/09/2011
Advances and prepayments to suppliers	8,896	6,666
Prepaid taxes and duties	106,580	95,439
Other receivables	89,356	60,958
Gross amount	**204,832**	**163,063**
Provisions	-172	-1,008
Net other receivables	**204,660**	**162,055**
Prepaid expenses, marketing and advertising - Tourism	25	372
Prepaid expenses, marketing and advertising - Property development	18,804	27,261
Prepaid rent expense	19,873	23,890
Other prepaid expenses	15,402	15,094
Prepaid expenses	**54,104**	**66,617**
TOTAL OTHER CURRENT ASSETS	**258,764**	**228,672**

The €30,092,000 increase in "**Other current assets**" primarily concerns the tourism business and the Center Parcs.

"Other receivables" mainly comprise renovation work of residences completed by 30 September and reinvoiced to property owners, as well as trade receivables due from S.I.T.I. Group companies (related parties) totalling €24,603,000, an increase of €4,159,000 over the previous year.

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14.2 - Current financial assets

(in € thousands)	30/09/2012	30/09/2011
Current accounts with joint ventures	14,970	8,220
Loans under the "Ownership & Holidays" programme	10,106	10,443
TOTAL	**25,076**	**18,663**

"Current financial assets" primarily include current accounts in debit with jointly-controlled entities and a number of loans granted under the "Ownership & Holidays" sales programme (totalling €10,106,000), of which the most significant relates to the development of Domaine du Center Parcs de Bois des Harcholins.

NOTE 15 CASH AND CASH EQUIVALENTS

(in € thousands)	30/09/2012	30/09/2011
Cash	94,324	67,036
Cash equivalents	45,124	170,025
TOTAL	**139,448**	**237,061**

Analysis of cash equivalents by type:

(in € thousands)	30/09/2012 Fair value	30/09/2011 Fair value
Money market funds	25,124	140,025
Certificates of deposit	20,000	30,000
TOTAL	**45,124**	**170,025**

The Group invests, through first class banking institutions, in money market funds that comply with the AMF criteria listed in Note 1.19 - Cash and cash equivalents.

NOTE 16 ASSETS HELD FOR SALE

(in € thousands)	30/09/2012	30/09/2011
Assets held for sale	1,844	-

This item relates solely to computer assets held for sale at 30 September 2012 under the group IT solutions and material outsourcing contract. The actual disposal occurred at the beginning of the financial year 2012/2013.

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)	2011/2012	2010/2011
Acquisitions		
PV – CP City	-	2,535
Subtotal acquisitions	**0**	**2,535**
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 Valescure	650	
Cala Rossa	1,921	-
Subtotal disposals	**2,571**	**7,359**
TOTAL	**2,571**	**9,894**

- **Net cash inflows related to the disposal of business goodwill and the subsidiary Cala Rossa totalled €2,571,000 for financial year 2011/2012.** The transaction relating to Cala Rossa is described in Note 2.1 - Main changes in the scope of consolidation and the scope of operations.
- **Net cash inflows relating to the acquisition and disposal of business goodwill amounted to €9,894,000 for financial year 2010/2011.** These transactions are detailed in Note 2.1 - Main changes in the scope of consolidation and the scope of operations.

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)	30/09/2012	30/09/2011
Cash and cash equivalents	139,448	237,061
Current accounts in credit	-11,705	-4,555
NET CASH AND CASH EQUIVALENTS	**127,743**	**232,506**

This net cash position includes €2,254,000 from the jointly controlled entities, including Adagio entities in the amount of €1,729,000.

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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 2011/2012.

Share capital at 30 September 2012 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 2012, the weighted average number of ordinary shares outstanding stood at 8,594,339.

Potential capital

Analysis of the potential capital and its movements during 2011/2012 and 2010/2011:

	2011/2012	2010/2011
Number of shares at 1 October	**8,821,551**	**8,821,551**
Number of shares issued during the year (prorata temporis)		
Pierre & Vacances share options exercised	-	-
Pierre & Vacances shares held by Pierre et Vacances SA and deducted from consolidated equity	-227,212	-93,611
Weighted average number of shares	**8,594,339**	**8,727,940**
Dilutive effect		
Pierre & Vacances share options granted	-	2,475
Pierre & Vacances bonus shares granted	-	24,864
Weighted average number of diluted shares	**8,594,339**	**8,755,279**

Treasury shares

During financial year 2011/2012, the Pierre & Vacances-Center Parcs Group repurchased its own shares for €5,244,000.

At 30 September 2012, the Group held 349,584 of its own shares for a total value of €11,402,000.

Dividends paid

The Shareholders' Combined Ordinary and Extraordinary General Meeting of 6 March 2012 decided to pay a dividend of €0.70 per share, totalling €5,961,000.

Changes in shareholding structure and breaching of thresholds

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)	30/09/2011	Additions	Reversals used	Reversals not used	Other changes	30/09/2012
Provisions for renovations	20,846	4,133	-5,055	-12,173	468	8,219
Provisions for retirement and other post-employment benefits	12,830	2,229	-1,466	-	-	13,593
Provisions for legal proceedings	3,144	1,416	-790	-753	317	3,334
Other provisions	1,638	2,574	-1,338	-308	-	2,566
TOTAL	**38,458**	**10,352**	**-8,649**	**-13,234**	**785**	**27,712**
Non-current portion	*27,597*					*18,638*
Current portion	*10,861*					*9,074*

The provisions for renovations represent the Group's contractual commitments and maintenance policy for its leased property (see Note 1.22 - Provisions).

The €10,700,000 decrease in provisions is mainly due to reversals in provisions for renovations for €12,600,000 net. This decline is driven by both renovation expenditures made during the year and changes to the Group's renovation process.

(in € thousands)	30/09/2012	30/09/2011
Provisions for renovations	6,775	16,184
Provisions for retirement and other post-employment benefits	11,229	10,682
Provisions for legal proceedings	634	731
Non-current provisions	**18,638**	**27,597**
Provisions for renovations	1,444	4,662
Provisions for retirement and other post-employment benefits	2,364	2,148
Provisions for legal proceedings	2,700	2,413
Provisions for restructuring costs	2,264	746
Current provisions	302	892
Current provisions	**9,074**	**10,861**
TOTAL	**27,712**	**38,458**

Provisions for legal proceedings

Outstanding legal proceedings at 30 September 2012 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 €3,334,000.

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 financial statements of the various entities involved.

SATI dispute

The Pierre & Vacances-Center Parcs Group, through its subsidiary Sogire, acquired SATI in 1993, then sold it to a non-Group company in 1997. The syndicates of the co-ownership properties managed by SATI brought legal actions against the company. Given the absence of misconduct by SATI or harm to co-owners, the courts rejected the substance of all these claims. In this regard, the court did not question the performance and quality of the management activities carried out by SATI during these periods. However, having identified an irregularity in form with respect to the regulations applicable to these management contracts, the court declared them null and void and ordered the reimbursement of all the fees received, i.e. €4,500,000. As guarantor, in May 2012, the Pierre & Vacances-Center Parcs Group was ordered to pay the amounts due by SATI and subsequently filed an appeal to challenge that ruling. In addition, the Group also filed a criminal case to collect, as provided by law and case-law, the payment of fair compensation for the activities carried out under those contracts. In light of all these proceedings and pending the final rulings, the Pierre & Vacances-Center Parcs Group does not anticipate any financial risk.

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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 2011	**853**	**1,265**	**1,026**	**3,144**
New legal proceedings	636	50	730	1,416
Reversals related to expenses for the financial year	-411	-57	-322	-790
Reversals not used	-278	-240	-235	-753
Reclassifications	-	-	317	317
BALANCE AT 30 SEPTEMBER 2012	**800**	**1,018**	**1,516**	**3,334**

Provisions for restructuring costs

Provisions for restructuring costs are broken down as follows:

(in € thousands)	2011/2012	2010/2011
Balance at 30 September	**746**	**939**
New restructuring costs	2,269	390
Reversals related to expenses for the financial year	-1,307	-420
Reversals not used	-	-
Reclassifications	556 (*)	-163
BALANCE AT 30 SEPTEMBER	**2,264**	**746**

** Reclassification of "Other current provisions" to "Provisions for restructuring".*

Changes in provisions for restructuring costs are related to the reorganisation of the Group and primarily include termination benefits.

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 1.23 - 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:

	30/09/2012		30/09/2011	
	France	The Netherlands	France	The Netherlands
Discount rate	3.00%	3.00%	4.75%	4.75%
Expected return on assets	NA	3.10%	NA	4.80%
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:

	30/09/2012			30/09/2011		
(in € thousands)	Retirement plans	Other benefits	Total	Retirement plans	Other benefits	Total
Discounted benefit obligation	83,835	5,621	89,456	58,252	4,930	63,182
Fair value of plan assets	69,433	-	69,433	49,431	-	49,431
Net amount of obligation	**14,402**	**5,621**	**20,023**	**8,821**	**4,930**	**13,751**
Unrecognised actuarial profit (losses)	-6,430	-	-6,430	-921	-	-921
NET LIABILITY RECOGNISED IN STATEMENT OF FINANCIAL POSITION	**7,972**	**5,621**	**13,593**	**7,900**	**4,930**	**12,830**

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

	2011/2012			2010/2011		
(in € thousands)	Retirement plans	Other benefits	Total	Retirement plans	Other benefits	Total
Actuarial liability at 30 September	**7,900**	**4,930**	**12,830**	**7,891**	**4,380**	**12,271**
Current service cost	756	431	1,187	992	499	1,491
Interest cost	2,728	215	2,943	2,499	136	2,635
Return on plan assets	-2,364	-	-2,364	-2,084	-	-2,084
Contributions received and benefits paid	-1,039	-610	-1,649	-430	-278	-708
Recognised actuarial differences	-17	655	638	15	578	593
Services cancelled	-	-	0	-991	-385	-1,376
Past service cost	8	-	8	8	-	8
Change in scope of consolidation	-	-	0	-	-	0
ACTUARIAL LIABILITY AT 30 SEPTEMBER	**7,972**	**5,621**	**13,593**	**7,900**	**4,930**	**12,830**

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

(in € thousands)	2011/2012	2010/2011
Fair value of investments at 1 October	**49,431**	**55,057**
Expected return on plan assets	2,364	2,084
Employer contributions received	596	230
Contributions received from plan members	885	603
Benefits paid and expenses for the year	-1,617	-1,548
Estimated value of investments at 30 September	**51,659**	**56,426**
Fair value of investments at 30 September	**69,433**	**49,431**
Actuarial differences	17,774	-6,995
EFFECTIVE RETURN ON PLAN ASSETS FOR THE FINANCIAL YEAR	**20,138**	**-4,911**

The changes in the actuarial liability and the fair value of investments over the last 4 years are presented below:

(in € thousands)	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Actuarial liability	13,593	12,830	12,271	11,976	11,598
Fair value of investments	69,433	49,431	55,057	45,742	42,409

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 €394,000. 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 €394,000.

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

(in € thousands)	30/09/2012	30/09/2011
Cash	26	7
Shares	1,613	591
Fixed-income investments	5,159	3,169
Insurance	62,635	45,664
FAIR VALUE	**69,433**	**49,431**

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NOTE 20 FINANCIAL LIABILITIES

Breakdown by type and operating segment

(in € thousands)	**30/09/2012**	**30/09/2011**
Long-term borrowings		
Amounts due to credit institutions	41,627	61,307
Tourism	*41,627*	*61,307*
Property development		
Outstanding bond issue	111,176	110,026
Tourism	*111,176*	*110,026*
Bridging loans	8,058	4,856
Property development	*8,058*	*4,856*
Finance leases	111,657	115,762
Tourism	*111,657*	*115,762*
Other financial liabilities	1,906	2,728
Tourism	*752*	*1,575*
Property development	*1,154*	*1,153*
Subtotal long-term borrowings	**274,424**	**294,679**
of which Tourism	*265,212*	*288,670*
of which Property development	*9,212*	*6,009*
Short-term borrowings		
Amounts due to credit institutions	26,307	33,868
Tourism	*24,393*	*31,954*
Property development	*1,914*	*1,914*
Bridging loans	0	2,007
Property development	*-*	*2,007*
Finance leases	4,249	4,096
Tourism	*4,249*	*4,096*
Other financial liabilities	33	157
Tourism	*-*	*135*
Property development	*33*	*22*
Bank credit balances	11,705	4,555
Tourism	*11,286*	*3,897*
Property development	*419*	*658*
Subtotal short-term borrowings	**42,294**	**44,683**
of which Tourism	*39,928*	*40,082*
of which Property development	*2,366*	*4,601*
TOTAL	**316,718**	**339,362**
of which Tourism	*305,140*	*328,752*
of which Property development	*11,578*	*10,610*

The decline in financial liabilities by €22,644,000 in financial year 2011/2012 includes a €7,150,000 increase in bank credit balances and a €1,133,000 rise in accrued interest. The remaining difference of -€30,927,000 consists of repayments of loans and other borrowings for €38,985,000, offset by proceeds from new loans and other borrowings for €8,058,000.

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Bank borrowings and bridging loans at 30 September 2012 primarily included:

Tourism

- the principal amount outstanding (€60,000,000) 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 €100,000,000;
- 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 4.0%. At 30 September 2012, the liability component amounted to €111,176,000.

  During financial year 2011/2012, the principal amount outstanding on a loan intended to finance the Group's general requirements was paid in full (€9,000,000).

Property development

- bridging loans totalling €8,058,000 put in place for property development programmes, of which:
  - €1,928,000 to finance the renovation of the Center Parcs cottages at Domaine des Hauts de Bruyère,
  - €1,785,000 to finance the property development programme of Les Senioriales – Bassan,
  - €1,346,000 for the construction of Les Senioriales - Marseille.

During 2011/2012, the outstanding principal amount of loans relating to various property development programmes for Les Seniorales was paid in full (€6,863,000).

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 2012.

Analysis of the financial liabilities related to finance leases:

(in € thousands)	30/09/2012	30/09/2011
Le Domaine du Lac d'Ailette	111,330 (*)	112,999
PV CP Résidences Exploitation	4,576 (**)	6,859
TOTAL	**115,906**	**119,858**

(*) The underlying net asset (€129,189,000 at 30 September 2012) is recorded in Property, plant and equipment (see Note 7).
(**) The underlying net asset (€991,000 at 30 September 2012) is recorded in Property, plant and equipment (see Note 7).

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:

	Balance *(in € thousands)* at	
Maturities	**30/09/2012**	**30/09/2011**
Year N + 1	42,294	44,683
Year N + 2	33,096	28,763
Year N + 3	133,889	24,916
Year N + 4	2,246	132,739
Year N + 5	2,289	2,246
Year > N + 5	102,904 (*)	106,015
TOTAL	**316,718**	**339,362**

(*) Including €100,998,000 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 2012 include finance leases and the bond issued. Their nominal amount was €222,506,000. The majority of these borrowings carry interest at percentages between 4.00% and 6.02%.

Issue date	Maturity date	Principal amount outstanding at 30/09/2012 *(in € millions)*	Interest rate
Finance leases			
21/09/2005	31/12/2038	111.3	6.02% (*)
Bond issued			
02/02/2011	01/10/2015	111.2	4.00%
TOTAL		**222.5**	

(*) 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 2012, the repayment amount including interest was €225.8 million.

Variable rate

The nominal amount of variable rate bank borrowings, bridging loans and finance leases is €73,624,000 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 22 - 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 30/09/2012** *(in € millions)*	**Interest rate**	**Instrument type**	**Notional amount at 30/09/2012** *(in € millions)*	**Maturity date**	**Interest rate details**
Amounts due to credit institutions							
				Swap	30.0	28/12/2013	Int. rate rcv'd: 6-month Euribor Int. rate paid: fixed: 1.7425%
				Swap	30.0	28/12/2013	Int. rate rcv'd: 6-month Euribor Int. rate paid: fixed: 1.7325%
28/06/2010	28/06/2015	59.5	1 to 6-month Euribor + margin	Swap	0.0 (*)	28/06/2014	Int. rate rcv'd: 6-month Euribor Int. rate paid: fixed: 0.8250%
10/06/2011	31/03/2014	1.5	3-month Euribor + margin				
Subtotal		**61.0**			**60.0**		
Bridging loans							
21/11/2011	21/11/2013	1.9	3-month Euribor + margin	None			
23/12/2011	30/01/2014	1.3	3-month Euribor + margin	None			
10/11/2011	31/12/2013	1.8	3-month Euribor + margin	None			
12/12/2011	12/12/2013	0.8	1-month Euribor + margin	None			
26/03/2012	31/03/2014	1.1	3-month Euribor + margin	None			
24/05/2012	24/05/2014	1.0	1-month Euribor + margin	None			
27/08/2012	27/08/2014	0.1	1-month Euribor + margin	None			
Subtotal		**8.0**			**0.0**		
Finance leases							
01/07/2007	30/06/2016	4.6	12-month Euribor + margin	None			
Subtotal		**4.6**			**0.0**		
TOTAL		**73.6**			**0.0**		

(*) Swap contract entered into on 11 July 2012 and effective from 28 December 2013.

Collateral

(in € thousands)	30/09/2012	30/09/2011
Guarantees and pledges	182,488	183,995
Mortgages	-	-
TOTAL	**182,488**	**183,995**

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

- a first call guarantee of €179,994,000 that can be amortised, granted to the institution that provided finance lease for the facilities at Domaine du Lac de l'Ailette;
- collateral pledged to secure the bridging loans for the property development programmes of Les Senioriales - Marseille and Les Senioriales – Saint Laurent de la Prée amounting to €1,346,000 and €1,148,000, respectively.

Breakdown of the change in maturity of collateral:

	Balance *(in € thousands)* **at**	
Maturities	**30/09/2012**	**30/09/2011**
Year N + 1	2,849	4,001
Year N + 2	3,026	2,849
Year N + 3	4,361	3,026
Year N + 4	4,767	3,213
Year N + 5	3,624	3,421
Year > N + 5	163,861	167,485
TOTAL	**182,488**	**183,995**

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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	30/09/2012 Carrying amount (*)	30/09/2011 Carrying amount (*)
Assets			
Non-current financial assets		25,097	26,183
Available-for-sale financial assets	Available-for-sale financial assets at fair value through other comprehensive income	1,654	1,705
Accrued interest	Loans and receivables at amortised cost	15	14
Loans and other financial assets	Loans and receivables at amortised cost	23,428	24,464
Trade receivables	Loans and receivables at amortised cost	211,684	309,499
Other current assets (**)	Loans and receivables at amortised cost	88,862	59,950
Current financial assets	Loans and receivables at amortised cost	25,076	18,621
Cash and cash equivalents	Financial assets at fair value through profit or loss (***)	139,448	237,061
Derivative financial instruments - assets	See Note 22 - Hedging financial instruments	-	-
Liabilities			
Financial liabilities (including short-term portion)		305,013	334,807
Amounts due to credit institutions	Financial liabilities at amortised cost	67,934	95,175
Outstanding bond issue	Financial liabilities at amortised cost	111,176	110,026
Finance leases	Financial liabilities at amortised cost	115,906	119,858
Other financial liabilities	Financial liabilities at amortised cost	9,997	9,748
Other non-current liabilities	Financial liabilities at amortised cost	2,595	4,502
Trade payables	Financial liabilities at amortised cost	296,865	259,308
Other financial liabilities (**)	Financial liabilities at amortised cost	184,522	177,366
Financial instruments	Financial liabilities at fair value	-	-
Bank credit balances	Financial liabilities at amortised cost	11,705	4,555
Other current financial liabilities	Financial liabilities at amortised cost	20,427	26,699
Derivative financial instruments - liabilities	See Note 22 - Hedging financial instruments	895	321

(*) 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 2012 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 2012, 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 30/09/2012 *(in € thousands)*	Market value of hedging instruments *(in € thousands)*	Start date	Maturity date
6-month Euribor	0.8250%	0 (*)	-27	28/12/2013	28/06/2014
6-month Euribor	1.7425%	30,000	-435	28/12/2010	28/12/2013
6-month Euribor	1.7325%	30,000	-433	28/12/2010	28/12/2013
TOTAL		**60,000**	**-895**		

(*) Swap contract entered into on 11 July 2012 and effective from 28 December 2013.

The market value of the hedging financial instruments was -€895,000 at 30 September 2012, compared with -€321,000 at 30 September 2011.

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 surplus cash of subsidiaries is 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.

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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 2012, the Pierre & Vacances-Center Parcs Group's net cash and cash equivalents balance stood at €127,743,000. This balance equals the gross amount of cash and cash equivalents (€139,448,000) less bank overdrafts (€11,705,000).

Furthermore, the Group has three confirmed credit lines, one of which is linked to the Corporate loan. There was no drawdown against the credit lines at 30 September 2012.

The Group has no liquidity risk.

Analysis of assets and liabilities associated with financing activities at 30 September 2012:

		Maturities		
(in € thousands)	**30/09/2012**	**< 1 year**	**1 to 5 years**	**> 5 years**
Amounts due to credit institutions	67,934	26,307	41,627	-
Outstanding bond issue	111,176	-	111,176	-
Finance leases	115,906	4,249	10,659	100,998
Other financial liabilities	9,997	33	8,058	1,906
Financial liabilities (including short-term portion)	**305,013**	**30,589**	**171,520**	**102,904**
Related interest expense	135,421	14,941	38,862	81,618
Borrowing costs	**440,434**	**45,530**	**210,382**	**184,522**
Bank credit balances	11,705	11,705	-	-
Derivative financial instruments - liabilities	895	895	-	-
Financial liabilities	**453,034**	**58,130**	**210,382**	**184,522**
Cash equivalents	45,124	45,124	-	-
Cash	94,324	94,324	-	-
Gross cash and cash equivalents	**139,448**	**139,448**	**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 with respect to financial year 2011/2012, in accordance with the amendment signed during 2011/2012.

The €9,000,000 loan, repayable in full, which also had to comply with this ratio, was paid in full during the year.

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 2012.

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 2012:

(in € thousands)	30/09/2012	Maturities		
		< 1 year	1 to 5 years	> 5 years
Fixed-rate borrowings	222,506	1,942	119,566	100,998
Variable-rate borrowings	73,627	21,670	51,957	-
Accrued interest expense	6,941	6,941	-	-
Financial liabilities	**303,074**	**30,553**	**171,523**	**100,998**
Fixed-rate loans	11,294	1,980	2,251	7,063
Variable-rate loans	602	602	-	-
Variable-rate cash equivalents	45,124	45,124	-	-
Financial assets	**57,020**	**47,706**	**2,251**	**7,063**
NET POSITION	**246,054**	**-17,153**	**169,272**	**93,935**

The variable rate net position after management at 30 September 2012 was as follows:

(in € thousands)	30/09/2012
Borrowings	73,627
Loans	602
Cash equivalents	45,124
Net position before management	**27,901**
Hedging	60,000
NET POSITION AFTER MANAGEMENT	**-32,099**

A 1% increase or decrease in short-term rates would have a positive and negative effect, respectively, of €0.3 million and -€0.3 million on financial income for 2012/2013, compared with -€18.3 million of financial expenses for 2011/2012.

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)	30/09/2012	30/09/2011
Tourism	224,463	199,253
Property development	65,654	52,174
Services	6,748	7,881
TOTAL	**296,865**	**259,308**

“Trade payables” rose by €37,557,000. This change is the result of an increase in the Property Development and Tourism businesses.

The rise in Property Development trade payables (€13,480,000) stems from property development or renovation programmes in progress at 30 September 2012 (primarily Biarritz and Hauts de Bruyères).

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NOTE 25 OTHER CURRENT AND NON-CURRENT LIABILITIES

25.1 - Other current and non-current liabilities

(in € thousands)	30/09/2012	30/09/2011
Advances and deposits on orders in progress	74,308	69,794
VAT and other tax liabilities	64,981	70,922
Employee and social security liabilities	69,385	71,255
Borrowings related to acquisition of non-current assets	0	11
Lease liabilities	4,456	6,580
Other liabilities	113,276	104,022
Other operating liabilities	**326,406**	**322,584**
Property sales and support funds	109,716	172,143
Other deferred income	14,875	8,726
Deferred income	**124,591**	**180,869**
TOTAL OTHER LIABILITIES	**450,997**	**503,453**
Other current liabilities	448,402	498,951
Other non-current liabilities	2,595	4,502

The €52,456,000 fall in other liabilities is the result of the Property Development business. Thus, the decline in "Deferred income from property sales and support funds" (-€62,427,000) stems from the delivery of property development programmes, such as the Domaine Center Parcs in the Moselle region and the Avoriaz programme.

This decrease is partially offset by the rise in advances and deposits on orders in progress received by the Tourism business (€4,514,000).

"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)	30/09/2012	30/09/2011
Current accounts with related parties	20,427	26,699
Hedging financial instruments	895	321
TOTAL	**21,322**	**27,020**

"Current financial liabilities" essentially represent current accounts payable to related parties, in particular to S.I.T.I., the parent company (€5,620,000), the Accor Group (€6,278,000) and the Disney Group (€3,594,000).

Analysis of the main profit and loss items

NOTE 26 REVENUE

(in € thousands)	2011/2012	2010/2011 on a like-for-like basis (*)	2010/2011 reported data
Tourism	1,107,530	1,122,665	1,097,035
Pierre & Vacances Tourisme Europe (1)	*592,730*	*598,361*	*569,910*
Center Parcs Europe (2)	*514,800*	*524,304*	*527,125*
Property development	311,544	372,570	372,570
TOTAL	**1,419,074**	**1,495,235**	**1,469,605**

(1) Pierre & Vacances Tourisme Europe includes the Pierre & Vacances, Maeva and Adagio City Aparthotel brands.
(2) Center Parcs Europe houses the Center Parcs and Sunparks brands.
(*) On a like-for-like basis, revenue has been adjusted for the following differences:
- *Pierre & Vacances Tourisme Europe (PVTE): the impact of the acquisition of the business goodwill of 31 Citéa residences from Lamy on 1 July 2011 (€28.5 million in 2010/2011);*
- *Center Parcs Europe (CPE): the impact of the outsourcing of catering in Center Parcs villages (€2.8 million in 2010/2011).*

Revenue by country

(in € thousands)	2011/2012	2010/2011
France	741,821	725,987
The Netherlands	176,930	204,034
Germany	74,633	62,628
Belgium	91,409	83,311
Italy	4,154	5,754
Spain	18,583	15,321
Tourism	**1,107,530**	**1,097,035**
France	309,997	371,455
Spain	1,352	708
Italy	195	297
Morocco	-	110
Property development	**311,544**	**372,570**
TOTAL	**1,419,074**	**1,469,605**

Revenue in France, where the registered office is located, amounted to €1,051,818,000.

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NOTE 27 PURCHASES AND EXTERNAL SERVICES

(in € thousands)	2011/2012	2010/2011 restated
Cost of goods sold - Tourism	-43,061	-39,369
Cost of inventories sold - Property development	-191,787	-245,821
Rent and other co-ownership expenses	-455,339	-425,405
Subcontracted services (laundry, catering, cleaning)	-66,637	-34,118
Advertising and fees	-151,539	-140,856
Other	-141,133	-171,820
TOTAL	**-1,049,496**	**-1,057,389**

"Purchases and external services" for 2010/2011 includes an expense for €8,361,000 that was reported under "Other operating income and expenses" in 2009/2010.

Rent expense for 2011/2012 to individual and institutional owners of the land and buildings of the hotels, residences and villages operated by the Group was €369.0 million (€214.7 million for those marketed under Pierre & Vacances Tourisme Europe and €154.3 million for the Center Parcs Europe villages). This expense was €343.6 million for 2010/2011.

NOTE 28 EMPLOYEE EXPENSES

(in € thousands)	2011/2012	2010/2011
Salaries and wages	-242,047	-239,310
Social security expenses	-79,342	-77,127
Defined-contribution and defined-benefit plan expenses	-186	-8
Share-based remuneration expenses	-980	-966
TOTAL	**-322,555**	**-317,411**

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 payment expenses** 2011/2012	2010/2011
09/01/2007	OAA	46,875	4 years	-	-83
08/01/2008	OAA	38,375	4 years	-61	-222
12/01/2009	AGA	84,135	2 years	-	-254
12/02/2009	AGA	6,575	2 years	-	-9
03/03/2011	OAA	222,500	4 years	-943	-545
TOTAL				**-1,004**	**-1,113**

(*) *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 €980,000 under employee expenses and as €24,000 under additional restructuring costs.

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: 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: 12/01/2009	43.20	0.0	39.28%	2 years	2 years	4.25%	2.93%	3%	40.77
Plan date: 12/02/2009	43.65	0.0	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)	2011/2012	2010/2011 restated
Depreciation and amortisation	-47,257	-44,723
Impairment losses	3,077	-9,087
TOTAL	**-44,180**	**-53,810**

The net impairment losses of €3,077,000 for 2011/2012 include increases in provisions of €10,200,000 and reversals of unused provisions of €13,277,000 (compared to reversals of unused provisions of €2,085,000 for 2010/2011).

NOTE 30 OTHER OPERATING INCOME AND EXPENSES ON ORDINARY ACTIVITIES

(in € thousands)	2011/2012	2010/2011 restated
Taxes and duties	-19,535	-14,429
Other operating expenses on ordinary activities	-11,305	-21,086
Other operating income from ordinary activities	21,043	22,496
TOTAL	**-9,797**	**-13,019**

"Other operating income and expenses" published for the year 2010/2011 included an expense for €8,361,000 that was reclassified under "Purchases and external services."

"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.

NOTE 31 OTHER OPERATING INCOME AND EXPENSES

(in € thousands)	2011/2012	2010/2011
Gains (losses) on disposals	600	7,895
Fair value of contracts acquired	-	3,523
Restructuring costs	-5,012	-18,145
Provisions for restructuring costs	-962	30
Impairment of non-current assets	-304	-2,775
Other items	-861	
TOTAL	**-6,539**	**-9,472**

"Other operating income and expenses" represented a gross charge of €6,539,000. They mainly comprise restructuring costs due to the continuation and strengthening of the transformation plan (€5,974,000).

"Other operating income and expenses" for 2010/2011 primarily consisted of:

- 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.

NOTE 32 NET FINANCIAL INCOME (EXPENSES)

(in € thousands)	2011/2012	2010/2011
Gross borrowing costs	-18,742	-17,846
Income from cash and cash equivalents	560	1,486
Net borrowing costs	**-18,182**	**-16,360**
Income from loans	1,280	1,991
Other financial income	1,034	226
Other financial expenses	-2,401	-2,420
Net other financial expenses	**-87**	**-203**
TOTAL	**-18,269**	**-16,563**
Total financial expenses	*-21,143*	*-20,266*
Total financial income	*2,874*	*3,703*

Net financial expenses totalled €18,269,000 in 2010/2012 compared with €16,563,000 in 2010/2011. This change of €1,706,000 stems primarily from the rising cost of net financial debt (€1,822,000) due to the annualised expense related to the OCÉANE-type bond (€1,979,000) issued by the Group at the end of January 2011.

NOTE 33 INCOME TAX AND DEFERRED TAXES

Breakdown of the tax expense

(in € thousands)	**2011/2012**	**2010/2011**
Consolidated profit (loss) before tax and share of profit (loss) of equity-accounted entities	**-31,763**	**3,234**
Untaxed income:		
Impact of losses carried forward and other temporary differences not recognised or exceeding thresholds	15,187	4,095
Recognised tax losses excluding profit (loss) for the year	359	-14,524
Reversal of provisions for income tax	-	-22,952
Intra-group transactions having a tax impact	-4,052	-2,870
Other (including CVAE and tax credits)	-3,997	-10,449
Taxable income (loss) at tax rate applicable in France	**-24,266**	**-43,466**
Tax rate in France	*34.43%*	*34.43%*
Theoretical tax benefit at corporate tax rate applicable in France	**8,355**	**14,965**
Impact of changes in tax rate on deferred taxes	-	-6
Differences on tax rates abroad	844	-2,712
CVAE	-5,119	-4,951
Other items	434	
GROUP TAX INCOME (EXPENSE)	**4,514**	**7,296**
of which income tax	-6,050	-5,998
of which deferred taxes	10,564	13,294

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

Pierre et Vacances SA underwent a tax inspection for the years 2003/2004, 2004/2005 and 2005/2006. On 30 November 2011, a bank guarantee was set up following a request for recovery made as a result of this inspection. 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.

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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)	30/09/2011 restated	Other changes	Change through profit or loss	Changes through other comprehensive income or loss	30/09/2012
France (*)	-8,028	-	-1,596	198	-9,426
The Netherlands (*)	-16,419	-	-886	-	-17,305
Belgium	-755	840	-2	-	83
Germany (*)	108	-	-120	-	-12
Spain	-24	-	343	-	319
Italy	189	-	-	-	189
Deferred taxes on temporary differences	**-24,929**	**840**	**-2,261**	**198**	**-26,152**
France	66,803	-	13,802	-	80,605
The Netherlands	3,683	-	-1,222	-	2,461
Belgium	4,358	-840	130	-	3,648
Germany	2,481	-	115	-	2,596
Spain	148	-	-	-	148
Italy	0	-	-	-	-
Deferred tax on losses carried forward	**77,473**	**-840**	**12,825**	**-**	**89,458**
TOTAL	**52,544**	**-**	**10,564**	**198**	**63,306**
of which deferred tax assets (*)	66,309				76,789
of which deferred tax liabilities	-13,765				-13,483

(*) Restated for the retrospective corrections described in Note 1.3.

Unused losses carried forward totalled €145.4 million, of which €50.9 million pertained to the tax consolidation subgroup for France.

Deferred taxes recognised as tax losses at 30 September 2012 amounted to €89.5 million, including €80.6 million in respect of tourism and property businesses carried out by the Group in France.

These tax losses are recognised on the basis of business plans drawn up over a specified five-year period, as described in Note 6. Losses carried forward are only recognised as deferred tax assets when the business plan confirms that they will be used within five years.

Assumptions regarding future results for the property development business generally take into account projects which have already been clearly identified and where delivery is expected to take place within five years, notably in light of previous margins. The share of recognised tax losses in France at 30 September 2012 relating to the property business therefore amounted to €44.2 million.

The tax rules applicable at the reporting date, namely those approved at 30 September 2012, were used to calculate the amount of deferred taxes.

The remaining deferred tax assets recognised as French tax losses, namely €36.4 million, are based on assumptions concerning future projected results for the Group's tourism business over the next five years.

In addition, it should be noted that the amount of tax losses which may be used in France is subject to a ruling limiting the crediting of taxable losses to 60% of the profit after the first €1 million.

NOTE 34 EARNINGS PER SHARE

Average number of shares

	2011/2012	2010/2011
Number of shares outstanding at 1 October	8,821,551	8,821,551
Number of shares issued during the financial year		-
Number of shares outstanding at 30 September	**8,821,551**	**8,821,551**
Weighted average number of shares	8,594,339	8,727,940
Weighted average number of shares after dilution	8,594,339	8,755,279

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 €)*	2011/2012	2010/2011
granted on 11/04/2003 and outstanding	OSA	44.00	-	1,027
granted on 12/01/2009 and outstanding	OAA	39.35	-	1,447
granted on 12/01/2009 and outstanding	AGA	0.00	-	21,371
granted on 12/02/2009 and outstanding	AGA	0.00	-	1,064
granted on 12/02/2009 and outstanding	AGA	0.00	-	2,428
			0	27,337

Earnings per share

	2011/2012	2010/2011 restated
Net profit (loss) attributable to owners of the Company *(in € thousands)*	-27,372	9,566
Weighted basic earnings per share, attributable to owners of the Company *(in €)*	-3.18	1.10
Weighted diluted earnings per share, attributable to owners of the Company *(in €)*	-3.18	1.09

1

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:

	2011/2012	2010/2011
Management	816	969
Supervisory staff and other employees	6,649	6,486
TOTAL	**7,465**	**7,455**

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	30/09/2012	30/09/2011
Guarantees and pledges	8,708	8,101	2,474	19,283	24,306
Rent commitments	336,155	1,132,112	1,107,449	2,575,716	2,663,888
Commitments given	**344,863**	**1,140,213**	**1,109,923**	**2,594,999**	**2,688,194**
Guarantees and pledges	761	734	44,050	45,545	39,302
Completion guarantees	55,376	-	-	55,376	24,864
Commitments received	**56,137**	**734**	**44,050**	**100,921**	**64,166**

Commitments given

- At 30 September 2012, 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 (€9,477,000),
  - a guarantee issued by Pierre et Vacances SA to Société d'Aménagement Arve-Giffre (SAG), on behalf of SNC Flaine Montsoleil Centre for land acquired in Haute-Savoie (€2,000,000),
  - a counter-guarantee of €1,100,000 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,
  - a counter-guarantee of €1,200,000 issued by Pierre et Vacances SA to Unicredit Bank Austria AG, on behalf of Uniqua, owner of a city residence building in Vienna, Austria, which is operated by New City Aparthotels Betriebs GmbH.

  Over the course of 2011/2012, some of the guarantees and pledges given by the Pierre & Vacances-Center Parcs Group were extinguished. They mainly concerned:
  - a first call counter-guarantee of €1,100,000 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,
  - a surety bond of €883,000 issued by Pierre et Vacances SA to Socco, on behalf of SNC Avoriaz Maeva Loisirs, Résidences MGM Loisirs and Pierre & Vacances Loisirs for construction related to the Avoriaz property development programme.
- 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 2012, the rent remaining to be paid by the Group over the residual term of these leases amounted to €2,576 million. The present value of these rental commitments, discounted at a rate of 6.0%, is €1,932 million, of which €1,248 million has a maturity of five years or less.

1

Breakdown of rent commitments by business segment and maturity date at 30 September 2012:

(in € thousands)	30/09/2012	Maturities					
		< N+1	N+2	N+3	N+4	N+5	< N+5
Pierre & Vacances Tourisme Europe	973,861	183,824	159,651	139,801	117,624	97,784	275,177
Center Parcs Europe	1,601,855	152,331	155,529	158,350	154,614	148,759	832,272
TOTAL	**2,575,716**	**336,155**	**315,180**	**298,151**	**272,238**	**246,543**	**1,107,449**

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 generally 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 2012, these commitments totalled €41,372,000;
- guarantees issued by Accor to Pierre et Vacances SA in connection with the operation of city residences in Austria and Switzerland (€869,000).

Completion guarantees are issued by banks with respect to property development transactions. The changes in completion guarantees at 30 September 2012 compared to the previous year resulted from:

- new guarantees issued during the year for a total amount of €55,376,000. The main programs concerned are Nancy (€7,734,000), The Senioriales - Juvignac (€6,086,000), Le Havre (€5,477,000), The Senioriales - La Celle (€5,485,000), The Senioriales - Marseille (€5,149,000), The Senioriales - Pont Aven (€4,810,000) and Biarritz (€4,607,000);
- a total fall of €24,864,000 arising from the expiry or resetting of several guarantees during the year relating mainly to 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) and Les Senioriales – Rambouillet (€1,154,000).

NOTE 37 REMUNERATION OF EXECUTIVE MANAGEMENT AND DIRECTORS

Attendance fees paid to members of the Board with no contractual link to the Group totalled €160,000 in 2011/2012 compared with €151,000 in the previous year.

For the years ending 30 September 2012 and 30 September 2011, 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:

	2011/2012	2010/2011
Fixed remuneration (1)	1,947,485	2,009,342
Variable remuneration (2)	895,439	1,067,895
Post-employment benefits (3)	23,585	48,225
Share-based remuneration (4)	606,598	522,699
TOTAL	**3,473,107**	**3,648,161**

(1) Amount paid, 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.
(3) Represents the expense recognised during the year.
(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 & Vacances shares at the date of grant). These 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 & 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, N.L.D., 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 & 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;
- the sale of car parks in residences operated by the Tourism business (€577,000) and the reinvoicing of cleanup costs at the site of Presqu'île de la Touques (€872,000).

These transactions are conducted under normal market conditions.

The transactions with related parties are detailed below:

(in € thousands)	2011/2012	2010/2011
Revenue	1,473	5,054
Purchases and external services	-17,823	-13,680
Other operating income and expenses	1,674	1,716
Net financial income	1,021	849

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

(in € thousands)	30/09/2012	30/09/2011
Trade receivables	4,168	4,787
Other current assets	35,474	27,231
Trade payables	8,111	2,839
Other current liabilities	21,698	28,112

Off-statement of financial position commitments relating to related parties are:

(in € thousands)	30/09/2012	30/09/2011
Guarantees and pledges	1,738	1,633
Rent commitments	16,099	17,319
Commitments given	**17,837**	**18,952**
Guarantees and pledges	869	817
Completion guarantees	0	0
Commitments received	**869**	**817**

NOTE 40 INFORMATION ON JOINT VENTURES

At 30 September 2012, the companies over which the Group exercised joint control and which were consolidated using the proportional method were as follows:

- 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%);
- Citéa SA (50%), absorbed by Adagio SAS during the first quarter;
- Adagio Group entities (50%);
- SNC NLD 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)	30/09/2012	30/09/2011
Non-current assets	5,835	6,192
Current assets	29,095	19,240
TOTAL ASSETS	**34,930**	**25,432**
Non-current liabilities	1,146	1,319
Current liabilities	43,055	28,179
TOTAL LIABILITIES EXCLUDING EQUITY	**44,201**	**29,498**

Profit and loss highlights

(in € thousands)	2011/2012	2010/2011
Revenue	17,488	24,525
Operating profit (loss) from ordinary activities	2,952	2,732
Profit (loss) for the year	2,170	1,227

NOTE 41 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

France's budget for 2013

The main impacts of France's revised budget for 2013 concern tougher rules for deducting financial expenses and changes to the rules for carrying forward the losses.

France's revised budget limits the deduction of financial expenses for amounts exceeding €3 million to 85% of their amount.

In addition, loss carryforwards for amounts exceeding €1 million are limited to 50% of the taxable profit for the year (60% in 2012).

Cost reduction plan

The Group's sales performance demonstrated the resilience of the tourism business against the backdrop of a significant decline in the tourism industry in Europe. However, this performance was insufficient, as the transformation plan generated over the year fewer savings than expected.

In this context and in view of the persistent economic difficulties in France and Europe, the Group has decided to accelerate and step up through further measures the transformation plan initiated at the end of 2010, in order to obtain significant savings as of 2012/2013.

This reduction plan includes a 15% decrease in head office costs and a 4% decrease in site operating costs, or €35 million in permanent savings, of which €25 million as of 2012/2013.

These targets are reflected in a project to streamline the Group's organisation.

The project concerns 195 staff in France and Europe, or 2.6% of the Group's overall headcount. Assistance measures (voluntary redundancy, outplacement, part-time work, etc.) are to be implemented by the Group to minimise the social impact.

As neither the cost reduction plan nor its details were made known to staff as at 30 September 2012, its financial impact was not recognised in the consolidated financial statements at the reporting date. This impact is to be determined in discussions according to the procedure for informing the employees and therefore cannot be reliably estimated at this time.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ending 30 September 2012

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 2012, 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 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, 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 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 2012, 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.

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:

Notes 1.11, 1.12, 1.14, 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 principles and methods 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 1.5 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.

Note 19 of the notes to the consolidated financial statements describes the main changes to the Group's renovation process. We have, in particular, verified the appropriateness of the resulting reversal of provisions for renovations.

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, 23 January 2013

The Statutory Auditors

AACE ÎLE-DE-FRANCE	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Michel Riguelle	Marie-Henriette Joud

Pierre et Vacances SA

2

INFORMATION ON THE COMPANY AND ITS ISSUED CAPITAL

Company information

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 (0)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.

(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 Brémond through SCI S.I.T.I. "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, 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.

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 increases its power:

- 1999: acquisition of Orion Vacances (20 residences) – Initial public offering;
- 2000: acquisition of the Dutch group GranDorado, 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 leisure 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 leisure 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 Wurttemberg) and for the purchase of the land;

Disposal of three Latitudes hotels (Trouville, Courchevel 1650, Toulouse); renovation of approximately 400 cottages in the Center Parcs at Domaine des Bois Francs (Normandy) and Domaine des Hauts de Bruyères (Sologne).

2012: signing of a Master Franchise agreement between Adagio City Aparthotel and Accor Latin America for the introduction of the Adagio and Adagio Access ranges in Brazil;

Disposal of the Latitudes hotel in Valescure;

Renovation of 350 cottages in the Domaine des Hauts de Bruyères and seven Center Parcs villages in the Netherlands, Germany and Belgium;

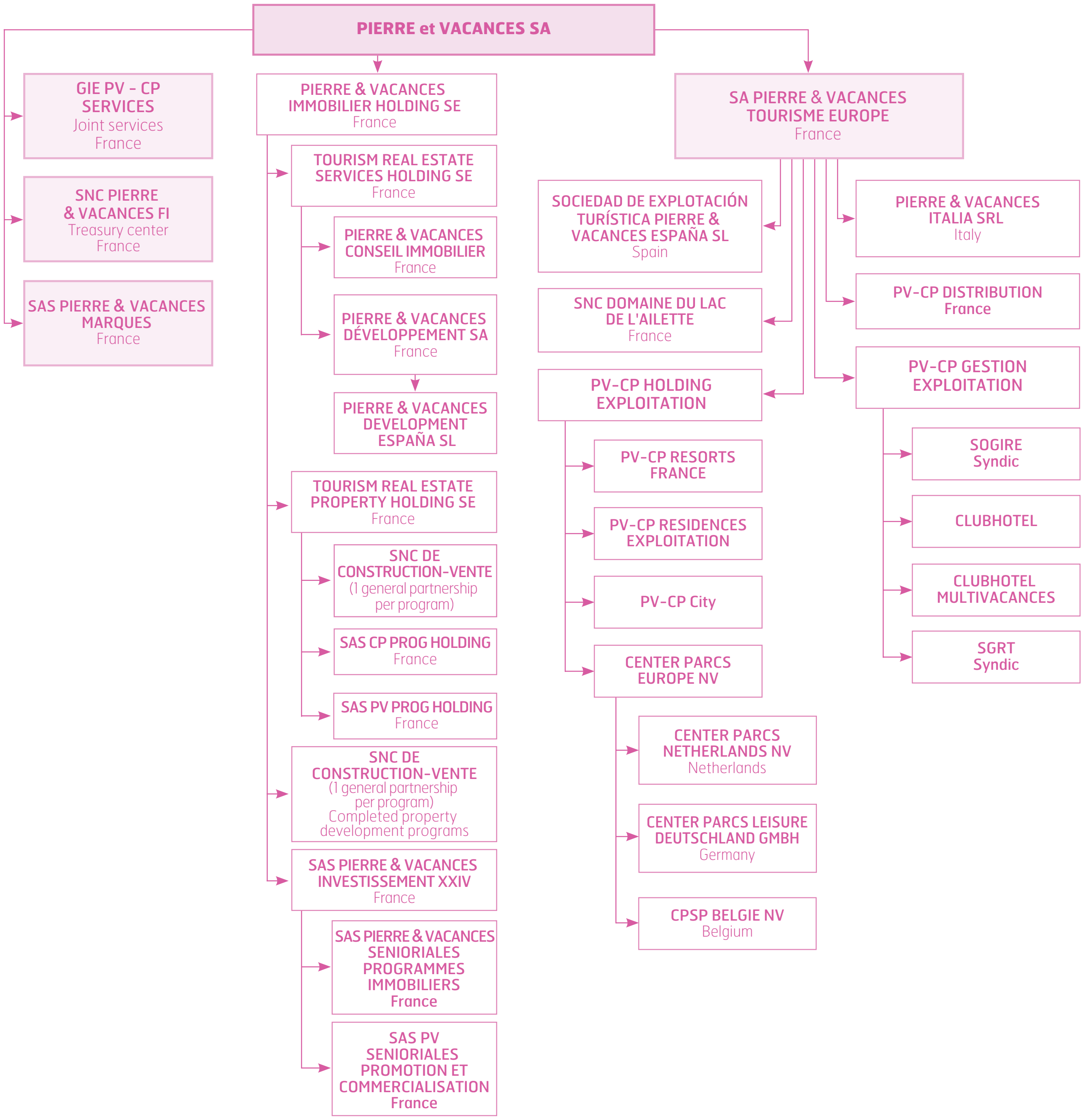
Marketing launch of Center Parcs Vienne;

Villages Nature: issue of five building permits covering the first tranche of 857 accommodations and the majority of equipment.

2

Legal form of Pierre et Vacances

Simplified organisational structure at 30 September 2012



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 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, a travel agency, dedicated to promoting and selling residences and villages (not including selling and marketing of 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 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 14,200 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 Espana 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;
- *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 rent commitments given by the tourism operating companies are higher than market rents over the ramp-up period, 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 2011/2012

(in € thousands)	**Tourism**	**Property development**	**Other (including corporate departments)**	**P&V SA (listed company)**	**Total Group**
Non-current assets (including goodwill)	598,076	22,475	28,755	2,310	651,617
Gross financial debt (excluding derivative financial instruments - liabilities)	118,169	8,148	1,101	177,595	305,013
Cash and cash equivalents recognised on statement of financial position	48,906	11,441	59,765	7,631	127,743
Dividends paid to PV SA for the financial year	19,809	69	4,855		24,733

Information about the share capital

Share capital

At 31/12/2012, 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 31/12/2012, with double voting rights being granted on 3,957,525 shares, the total number of voting rights stood at 12,779,076 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 €104,624,610 corresponding to 10,462,461 shares, which represents a dilution of 0.84%:

8,821,551 shares outstanding at 31/12/2012
+ 1,507,010 OCÉANE convertible bonds (maturity 01/10/2015)
+ 133,900 share subscription options at 31/12/2012
= 10,462,461 potential shares at 31/12/201212

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

The Shareholders' Extraordinary Meeting of 6 March 2012 granted the Board of Directors certain delegations authorising them to increase the issued capital, with the option to sub-delegate under the conditions provided by law.

The Board of Directors has not used these authorisations.

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.

Resolution No.	Purpose	Term
9	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
10	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 9th resolution.	26 months
11	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 9th and 10th resolutions.	26 months
12	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 9th, 10th and 11th resolutions.	26 months
13	Authorisation to set 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.	26 months
14	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
15	Authorisation to issue shares in the Company with cancellation of the preferential subscription rights in order to grant options to subscribe for shares to 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
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 issued capital.	38 months

(1) 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.

Report on treasury shares

Within the framework of the treasury share buy-back programme authorised by the Shareholders' Ordinary Meeting of 6 March 2012, in the period from 6 March to 30 September 2012, the Company acquired 58,556 shares (including 40 as part of the AMAFI liquidity agreement) at an average price of €17.62.

Furthermore, during this same period, 20 shares were sold at an average price of €21.33 as part of the AMAFI agreement.

Using the authorisations granted by the Shareholders' Ordinary Meetings of 11 March 2004 and 10 March 2005, on 26 September 2005, the Board of Directors instituted a Pierre et Vacances share purchase option plan involving 28,000 shares for the benefit of Group managers 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, on 21 July 2006, the Board of Directors instituted a Pierre & Vacances share purchase option plan involving 16,500 shares for the benefit of Group managers 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, on 9 January 2007, the Board of Directors instituted a Pierre et Vacances share purchase option plan involving 46,875 shares for the benefit of Group managers 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, on 7 January 2008, the Board of Directors instituted a Pierre et Vacances share purchase option plan involving 38,375 shares for the benefit of Group managers 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, on 12 January 2009, the Board of Directors instituted a Pierre et Vacances share purchase option plan involving 5,000 shares for the benefit of a Group manager 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 3 March 2011, on 3 March 2011, the Board of Directors instituted a Pierre et Vacances share purchase option plan involving 222,500 shares for the benefit of 41 Group managers with a high level of responsibility. Under this plan, options were granted to 41 beneficiaries for the purchase of 222,500 treasury shares at €63.93 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, 184,500 options are outstanding and 38,000 options were lapsed.

At 30/09/2012, the Company held 349,584 treasury shares, of which 5,740 were part of the liquidity agreement and 343,844 were due to the buy-back programme.

The 343,844 shares held under the buy-back programme are reserved for the plans listed above.

As from 17 December 2012, the Company has asked Natixis 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). This contract was previously entrusted to Crédit Agricole Cheuvreux.

Since the authorisation given by the Shareholders' Ordinary Meeting of 6 March 2012 authorising a share buyback programme expires on 6 September 2013, a new authorisation will be submitted for approval to the Shareholders' Ordinary Meeting of 28 February 2013.

Changes in share capital over the last five financial years

Date	Transaction	Par value *(in €)*	Issued capital *(in €)*	Additional paid-in capital *(in €)*	Total issued capital *(in €)*	Total number of shares
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 30/09/2010			At 30/09/2011			At 30/09/2012		
Shareholders	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
S.I.T.I.	3,903,548	44.25	61.22	3,903,548	44.25	61.15	3,903,548	44.25	61.09
Directors	6,605	0.07	0.05	7,256	0.08	0.06	7,241	0.08	0.08
Treasury shares	124,789	1.41	0.97	104,840	1.19	0.81	349,584	3.96	2.73
General public	4,786,609	54.27	37.76	4,805,907	54.48	37.98	4,561,178	51.70	36.10
of which employees	*50,591*	*0.57*	-	*82,612*	*0.93*	*0.94*	*78,046*	*0.88*	*0.95*
TOTAL EQUITY	**8,821,551**	**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 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 also receives voluntary payments from employees.

Within this Group Share Ownership Plan, the mutual fund consisting exclusively of Pierre et Vacances shares represented 0.30% of the capital at 30/09/2012 (27,340 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 zero at 30 September 2012.

Amounts paid for Group profit-sharing in previous financial years:

2010/2011	€474,700
2009/2010	/
2008/2009	€500,000
2007/2008	€869,000

2

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 €)
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
2010/2011	8,517,904	10	0.70

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

Given the Group's 2012 loss, the non-payment of a dividend will be proposed to the Shareholders' Ordinary Meeting of 28 February 2013.

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 31/12/2012, the estimated shareholder structure of Pierre et Vacances is as follows:

	Number of shares	% of issued capital	Value of profit-sharing at 31 December 2012 (in € thousands)	Number of voting rights	% of voting rights
S.I.T.I. (1)	3,903,548	44.25	61,676	7,807,096	61.09
Directors	7,241	0.08	114	10,826	0.08
Treasury shares	370,964	4.21	5,861	370,964	2.9
of which shares acquired as part of the buy-back programme	367,983		5,814		
of which shares acquired as part of the liquidity agreement	2,981		47		
General public (2)	4,539,798	51.46	71,729	4,590,190	35.92
TOTAL EQUITY	**8,821,551**	**100**	**139,380**	**12,779,076**	**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 (77,606 shares or 0.88% of issued capital) and Financière de l'Échiquier (718,970 shares according to the identification of the holders of bearer shares at 30 September 2012, or 8.15% of the share capital).

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

As at 31 December 2012, 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 exchanged	Issued capital *(in € millions)*	Adjusted highs and lows	
			Highest	**Lowest**
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
January 2012	191,527	5.04	28.99	23.60
February 2012	140,594	3.99	30.40	26.30
March 2012	403,275	10.62	28.19	24.50
April 2012	181,699	4.23	25.43	21.17
May 2012	217,937	4.18	22.63	15.70
June 2012	239,043	3.68	16.68	14.12
July 2012	502,449	6.52	14.60	11.36
August 2012	980,065	12.89	15.48	10.82
September 2012	407,368	6.19	17.90	12.50
October 2012	278,253	4.24	17.44	13.00
November 2012	404,091	5.27	14.40	11.66
December 2012	475,585	7.00	15.98	13.46

(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.

Share trading over the last 18 months

	Price	
Period	**Highest**	**Lowest**
July 2011	81.50	79.60
August 2011	82.90	75.00
September 2011	77.20	71.42
October 2011	74.00	68.19
November 2011	74.00	68.80
December 2011	72.96	68.24
January 2012	73.00	69.05
February 2012	74.85	70.60
March 2012	75.75	74.00
April 2012	74.80	73.85
May 2012	76.65	72.00
June 2012	76.65	72.50
July 2012	76.00	72.00
August 2012	78.00	75.00
September 2012	77.50	75.25
October 2012	76.00	72.50
November 2012	75.00	73.50
December 2012	75.80	73.60

(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 30/09/2012, 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 2011/2012 was €8.7 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;
- €1.9 million for services rendered and reinvoiced to subsidiaries for the development of their businesses.

Operating loss for the financial year 2011/2012 was €0.3 million (compared with a €6.7 million loss in 2010/2011). This loss was the result of costs inherent in the Group's holding activity.

The change in 2011/2012 compared with the previous year is mainly due to rent compensation amounting to €3.0 million and the €3.0 million expense reported in 2010/2011 for the setup of the OCÉANES bonds and not renewed in 2011/2012.

Net financial income amounted to €20.4 million compared with €63.0 million the previous year. It consisted primarily of the following:

- dividend income of €24.7 million from subsidiaries, including:
  - €19.8 million from PVTE,
  - €4.9 million from Pierre & Vacances 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;
- interest income of €9.1 million on the current account of Pierre & Vacances FI, a subsidiary responsible for the Group's central cash management;
- financial expenses of €13.6 million, including, in particular:
  - interest on bank loans of €7.0 million, including €4.6 million related to bonds convertible into shares, issued in 2010/2011,
  - impairment losses on financial assets totalling €4.1 million, including:
    - €0.3 million on risks on corresponding net negative positions,
    - €3.8 million on treasury shares,
  - €2.2 million on commission and expenses on sureties.

Net financial income for 2010/2011, which came to €63.0 million, mainly comprised:

- 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 and Multivacances) and all of the related intangible assets, excluding Les Senioriales and those 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 in losses on Group receivables and equity interests.

Non-recurring profit (loss) amounts to -€0.2 million compared to €6.0 million in 2010/2011. This mainly corresponds to fees paid in the context of the Group restructuring activities.

The non-recurring profit (loss) for 2010/2011 comprised:

- a gain of €6.9 million on the sale of the equity interest in PVCP 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.

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 €12.4 million (compared with €12.2 million the previous year).

Tax consolidation income amounted to €11.8 million, to which a family tax credit of €0.1 million and a research tax credit of €0.5 million should be added.

As a result, **profit** for the year was €32.4 million compared with €74.5 million the previous year.

Changes in financial position

Total assets amounted to €1,117 million at 30 September 2012 compared with €1,130 million at 30 September 2011, a decrease of €13 million. This significant decrease is driven mainly by:

- an increase in investments in associates (€3.7 million) mainly due to:
  - a €2.7 million capital increase in PV Maroc, the Moroccan subsidiary,
  - a €1.0 million capital increase in Villages Nature de Val d'Europe SAS;
- a reduction in « Other receivables » (-€11 million), consisting mainly of current accounts with Group subsidiaries.

The net carrying amount of investments in associates and other long-term equity investments at 30 September 2012 was €557 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
Pierre & Vacances Maroc	2.7
Villages Nature de Val d'Europe	1.2

In 2011/2012, the equity of Pierre et Vacances SA rose by €26.4 million to €686.7 million. This change is detailed below (in € millions):

Dividends paid	-6.1
Profit the year	32.4

Share capital at 30/09/2012 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 2012 amounted to €3.1 million. They were broken down as follows (in € million):

Provisions for legal and miscellaneous risks	0.5
Provisions for financial risks relating to subsidiaries	2.6

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 €65 million at 30 September 2012, 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 2012 amounted to €60 million;
- accrued interest of €5 million.

A €9 million loan taken out on 18 November 2009 was repaid on 31 December 2011.

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 this loan.

Significant events after the reporting period

None.

Outlook

In 2012/2013, 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 activities of the main subsidiaries in 2011/2012 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 2012, Pierre & Vacances Tourisme Europe recorded a loss of €28.0 million.

- Pierre & Vacances Marques SAS

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

In 2011/2012, Pierre & Vacances Marques SAS renewed its annual licences awarded to the various Group companies that use its brands.

The Company's profit for this financial year amounted to €8.4 million.

- Pierre & Vacances FI SNC

In 2011/2012, 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 last financial year, the Company acquired the following investment:

PH Tarvisio S.r.l.

On 28 November 2011, following the partial demerger of Part House SRL to form a new company, PH Tarvisio S.r.l., Pierre et Vacances SA, which owns 55% of Part House SRL, was granted 5,500 shares in PH Tarvisio S.r.l. (representing 55% of the issued capital).

Significant disposals

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

PH Tarvisio S.r.l.

On 14 December 2011, Pierre et Vacances SA sold 5,500 shares in PH Tarvisio S.r.l. to Mr Diego Laganà for €5,500.

Pierre & Vacances South Europe Holding B.V.

On 30 April 2012, Pierre et Vacances SA, sole partner, liquidated Pierre & Vacances South Europe Holding B.V.

La Financière Pierre et Vacances & Cie

On 25 May 2012, Pierre et Vacances SA, sole partner, opted for early dissolution without liquidation of Financière Pierre et Vacances & Cie. The transaction was performed on 30 June 2012.

SNC Financière Pierre & Vacances I

On 25 May 2012, Pierre et Vacances SA, sole partner, opted for the early dissolution without liquidation of SNC Financière Pierre & Vacances I by Pierre et Vacances. The transaction was performed on 30 June 2012.

SNC Financière Pierre & Vacances II

On 25 May 2012, Pierre et Vacances SA, sole partner, opted for the early dissolution without liquidation of SNC Financière Pierre & Vacances II by Pierre et Vacances. The transaction was performed on 30 June 2012.

Significant investments and disposals since the year-end

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 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 Boards of Directors.

For the years ending 30 September 2012 and 30 September 2011, no salary (including benefits of any kind) was paid to any 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 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.

Summary of remunerations of and options and shares granted to each executive corporate officer

(in €)	2011/2012	2010/2011
Gérard Brémond, Chairman of the Board of Directors		
Remuneration payable for the year	548,671	593,727
Value of options granted during the year	-	-
Value of performance-related shares granted during the year	-	-
TOTAL EQUITY	**548,671**	**593,727**
Sven Boinet, Chief Executive Officer		
Remuneration payable for the year	421,203	1,004,942
Value of options granted during the year		467,628 (1)
Value of performance-related shares granted during the year		-
TOTAL EQUITY	**421,203**	**1,472,570**

(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. Sven Boinet lost the right to his options on 27 July 2012.

On 27 July 2012, Sven Boinet resigned as Director and Chief Executive Officer of Pierre et Vacances SA. This decision followed the termination of his functions as Deputy Chief Executive Officer of S.I.T.I.

At its meeting on 30 August 2012, the Board of Directors accepted the resignation and decided to combine the functions of Chairman of the Board of Directors and Chief Executive Officer. Thus, from 30 August 2012, Gérard Bremond assumed Executive Management of the Company as Chairman and Chief Executive Officer of the Company.

Following the termination of Sven Boinet's functions as Deputy Chief Executive Officer of S.I.T.I, a termination fee of €600,000 was approved to Mr Boinet. An amount of €200,000 was paid in financial year 2011/2012 in respect of this fee. This fee was not reinvoiced to the entities of the Pierre & Vacances-Center Parcs Group.

At its meeting on 3 December 2012, the Board of Directors of Pierre et Vacances SA decided to separate the functions of Chairman and Chief Executive Officer, from 2 January 2013. Since this date, Gérard Brémond has held the position of Chairman of the Board of Directors and Françoise Gri that of Chief Executive Officer.

2

The following table summarises the remunerations of each corporate officer

(in €)	Remuneration in 2011/2012 payable for the year	Remuneration in 2011/2012 paid during the year	Remuneration in 2010/2011 payable for the year	Remuneration in 2010/2011 paid during the year
Gérard Brémond, Chairman of the Board of Directors				
Fixed remuneration	500,000	500,000	500,000	500,000
Variable remuneration	45,000	90,000	90,000	90,000
Special remuneration			-	-
Attendance fees			-	-
Benefits in kind	3,671	3,671	3,727	3,727
TOTAL EQUITY	**548,671**	**593,671**	**593,727**	**593,727**
Sven Boinet, Chief Executive Officer				
Fixed remuneration	416,667	416,667	500,000	500,000
Variable remuneration	-	425,000	500,000	535,000
Special remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	4,536	4,536	4,942	4,942
TOTAL EQUITY	**421,203**	**846,203**	**1,004,942**	**1,039,942**
Thierry Hellin, Deputy Chief Executive Officer				
Fixed remuneration	308,007	308,007	308,007	308,007
Variable remuneration	70,000	135,520	135,520	131,920
Special remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	7,762	7,762	7,518	7,518
TOTAL EQUITY	**385,769**	**451,289**	**451,045**	**447,445**
Patricia Damerval, Deputy Chief Executive Officer				
Fixed remuneration	308,007	308,007	308,007	308,007
Variable remuneration	70,000	150,000	150,000	137,620
Special remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	2,696	2,696	1,760	1,760
TOTAL EQUITY	**380,703**	**460,703**	**459,767**	**447,387**

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
Françoise Gri 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, then Chairman of the Board of Directors from 16 November 2009 until 30 August 2012 and Chairman and Chief Executive Officer from 30 August 2012 to 2 January 2013. He has been Chairman of the Board of Directors since 2 January 2013. Françoise Gri has been Chief Executive Officer since 2 January 2013.

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 2011/2012 paid in October 2012**	**Attendance fees for 2010/2011 paid in October 2011**
Olivier Brémond		
Attendance fees	30,000 (*)	30,000 (*)
Other remuneration	-	-
Ralf Corsten		
Attendance fees	33,000 (***)	32,000 (**)
Other remuneration	-	-
Marc R. Pasture		
Attendance fees	33,000 (***)	32,000 (**)
Other remuneration	-	-
Delphine Brémond		
Attendance fees	30,000	25,000
Other remuneration	-	-
Andries Arij Olijslager		
Attendance fees	34,000 (****)	32,000 (**)
Other remuneration	-	-
TOTAL EQUITY	**160,000**	**151,000**

(*) 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).
(**) Messrs 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).
(***) Messrs R. Corsten and M. Pasture effectively received €24,750 each (less €8,250 withheld at source and paid directly by Pierre et Vacances SA to the French tax authorities).
(****)Mr A. Olijslager effectively received €25,500 (less €8,500 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.

2

Share options and bonus shares

Grant policy

The grant policy followed hitherto by the Group identifies:

- occasional grants to a large number of Group managers;
- more regular grants, in principle on an annual basis, to key Group employees;
- special grants to Group employees (managers and non-managers).

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 [1].

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.

In addition, the Company determines that share purchase plans are subject to conditions relating to presence and/or performance.

Share option plans

History of share subscription option plans

At 31/12/2012, 133,900 share subscription options were outstanding.

If all the options were exercised, 133,900 new shares should be issued, increasing the total number of shares to 8,955,451.

These new shares would represent an increase of €8,662,741 in equity.

The options outstanding represent 1.49% 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	/	/	41,550	/
Total number of options outstanding at the end of the year	5,000	7,150	120,750	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.

(1) Executive corporate officers in the sense of the AFEP-MEDEF Code are the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer.

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	/	/	/	38,000
Total number of options outstanding at the end of the year	26,000	11,500	46,875	38,375	5,000	184,500

(*) As recommended by the AFEP-MEDEF Corporate Governance Code, at its meeting on 3 March 2011, the Board of Directors decided that the grant to Sven Boinet was subject to a performance-related condition linked to the 2010/2011 Group EBIT. Based on the performance reported during the Board meeting on 29 November 2011, the number of options granted to Sven Boinet was reduced to 28,000. Sven Boinet lost the right to these options on 27 July 2012.
(**) 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

None.

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

None.

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 14/02/2011, the Board of Directors found that none of the performance-related conditions had been met for the second half of the shares granted on 12.02.09.

(**) *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 2011/2012 to each corporate officer

None.

Bonus shares becoming available during financial year 2011/2012 for each corporate officer

Name of corporate officer	Plan date	Number of shares becoming available during the financial year
Thierry Hellin	07/01/2008	1,500
Patricia Damerval	07/01/2008	1,500

Bonus shares granted in 2011/2012 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 [1]:

None.

Other shares giving access to the capital

None.

(1) Trading in Company shares by executives, related persons and relatives during the last financial year: None.

2

FINANCIAL STATEMENTS AT 30 SEPTEMBER 2012

Income statement

Items *(in € thousands)*	***Notes***	**2011/2012**	**2010/2011**
Sales of services		8,725	8,451
Net revenue		**8,725**	**8,451**
Capitalised production			
Operating subsidy			
Reinvoiced expenses and reversals of write-offs and provisions		10,609	12,053
Other income		3,070	3,884
Operating profit (loss)		**22,404**	**24,388**
Other purchases and external expenses		19,749	24,719
Income and other taxes		836	381
Wages and salaries			
Social security expenses		1,161	1,030
Depreciation and amortisation		782	949
Provisions for fixed assets			
Impairment for current assets			
Provisions for risks and charges			
Other operating expenses		176	4,030
Operating expenses		**22,704**	**31,109**
Operating profit (loss)	**12**	**-300**	**-6,721**
Financial income from associates and other long-term equity investments		24,733	65,715
Financial income from other securities and non-current assets loans		38	118
Other interest income		9,144	8,406
Reinvoiced expenses and reversals of provisions		148	316
Exchange gains			
Net gains on disposals of marketable securities			51
Financial income		**34,063**	**74,606**
Amortisation and provisions on financial assets		4,102	2,599
Interest expense		9,511	8,986
Net (loss) on disposals of marketable securities		1	14
Other financial expenses			
Financial expenses		**13,614**	**11,599**
Net financial income	**13**	**20,449**	**63,007**
PROFIT (LOSS) FROM ORDINARY ACTIVITIES, BEFORE TAX		**20,149**	**56,286**

Items *(in € thousands)*	***Notes***	**2011/2012**	**2010/2011**
Non-recurring income from management transactions		0	0
Non-recurring income from capital transactions		2,078	29,938
Reinvoiced expenses and reversals of provisions		173	300
Non-recurring income		**2,251**	**30,238**
Non-recurring expenses on management transactions		293	359
Non-recurring expenses on capital transactions		2,128	23,879
Non-recurring depreciation, amortisation and impairment		0	0
Non-recurring expenses		**2,421**	**24,238**
Non-recurring profit (loss)	**14**	**-170**	**6,000**
Profit-sharing			
Income tax	15	-12,371	-12,224
Total income		**58,718**	**129,232**
Total expenses		**26,368**	**54,722**
PROFIT (LOSS)		**32,350**	**74,510**

Statement of financial position

Assets

2

Items *(in € thousands)*	***Notes***	**Gross Amount**	**Depreciation, amortisation and impairment**	**Net 30/09/2012**	**Net 30/09/2011**
Intangible assets	**1**	**19,566**	**96**	**19,470**	**19,470**
Property, plant and equipment	**1**				
Other non-current assets		7,344	6,631	713	1,005
Assets in progress					
Financial assets	**1,2,4**				
Other long-term equity investments		558,143	1,092	557,051	553,449
Loans and other financial assets		2,537		2,537	2,654
Non-current assets		**587,590**	**7,819**	**579,771**	**576,578**
Advances and prepayments to suppliers		21		21	21
Trade receivables	4 & 5	17,737	43	17,694	15,807
Other receivables	3,4,5	505,176		505,176	525,004
Marketable securities	6	11,402	6,289	5,113	3,710
Cash and cash equivalents	6	5,248		5,248	4,727
Prepaid expenses	4 & 10	2,580		2,580	2,593
Current assets		**542,164**	**6,332**	**535,832**	**551,862**
Deferred expenses	11	1,564		1,564	1,628
TOTAL ASSETS		**1,131,318**	**14,151**	**1,117,167**	**1,130,068**

Liabilities

Items *(in € thousands)*	*Notes*	**30/09/2012**	**30/09/2011**
Issued capital		88,215	88,215
Additional paid-in capital		8,691	8,691
Legal reserve		8,822	8,822
Other reserves		2,308	2,308
Retained earnings		546,338	477,791
Profit (loss) for the year		**32,350**	**74,510**
Equity	**7**	**686,724**	**660,337**
Provisions for risks		515	642
Provisions for charges		2,593	2,397
Provisions for risks and charges	**2**	**3,108**	**3,039**
Financial liabilities			
Outstanding bond issue	4	115,000	115,000
Amounts due to credit institutions	4	65,020	93,360
Sundry loans and other borrowings	4 & 8	234,017	243,028
Operating liabilities			
Trade payables	4 & 5	7,929	10,044
Tax and social security liabilities	4	1,959	2,440
Sundry liabilities			
Amounts due to suppliers of non-current assets	4	0	0
Other liabilities	4 & 9	3,392	2,766
Accruals			
Deferred income	4 & 10	18	54
Total liabilities		**427,335**	**466,692**
TOTAL LIABILITIES		**1,117,167**	**1,130,068**

Proposed allocation of profit and distribution of dividends for the year

Net of all charges, taxes and amortisation, the parent company financial statements show a net profit of €32,349,865.30.

It is proposed that it be appropriated as follows:

■ Profit for the year	€32,349,865.30
■ Plus unallocated earnings, prior year, amounting to	€546,338,167.66
Totalling	**€578,688,032.96**
■ to the legal reserve	€0.00
■ retained earnings	€578,688,032.96

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	€578,688,032.96
Total equity	**€686,724,458.21**

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 30/09/2012 *(in €)***:**	1,117,166,885
Profit for the year reported in the income statement for the year ended 30 September 2011 *(in €)***:**	32,349,865

The reporting period lasts for 12 months, from 1 October 2011 to 30 September 2012.

The parent company financial statements were approved on 03/12/2012.

Significant events for 2011/2012

Governance

On 1 August 2012, Sven Boinet, Chief Executive Officer of the Pierre & Vacances-Center Parcs Group left the Group to pursue new professional projects.

From 2 January 2013, Sven Boinet's functions will be assumed by Françoise Gri, who had already been involved in formative Group decisions.

Françoise Gri spent most of her career at the IBM Group where and was appointed as the Group's Chairman and Chief Executive Officer in France in 2001. At IBM she was, in particular, instrumental in transforming the business from selling hardware to providing services, with the company becoming a leader in technological integration in France.

In 2007, she became Chairman of Manpower and led the interim giant's "overhaul", turning it into a group specialising in workforce solutions After this mission to transform the company had been successfully completed, Françoise Gri became Chairman of Manpower Group France and Southern Europe in 2011.

Françoise Gri is a member of the Economic, Social and Environmental Committee (CESE). She sits on the MEDEF Ethics and Employment Committees. She is also a member of the Board of Directors of Edenred and of Credit Agricole.

Breaching of thresholds

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 programme offered to investors in properties developed and marketed by Pierre et Vacances property development subsidiaries, the 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 profit (loss): 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	30/09/2011	Acquisitions	Disposals and retirements	30/09/2012
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	4,573	-	-	4,573
Office and computer equipment, and furniture	2,939	-	168	2,771
Assets in progress	-	-		
Total property, plant and equipment	**7,512**	**-**	**168**	**7,344**
Financial assets				
Long-term equity investments and related loans and receivables	554,541	3,722	120	558,143
Loans and other financial assets	2,700	45	208	2,537
Total financial assets	**557,241**	**3,767**	**328**	**560,680**
TOTAL GROSS TANGIBLE AND INTANGIBLE ASSETS	**584,319**	**3,767**	**496**	**587,590**

Depreciation, amortisation and impairment	30/09/2011	Increases	Reductions	30/09/2012
Brand names, concessions, patents	96	-	-	96
Goodwill	-	-	-	-
Other intangible assets	-	-	-	-
Total intangible assets	**96**	**-**	**-**	**96**
Property, plant and equipment				
Miscellaneous fixtures	3,809	193	-	4,002
Office and computer equipment, and furniture	2,697	100	168	2,629
Total property, plant and equipment	**6,506**	**293**	**168**	**6,631**
Financial assets				
Long-term equity investments and related loans and receivables	1,093	-	-	1,093
Loans and other financial assets	47	-	47	-
Total financial assets	**1,140**	**-**	**47**	**1,093**
Total depreciation, amortisation and impairment	**7,742**	**293**	**215**	**7,819**
TOTAL NET TANGIBLE AND INTANGIBLE ASSETS	**576,578**	**3,474**	**281**	**579,771**

The increase in net tangible and intangible assets for the year (€3,193,000) is mainly due to the following transactions involving investments in associates and other long-term equity investments:

- capital increase of PV MAROC for the sum of €2,692,000;
- capital increase of VILLAGES NATURE DE VAL D'EUROPE for the sum of €1,008,000.

NOTE 2 IMPAIRMENT LOSSES

	30/09/2011	Increases	Reductions used	Reductions not used	30/09/2012
Provisions for risks and charges	3,039	261	192		3,108
Provisions for impairment losses					
Goodwill					-
Investments in associates and other long-term equity investments	*1,092*	-	-	-	*1,092*
Financial assets	*47*		*47*		-
Trade receivables	*66*		*23*		*43*
Treasury shares	*2,448*	*3,841*			*6,289*
TOTAL	**6,692**	**4,102**	**262**	**-**	**10,532**

Provisions for risks and charges correspond to:

- provisions covering the net negative positions of the Orion SAS subsidiary totalling €2,536,000 and the Parthouse subsidiary totalling €57,000;
- provisions for legal proceedings of €515,000.

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:

- trade receivables in the amount of €43,000 (provisions relating to customer accounts for property development programmes received as part of the transfer of Pierre & Vacances Holding SAS in the previous year);
- impairment losses on treasury shares of €6,289,000 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

	30/09/2012	30/09/2011
Current accounts	**499,321**	**515,458**
Pierre & Vacances FI SNC	471,132	497,618
Adagio Holding SAS	*11,855*	*8,874*
Villages Nature Val d'Europe	*6,758*	*2,624*
Pierre & Vacances Maroc	*4,431*	*5,333*
E. Ferien Bostalsee	*4,119*	-
Part House SRL	*974*	*957*
Miscellaneous current accounts - assets	52	52
State and other public authorities	**1,207**	**2,149**
Other receivables and miscellaneous accounts in debit	**4,648**	**7,397**
TOTAL EQUITY	**505,176**	**525,004**

Pierre & Vacances FI, a subsidiary of Pierre et Vacances SA, is responsible for central cash management for all Group subsidiaries.

Receivables from the State totalling €1,207,000 corresponding to the VAT credit and VAT reimbursement rights.

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

Receivables	Amount	Due date: Less than 1 year	Due date: More than 1 year
Loans	1,193		1,193
Other financial assets	1,344		1,344
Trade receivables	17,737	17,737	
State and other public authorities	1,207	1,207	
Group and associates	499,321	499,321	
Other receivables	4,648	4,648	
Accruals	2,580	2,580	
TOTAL EQUITY	**528,030**	**525,493**	**2,537**

Total liabilities	Amount	Due date: Less than 1 year	Due date: 1 to 5 years	Due date: More than 5 years
Outstanding bond issue	115,000		115,000	
Amounts due to credit institutions	65,020	25,020	40,000	
Sundry loans and long-term borrowings	234,017	233,591		426
Trade payables	7,929	7,929		
Tax and social security liabilities	1,959	1,959		
Other liabilities	3,392	3,392		
Accruals	18	18		
TOTAL EQUITY	**427,335**	**271,909**	**155,000**	**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 2012 amounted to €60 million. This is a variable rate loan (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".

2

NOTE 5 ACCRUED INCOME AND EXPENSES

Accrued income	30/09/2012	30/09/2011
Customers	238	195
Repayment of business tax *(taxe professionnelle)*	154	154
Interest accrued	141	54
Interest on MGM debt	6	8
Interests on swaps	-	7
TOTAL EQUITY	**539**	**418**

Accrued expenses	30/09/2012	30/09/2011
Interest accrued on loans and borrowings	5,020	3,772
Suppliers	976	1,263
Interests on swaps	127	-
TOTAL EQUITY	**6,123**	**5,035**

NOTE 6 MARKETABLE SECURITIES AND CASH

Marketable securities consist primarily of treasury shares. These amounted to €11,402,000 at 30 September 2012.

At 30 September 2012, the Group held:

- 343,844 treasury shares intended to be granted to employees totalling €11,079,000;
- 5,740 shares acquired to adjust the stock market price, for an amount of €323,000.

Impairment of treasury shares for an amount of €6,289,000 was recognised for the year ended 30 September 2012 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 €5,248,000 at 30 September 2012, compared to €4,727,000 at the end of the previous year.

NOTE 7 CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Reserves and retained earnings	Profit (loss) for the year	Total equity
Equity at 30/09/2010	**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 30/09/2011	**88,215**	**8,691**	**488,921**	**74,510**	**660,337**
Capital increase					
Dividends paid				-5,963	-5,963
Legal reserve					
Retained earnings			68,547	-68,547	
Profit (loss) for the year				32,350	32,350
EQUITY AT 30/09/2012	**88,215**	**8,691**	**557,468**	**32,350**	**686,724**

NOTE 8 SUNDRY LOANS AND OTHER BORROWINGS

	30/09/2012	30/09/2011
Loans and advances to equity investees	**229,035**	**229,035**
Center Parcs Europe NV	229,035	229,035
Current accounts	**4,556**	**13,567**
Société d'Investissement Touristique et Immobilier	*4,556*	*13,549*
Miscellaneous current accounts - liabilities	*-*	*18*
Deposits received	**426**	**426**
TOTAL EQUITY	**234,017**	**243,028**

At 30/09/2012, 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

	30/09/2012	30/09/2011
EIG NPPV III	698	1,223
Payables relating to tax consolidation	2,096	1,101
Sundry liabilities	598	442
TOTAL EQUITY	**3,392**	**2,766**

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 in particular to attendance fees due for 2011/2012 for an amount of €160,000 and the share of the profit of Domaine du Lac de l'Ailette SNC, an equity investee, for an amount of €105,000.

NOTE 10 ACCRUALS

Assets	30/09/2012	30/09/2011
Rents and rental charges	1,895	1,885
Miscellaneous	685	708
TOTAL PREPAID EXPENSES	**2,580**	**2,593**

The line item "Miscellaneous" included, at 30 September 2012, €680,000 in computer rental prepayments with respect to licences and maintenance.

Liabilities	30/09/2012	30/09/2011
Margin on securitisation	27	54
TOTAL DEFERRED INCOME	**27**	**54**

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

	30/09/2011	Increase	Reduction	30/09/2012
Expenses and fees on securitisation	19		14	5
Commission on loan	1,609	425	475	1,559
TOTAL EQUITY	**1,628**	**425**	**489**	**1,564**

Commissions on loans include bank fees and expenses related to the refinancing of bank loans in 2009/2010.

The increase in deferred expenses totalling €425,000 corresponds to the costs of the signature in 2011/2012 of an amendment to the terms and conditions of the €100 million loan taken out in 2009/2010.

NOTE 12 ANALYSIS OF OPERATING PROFIT (LOSS)

	2011/2012	2010/2011
Services	1,849	1,653
Miscellaneous rentals	6,876	6,798
Total revenue	**8,725**	**8,451**
Reinvoicing of expenses and fees	10,609	12,053
Miscellaneous	3,070	3,884
Total operating income	**22,404**	**24,388**
Rents and rental charges	8,165	8,138
Miscellaneous fees	2,678	3,503
Other purchases and external expenses	11,079	18,519
Depreciation, amortisation and impairment	782	949
Total operating expenses	**22,704**	**31,109**
OPERATING PROFIT (LOSS)	**-300**	**-6,721**

Revenue for financial year 2011/2012 mainly consisted of:

- €1,849,000 in reinvoicing of services rendered to subsidiaries for the development of their businesses;
- €6,876,000 in 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.

The operating loss was the result of costs inherent in the Group's holding activity.

The change in 2011/2012 compared with the previous year is mainly due to:

- income from transactional indemnity for the amount of €3,000,000 obtained from the company leasing the premises of PVSA's registered office, following the signature of a new lease agreement for a term of 12 years beginning 1 July 2012;
- fees and bank commissions for the amount of €3,000,000 paid by the company in 2010/2011 following the subscription of bonds convertible or exchangeable into new shares for the amount of €115 million.

NOTE 13 NET FINANCIAL INCOME

	2011/2012	2010/2011
Financial income from associates and other long-term equity investments	24,733	65,715
Reinvoiced expenses and reversals of provisions	148	316
Other interest income	9,144	8,406
Other financial income	38	169
Financial income	**34,063**	**74,606**
Amortisation and provisions on financial assets	4,102	5,599
Interest expense	9,511	8,986
Net expense on disposals of marketable securities	1	14
Other financial expenses	-	-
Financial expenses	**13,614**	**11,599**
NET FINANCIAL INCOME	**20,449**	**63,007**

Net financial income for 2011/2012 was €20,449,000. It consisted primarily of the following:

- dividend income of €24,733,000 from subsidiaries, including:
  - €19,809,000 from PV Tourisme Europe, a subholding of the European tourism business for the Pierre & Vacances and Center Parcs brands,
  - €4,855,000 from PV Marques, a subsidiary owning the Group's brands (mainly Pierre & Vacances, Maeva and Multivacances) excluding the "Les Senioriales" brand and those operated by the Center Parcs subgroup;
- interest income of €9,088,000 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 €13,614,000, including, in particular:
  - impairment losses on financial assets totalling €4,102,000, including:
    - €3,841,000 on treasury shares,
    - €261,000 on investments in associates and other long-term equity investments and risks on corresponding net negative positions,
  - interest on bank loans of €7,006,000, including €4,600,000 related to bonds convertible into shares, which were issued during the previous year,
  - commission and interest on bank loans of €1,051,000,
  - commissions on sureties and interest rate swaps of €875,000,
  - interest and commissions on short-term financing of €235,000.

Net financial income for the financial year 2010/2011 stood at €63,007,000. It mainly consisted of the following:

- dividend income of €65,715,000 from subsidiaries, including:
  - €58,482,000 from PVIH SAS,
  - €3,945,000 from PV Marques SAS,
  - €2,971,000 from PV FI, the Group's central cash management company;
- interest income of €8,318,000 on the current account of Pierre & Vacances FI SNC;
- 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,
  - 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.

NOTE 14 NON-RECURRING PROFIT (LOSS)

	2011/2012	2010/2011
Non-recurring profit (loss) on management transactions	-293	-900
Non-recurring profit (loss) on capital transactions	-50	6,900
Non-recurring increases and reversals, provisions and reinvoicing of expenses	173	
NON-RECURRING PROFIT (LOSS)	**-170**	**6,000**

A non-recurring loss of €293,000 on management transactions was generated in 2011/2012 representing expenses and fees incurred in the context of the Group restructuring activities.

The loss on exceptional provisions corresponds to reversals of provisions for legal proceedings and deposit impairment which were not applicable in 2011/2012.

The non-recurring profit (loss) for 2010/2011 comprised:

- a gain of €6,900,000 on the sale of the equity interest in PVCP Distribution to Pierre & Vacances Tourisme Europe as part of the restructuring of the Group's tourism entities;
- a non-recurring loss of €900,000 on management transactions primarily represents expenses and fees incurred in the context of the Group restructuring activities.

NOTE 15 INCOME TAX

Pierre et Vacances SA formed a tax consolidation group with effect from 1 October 1996. At 30 September 2012, 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;
- Pierre & Vacances FI SNC;
- PV-CP Résidences Exploitation SAS;
- PV-CP Resorts France SAS;
- Pierre & Vacances Investissement XXIV SAS;
- PV-CP Holding Exploitation SAS;
- PV-CP Gestion de l'Exploitation SAS;
- Senioriales Promotion et Commercialisation SAS;
- Pierre & Vacances Immobilier Holding SE;
- SICE SNC;
- Holding Rénovation Tourisme SAS;
- Orion SAS;
- Pierre & Vacances Senioriales 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 Estérel SNC;
- Pierre & Vacances Estérel 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 XXXXV SAS;
- Pierre & Vacances Investissement XXXXVI SAS;
- Pierre & Vacances Investissement XXXXVII SAS;
- Center Parcs Holding Belgique SAS;
- Pierre & Vacances Investissement XXXXVIII SAS;
- Pierre & Vacances Investissement XXXXIX SAS;
- PV-CP City SAS.

Breakdown of the tax expense	
Tax passed on by subsidiaries	11,776
Tax benefits from previous years	596
Net tax (benefit)	**12,371**

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 2011/2012 would have been zero.

Pierre et Vacances SA underwent a tax inspection for the years 2003/2004, 2004/2005 and 2005/2006 and a bank surety was set up on 30 November 2011 following the request for recovery linked to the inspection. 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

The taxable result of the whole consolidation group led by Pierre et Vacances SA showed for 2011/2012 an amount of €41,417,000, 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	**556,375**	**1,769**
Trade receivables	15,927	224
Other receivables (*)	479,885	22,732
Sundry loans and other borrowings (*)	4,556	
Trade payables	4,245	
Other liabilities	2,300	
Income and expense items		
Financial expenses	150	
Financial income	33,413	408
Non-recurring expenses (**)	35	
Non-recurring income (**)	6	

(*) These line items mainly include current accounts.
(**) Non-recurring profit corresponds to gains on the sale of the equity interests in PVCP Distribution to Pierre & Vacances Tourisme Europe.

2

Financial commitments and other information

NOTE 18 OFF-STATEMENT OF FINANCIAL POSITION COMMITMENTS

	30/09/2012	30/09/2011
Guarantees and pledges:	**1,356,235**	**1,332,200**
Lease payment guarantees	1,155,049	1,124,740
First-call guarantee to Sogefinerg (Ailette finance lease)	179,994	182,684
Rent payment guarantee following the sale of CPE computer equipment	9,477	16,271
Counter-guarantee given on behalf of TH Hotel Espagne to HSBC for the operating of a residence in Torremolinos	1,100	2,200
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	0	883
Surety issued by PVSA on behalf of the electricity provider Eon to CP Europe NV	750	750
Counter-guarantee issued to Société Générale on behalf of PV Exploitation Belgique to secure a leasehold agreement	620	620
Surety 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	538	433
Surety on behalf of PVD SA to Colmar Patrimoine SARL for the purchase of property	198	198
Surety on behalf of PVD SA to the local authority of Courseulles sur Mer for the purchase of land	159	159
Surety issued to Chanel SAS, a company that performs work related to property development programmes in Avoriaz	0	137
Surety on behalf of PVD SA to the local authority of St Cast le Guildo for the purchase of land	0	100
Surety on behalf of PVCI to Mr Noyrez	0	44
Surety on behalf of PVD SA to the local authority of Roybon for the purchase of land	30	30
Surety issued to Société Générale on behalf of Flaine Montsoleil for the guarantee of reimbursement	944	0
Surety issued to BNP Paribas Leasing Solutions & Fortis Lease NV on behalf of PV Exploitation Belgique as part of the TV leasing agreement	39	0
Surety issued to the development company ARVE-GIFFRE on behalf of Flaine Montsoleil for the purchase of land	2,000	0
Surety issued to SoGePi on behalf of PV Italia as part of the sale of Calarossa	413	0
Surety issued to GDF Suez on behalf of Senioriales JUVIGNAC as part of the energy supply contract	106	0
Surety issued to CITAR on behalf of Senioriales – PRINGY for a development and construction project (roads, laying of pipework, etc.)	684	0
Surety on behalf of Les Senioriales Miscellaneous current accou Montagnac	0	1,311
Surety on behalf of Senioriales – Saint Laurent de la Prée	1,148	0
Surety on behalf of Senioriales – Marseille Saint Loup	1,346	0

	30/09/2012	30/09/2011
Rent payment guarantee on securitisation transactions:	**8**	**248**
Payment of rent on EIG NPPV3 T2 securitisation transactions	0	10
Payment of rent on EIG NPPV3 T3 securitisation transactions	8	238
COMMITMENTS GIVEN	**1,356,243**	**1,332,448**
Guarantees and pledges:	**2,677**	**2,627**
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	269	217
Rent guarantee deposit – Artois	1,795	1,738
Rent guarantee deposit – Artois Bât. 26	0	72
Guarantee deposit for additional parking spaces	13	0
COMMITMENTS RECEIVED	**2,677**	**2,627**
RECIPROCAL COMMITMENTS	**60,000**	**80,000**

Lease payment guarantees

Pierre et Vacances SA has provided guarantees totalling €1,155,049,000, 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 2012, outstanding rent commitments for the remaining term of the leases for these seven villages came to €666.3 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 came to €167.8 million;
- to Hotels Espagne, owner of the residence in Torremolinos, for payment of rent for the term of the lease, which stood at €1.4 million;
- to the owner of the Le Dehon residence in Rome, for payment of rent owed by its operating subsidiary Pierre & Vacances Italia Srl. Outstanding rent commitments for the remaining term of the lease came to €1.3 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 came to €27.9 million;
- to Uniqua, owner of the residence in Vienna, for payment of outstanding rent commitments for the remaining term of the lease amounting to €8.0 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 €8.1 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 €8.2 million;
- to the individual owners of the Calédonia residence, for outstanding rent commitments for the remaining term of the lease standing at €1.1 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 €0.1 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 €0.2 million;
- to the owner of the Garden residence in Rome, for outstanding rent commitments for the remaining term of the lease amounting to €0.6 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 €148.1 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 €34.7 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 €81.2 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 et 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 et 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 et 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 €179,994,000 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 €2,494,000.

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 2012 are shown in the table below:

At 30/09/2012, 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 30/09/2012 *(in € thousands)*	Market value of hedging contracts *(in € thousands)*	Start date	Maturity date
6-month Euribor	0.8250%	0 (*)	-27	28 Dec 2013	28 June 2014
6-month Euribor	1.7425%	30,000 (1)	-435	28 Dec. 2010	28 Dec 2013
6-month Euribor	1.7325%	30,000 (2)	-433	28 Dec. 2010	28 Dec 2013
TOTAL EQUITY		**60,000**	**(895)**		

(*) Swap contracts signed on 11 July 2012, but starting on 28 December 2013.

The market value of the hedging financial instruments was -€895,000 at 30 September 2012, compared with -€321,000 at 30 September 2011.

(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 2012	28 Jun. 2013
6-month Euribor	1.7425%	20,000	28 Jun. 2013	28 Dec 2013

(2) Notionnel évoluant suivant l'échéancier suivant :

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 2012 for financial year 2011/2012 were €160,000 compared to €151,000 for 2010/2011.

For the years ending 30 September 2012 and 30 September 2011, 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:

	2011/2012	2010/2011
Fixed remuneration (1)	1,947,485	2,009,342
Variable remuneration (2)	895,439	1,067,895
Post-employment benefits (3)	23,585	48,225
Share-based remuneration (4)	606,598	522,699
TOTAL	**3,473,107**	**3,648,161**

(1) Amount paid 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.
(3) This amount corresponds to the expense recognised during the financial year.
(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.

2

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)	Portion of capital held *(in %)*	Gross value of shares held
SUBSIDIARIES (more than 50% of capital held):				
Pierre & Vacances Immobilier Holding SE	68,814	1,366	100.00	68,814
Pierre & Vacances FI SNC	15	-8,589	99.00	15
Cobim SARL	76	-42	100.00	0
Part House SRL	99	-13	55.00	1,054
Pierre & Vacances Courtage SARL	8	56	100.00	8
Orion SAS	38	-2,422	100.00	38
Pierre & Vacances Investissement XXXVIII SAS	38	-4	100.00	38
Pierre & Vacances Investissement XXXXIII SAS	38	-4	100.00	38
Pierre & Vacances Investissement XXXXV SAS	9	-4	100.00	10
Pierre & Vacances Investissement XXXXVI SAS	10	-4	100.00	10
Pierre & Vacances Investissement XXXXVII SAS	10	-4	100.00	10
Pierre &Vacances Investissement XXXXVIII SAS	10	-1	100.00	10
Pierre & Vacances Investissement XXXXIX SAS	10	-1	100.00	10
PV CP Support Services BV	18	0	100.00	18
Pierre & Vacances Maroc SAS	2,654	-2,513	100.00	2,720
Multi-Resorts Holding BV	18	550	100.00	18
Pierre & Vacances South Europe Holding BV	18	0	100.00	18
Pierre & Vacances Tourisme Europe	52,590	218,211	100.00	422,129
Pierre & Vacances Marques SAS	62,061	1,977	97.78	60,686
SUBSIDIARIES (more than 10% of the capital held):				
GIE PV-CP Services	150	2	20.00	30
Adagio SAS	1,000	108	50.00	500
EntwicklungsgesellschaftFerienhausparkBostalsee GmbH	100	100	19.90	20
Les Villages Nature de Val d'Europe SAS	2,018	-1	50.00	1,234
Villages Nature Management SARL	30	-4	50.00	15

NOTE 22 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting date.

2

Net carrying amount of shares held	Loans and receivables outstanding granted by the company and not yet paid back	Amounts of guarantees and securities given by the Company	Revenue before tax for the last financial year	Profit (loss) for the year ended	Dividends gained by the Company during the financial year	Comments
68,814	0	0	0	-5,215	0	30/09/2012
15	471,132	0	0	-12,824	1,589	30/09/2012
0	0	0	0	-58	0	30/09/2012
0	974	0	354	-273	0	30/09/2012
8	0	0	398	265	0	30/09/2012
0	0	0	463	-152	0	30/09/2012
38	0	0	0	-1	0	30/09/2012
38	0	0	0	-1	0	30/09/2012
10	0	0	0	-3	0	30/09/2012
10	0	0	0	-3	0	30/09/2012
10	0	0	0	-3	0	30/09/2012
10	0	0	0	-3	0	30/09/2012
10	0	0	0	-3	0	30/09/2012
18	0	0	0	0	0	30/09/2012
2,720	4,431	0	192	-650	0	30/09/2012
18	0	0	0	-41	0	30/09/2012
18	0	0	0	0	0	30/09/2012
422,129	0	0	0	-28,037	55,238	30/09/2012
60,686	0	0	0	8,362	0	30/09/2012
30	0	0	0	0	0	30/09/2012
500	11,855	0	44,863	4,160	0	31/12/2011
20						30/09/2012
1,234	6,758	0	1,341	161	0	30/09/2012
15	0	0	0	(5)	0	30/09/2012

2

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	**2008**	**2009**	**2010**	**2011**	**2012**
I- Financial position					
a) Share capital	88,109	88,196	88,216	88,216	88,216
b) Number of shares issued	8,810,911	8,819,576	8,821,551	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	11,143	10,668	8,266	8,451	8,725
b) Income before tax, depreciation, amortisation and impairment	15,045	14,543	4,886	65,236	24,539
c) Income tax	-10,509	-9,520	-7,302	-12,224	-12,371
d) Income after tax, depreciation, amortisation and impairment	19,165	29,293	11,437	74,510	32,350
e) Profits distributed	23,813	13,229	6,175	6,175	-
III- Earnings per share *(in €)*					
a) Income after tax, but before depreciation, amortisation and impairment	2.90	2.73	0.55	8.78	4.18
b) Income after tax, depreciation, amortisation and impairment	2.18	3.32	1.30	8.45	3.67
c) Dividend per share	2.70	1.50	0.70	0.70	0.00
IV- Employees					
a) Number of employees					
b) Employee expenses, excluding benefits			None		
c) Employee benefit expenses					

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ending 30/09/2012

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 30/09/2012, 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 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, 23 January 2013

The Statutory Auditors

AACE ÎLE-DE-FRANCE	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Michel Riguelle	Marie-Henriette Joud

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Shareholders' Ordinary Meeting called to approve the financial statements for the year ended 30 September 2012.

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' Ordinary Meeting

Agreements and commitments authorised during the year ended 30 September 2012

We hereby inform you that we have not been notified of any agreement or commitment authorised during the financial year under review to be submitted for approval by the Shareholders' Ordinary Meeting in accordance with the provisions of Article L. 225-38 of the French Commercial Code.

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 2012

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, 23 January 2013

The Statutory Auditors

AACE ÎLE-DE-FRANCE	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Michel Riguelle	Marie-Henriette Joud


Corporate **Governance** 3

DIRECTORS AND MANAGEMENT

Composition of the Board of Directors

Name	Function	Date first appointed	End of current term of office (2)	Main function within the Company	Main function outside the Company	Independence criteria (3)	Number of shares held in the Company (4)
Gérard BRÉMOND	Chairman of the Board of Directors	03/10/1988	Until the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30/09/2015	Chairman	/	No	10
Françoise GRI	Chief Executive Officer	03/12/2012 (1)		Chief Executive Officer	/	No	/ (5)
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		/	Consultant	Yes	10
GB DÉVELOPPEMENT 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 Heijmans NV and Detailresult Groep NV	No	500
Delphine BRÉMOND	Director	02/12/2008		/		No	10

(1) Françoise Gri was appointed Chief Executive Officer, with effect from 2 January 2013, at the Board of Directors' meeting on 3 December 2012. Her appointment will be submitted to the Shareholders' Ordinary Meeting on 28 February 2013.
(2) To be submitted to the Shareholders' Ordinary Meeting on 28 February 2013.
(3) 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.
(4) The minimum number of shares that must be held by directors of the Company is ten.
(5) Pursuant to the Directors' Charter, Ms Françoise Gri is required to fulfil this obligation within three months.

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 161 to 172 of this Registration document).

Offices held in other companies (excluding the Pierre & Vacances-Center Parcs Group) 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
- Manager of S.I.T.I. SCI R
- Member of the Supervisory Board of the listed company Maroc Télécom

Mr Gérard Brémond was:

- 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

Françoise GRI, Chief Executive Officer:

Date of birth: 21/12/1957

Business address: L'Artois – Espace Pont de Flandre – 11 rue de Cambrai – 75947 Paris Cedex 19

Mrs Françoise Gri is:

- Deputy Chief Executive (non-director) of SA S.I.T.I.
- Director of the listed companies Edenred and Crédit Agricole SA

Mrs Françoise Gri was:

- Chairman of ManpowerGroup France and Southern Europe
- Executive Vice-Chairman of Manpowergroup
- Member of the Board of Directors of STX
- Member of the Supervisory Board of Rexel

Olivier Brémond:

Date of birth: 03/10/1962

Business address: Kisan – 125 Greene 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:

- Chairman of the Supervisory Board of:
  - Comités GmbH (Germany)
- Member of the Supervisory Board of:
  - Maritim Hotelgesellschaft mbH (Germany)
  - Dolce Media GmbH (Germany)
- Director of:
  - Deutsche Auslandsgesellschaft (Germany)
- Member of the Advisory Board of:
  - HDI-Gerling Industrie Versicherung AG (Germany)
  - Odewald & Compagnie (Germany)
  - Hauck & Aufhauser Privatbankiers GmbH&CoKG (Germany)

Mr Marc Pasture was:

- 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)
- until 1 November 2011, member of the Supervisory Board of Sevenload AG (Germany)
- until 12 December 2011, member of the Supervisory Board of Comités GmbH (Germany)

Ralf Corsten:

Date of birth: 21/02/42

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 (1)

Date of birth: 11/11/63

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 SAS 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 14 March 2008, Director of GB Développement SA
- until 15 September 2008, permanent representative of GB Développement SAS 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

Patricia Damerval, Group Deputy Chief Executive Officer (2)

Date of birth: 28/04/1964

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris Cedex 19

Ms Patricia Damerval is:

- Permanent representative of SA S.I.T.I. on the Board of Directors of SA Lepeudry et Grimard

Ms Patricia Damerval was:

- 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: 01/01/44

Business address: Olaxbeheer BV, Postbus 49, NL – 9062 ZH Oentsjerk, the Netherlands

Mr Andries Arij Olijslager is:

- Vice-Chairman of the Supervisory Board of AVEBE UA
- 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
- until 27 March 2012, Chairman of the Supervisory Board of Eriks BV

Delphine Brémond:

Date of birth: 14/07/1966

Business address: /

Mrs Delphine Brémond is:

- Director of SA Société d'Investissement Touristique et Immobilier – S.I.T.I.

(1) In charge of Human Resources, Development, Sustainable Development, Legal Affairs, Risk Management and General Services.

(2) In charge of Finance, Development, Audit and Portfolio Management.

Composition of the Committees

At its meeting of 3 March 2011, the Board of Directors formed two permanent special 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 163 and 164 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.

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 122 "Remuneration of directors and members of the Board of Directors".

Total gross remuneration of members of the Group Executive Management Committee is detailed in the notes to the financial statements (Note 37).

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 116 in the section entitled "Ownership of shares and voting rights", on page 156 "Composition of the Board of Directors" and on pages 126-129 "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 (1), occurring in the last financial year, is shown on page 129.

(1) Trading in Company shares by executives, related persons and their relatives.

CHAIRMAN'S REPORT ON THE ORGANISATION OF THE BOARD OF DIRECTORS 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 and the application of the principle of balanced representation of men and women on the Board, 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 03/12/2012.

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, assisted by 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.

In October 2012, the Group announced the implementation of a cost reduction and marketing plan, which is likely to result in changes to the Group's organisation in 2012/2013. The present report describes the internal control procedures and organisation in force during 2011/2012.

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.com).

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 appropriate for 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 (one director is classed as independent): 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 directors' terms of office: 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;
- given the size of the Company, the Board of Directors does not comply with the Code provisions concerning assessment carried out by an external consultant.

Composition and functioning of the Board of Directors

The Board of Directors of Pierre et Vacances SA is composed of nine members [(1)] 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 156 to 158 of the Registration document.

The term of office of directors is three years. The terms of eight directors were renewed for three years at the Shareholders' Ordinary Meeting of 18 February 2010, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2012. The renewal of their term for a further three years will be submitted to the Shareholders' Ordinary Meeting on 28 February 2013. The appointment of a director will also be submitted to the Shareholders' Ordinary Meeting on 28 February 2013.

The meetings of the Board of Directors are scheduled on an annual basis. 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 five times, with an overall attendance rate of 88%. The average duration of each meeting was two hours and allowed examination and detailed discussion of the items on the agenda. Meetings of the Board of Directors are called by the Chairman. 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 not used in financial year 2011/2012. 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 of Directors amended its Internal Regulations on 6 March 2012 to incorporate a definition of the "blackout periods" for director trading in Company shares, pursuant to the AMF recommendations on the prevention of insider misconduct.

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, once a year, the Board of Directors' agenda includes an assessment of the Board's work and the operation of the Board is discussed. In 2012, the annual assessment took the form of a questionnaire, which showed increasing satisfaction

(1) Including Françoise Gri whose appointment as director will be submitted to the Shareholders' Ordinary Meeting on 28 February 2013.

among the directors, particularly with regard to the linkage of roles between the Committees and the Board.

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 Pierre & Vacances and 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 balanced representation of women and men on the Board of Directors

The Company already fulfils the first stage necessary for the balanced representation of women and men on the Board of Directors in application of the Law of 27 January 2011 [(1)].

The appointment of Mrs Françoise Gri as a director, which will be submitted to the Shareholders' Ordinary Meeting on 28 February 2013, shows the Company's willingness to increase the representation of women within the Board of Directors.

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 five 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, the financing thereof (particularly Center Parcs Vienne and Villages Nature), corporate governance (combination of functions of Chairman of the Board of Directors and Chief Executive Officer, distribution of directors' attendance fees, self-assessment of the Board of Directors, amendments to the Board's Internal Regulations), progress of the Group transformation plan and its restructuring plan.

Committees created by the Board of Directors

At its meeting of 3 March 2011, the Board of Directors formed two permanent special 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.

(1) The Law of 27 January 2011 established a quota of 20% for representatives of each gender; the law must be met at the end of the first Shareholders' Ordinary Meeting after 1 January 2014.

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;
- 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.

In financial year 2011/2012, the Audit Committee met twice (in December 2011 and May 2012), to examine the 2010/2011 financial statements and the half-yearly financial statements at 31 March 2012.

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.

The Remuneration Committee met twice in financial year 2011/2012 to discuss the variable remuneration of eligible employees.

Powers of the Executive Management

The meeting of the Board of Directors held on 03/12/2012 opted to separate the functions of Chairman and Chief Executive Officer as of 02/01/2013.

Since 02/01/2013:

- 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;
- Mrs Françoise Gri is Chief Executive Officer until the end of the Meeting called to approve the financial statements for the financial year ending 30 September 2015.

The renewal of Mr Gérard Brémond's appointment as Chairman of the Board of Directors will be submitted to the Shareholders' Ordinary Meeting on 28 February 2013.

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, Mrs Françoise Gri is vested with full powers to act on behalf of the Company in all circumstances. She 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 (CODIR), which became the Executive Committee (COMEX) in August 2012

Until the departure of Sven Boinet in early August 2012, the Group Executive Management Committee had five members, the Chairman, the Chief Executive Officer, the two Group Deputy Chief Executive Officers and the Group Chief Executive Officer for Tourism. In August 2012, the Chief Executive Officers of Pierre & Vacances Développement and Pierre & Vacances Conseil Immobilier, as well as the Chief Executive Officer of Adagio joined the Committee, which was renamed COMEX (Executive Committee).

The Committee 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.

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.

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.

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 twice 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), the Development Manager 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.).

Large Property Development Projects Monitoring Committee

The Large Property Development Projects Monitoring Committee was created in the second half of financial year 2011/2012 and met for the first time in September 2012. It meets every six weeks and comprises the Chief Executive Officer, the two Deputy Chief Executive Officers, the Chief Executive Officer of Pierre & Vacances Développement, the Managers of the Property Development Programmes in question, the Finance Director for Operations and Services or his/her deputy, the Head of Property Development Operational Finance and the Chief Executive Officer of Tourism or his/her representative. The Committee is informed of the progress of the programmes monitored and makes the necessary decisions to control the cost price of each large development project and the effective date for delivery to Tourism.

"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 Center Parcs Europe NV Board of Management has three members: the Group Chief Executive Officer for Tourism, the Center Parcs Europe Operations Manager 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 107 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 AFEP-MEDEF "Corporate Governance Code" ("Recommendations on the remuneration of 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.

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 S.I.T.I. (1). 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 CODIR/COMEX.

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 regularly report to it on the activities of the tourism and property development businesses in particular.

Committees

The various committees (CODIR/COMEX, Group Tourism Management Committee, Development Committee, Adagio Development Committee, Property Development Committee, Large Property Development Monitoring Committee, Les Senioriales Strategic Committee, IT Strategy 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 in charge of Legal Affairs (hereinafter the DGAJ). These corporate departments are centralised at the Group's Paris office and the two above-mentioned Deputy Executive Management Departments report to the Chief Executive Officer of the Pierre & Vacances-Center Parcs Group.

Their responsibilities include:

- controlling the proper application of policies (financial, legal, sustainable development, 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

(1) Neither the Chairman nor the Chief Executive Officer has an employment contract with S.I.T.I., nor any of the companies within the Pierre & Vacances-Center Parcs Group.

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 partnership agreements for the 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 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, Sustainable Development, Human Resources and Purchasing.

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.

In its operations, the Operational Risks Department, which comprises a team of operational security experts (water quality, fire prevention, etc.), coordinates the health and safety policy for all sites and for all clients and employees, and implements all the necessary actions (training, operations audits, crisis management). The Group Internal Audit, in partnership with the Legal Department, launched a mission in 2009/2010 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. In financial year 2011/2012, working groups were set up to create actions plans to reduce the Group's exposure to the main risks identified.

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 (existence 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 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 Kempervennen 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 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.

The Tourism and Holding Company Accounting Department 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.

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 followed by a re-audit within six months, 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 environmental management standard, 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 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.

Up until 31 May 2012, in the absence of a joint tool between the French and Dutch teams, these teams used 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.

On 1 June 2012, a Group accounting tool (SAP) was rolled out for the French and Dutch teams, thus harmonising the processes. SAP also integrates the different Group-wide functions and the upstream and downstream management of financial data.

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 usually 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;

- 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.

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 30/09/2012

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 30/09/2012.

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.

It is our responsibility 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, 23 January 2013

The Statutory Auditors

AACE ÎLE-DE-FRANCE	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Michel Riguelle	Marie-Henriette Joud

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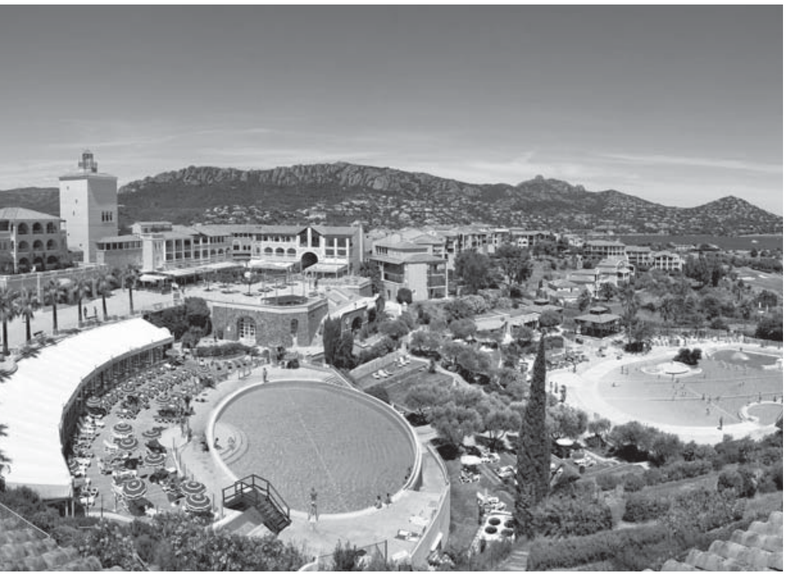

Resolutions submitted to the Shareholders' Combined Ordinary and Extraordinary Meeting

4

REPORT OF THE BOARD OF DIRECTORS ON THE 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 2011/2012 as presented in this document and during the Shareholders' Ordinary Meeting of 28 February 2013.

Appropriation of earnings

Net of all charges, taxes and amortisation, the parent company financial statements show a net profit of €32,349,865.30.

It is proposed that this profit is allocated in full to retained earnings.

Following this appropriation, shareholders' equity at 30/09/2012 will break down as follows:

■ issued capital	€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	€578,688,032.06
Totalling	€686,724,458.21

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)	Par value *(in €)*	Amount distributed *(in €)*	Net dividend per share *(in €)*	Distribution eligible for reduction as in Article L. 158-3-2 of the General Tax Code (CGI) *(in €)*
2010/2011	8,517,904	10	5,962,532.80	0.70	5,962,532.80
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

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

Non-tax-deductible expenses

In accordance with the terms of Article 223 *quater* of the General Tax Code, the financial statements for the past year do not include any non-tax-deductible expenses with respect to Article 39-4 of that Code.

Acquisitions and disposals of subsidiaries and equity investments

The table of subsidiaries and equity investments is appended to the statement of financial position.

More detailed information on these subsidiaries and equity investments is given below:

Significant equity investments

During the last financial year, the Company disposed of the following investment:

PH Tarvisio S.r.l.

On 28 November 2011, following the partial merger of Part House SRL to form a new company, PH Tarvisio S.r.l., Pierre et Vacances SA, which owns 55% of Part House SRL, was granted 5,500 shares in PH Tarvisio S.r.l. (representing 55% of the issued capital).

Significant disposals

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

PH Tarvisio S.r.l.

On 14 December 2011, Pierre et Vacances SA sold 5,500 shares in PH Tarvisio S.r.l. to Mr Diego Lagana for €5,500.

Pierre & Vacances South Europe Holding B.V.

On 30 April 2012, Pierre et Vacances SA, sole partner, liquidated Pierre & Vacances South Europe Holding B.V.

La Financière Pierre & Vacances & Cie

On 25 May 2012, Pierre et Vacances SA, sole partner, opted for early dissolution without liquidation of Financière Pierre & Vacances & Cie. The transaction was performed on 30 June 2012.

SNC Financière Pierre & Vacances I

On 25 May 2012, Pierre et Vacances SA, sole partner, opted for the early dissolution without liquidation of SNC Financière Pierre & Vacances I by Pierre et Vacances. The transaction was performed on 30 June 2012.

SNC Financière Pierre & Vacances II

On 25 May 2012, Pierre et Vacances SA, sole partner, opted for the early dissolution without liquidation of SNC Financière Pierre & Vacances II by Pierre et Vacances. The transaction was performed on 30 June 2012.

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 2012/2013, 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

None.

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

None.

Expiry of terms of office of directors and appointment of a new director

Since the terms of office for all members of the Board of Directors' have expired, the Meeting is asked to approve the renewal of these terms of office for a further three years.

Information on the functions performed by the directors and a list of the current terms of office are included on page 156-158 of this Registration document.

The Meeting is also asked to appoint Mrs Françoise Gri, born on 21 December 1957, of French nationality, as a director, in addition to those members currently in office, for a term of three years, expiring at the end of the Meeting called to approve the financial statements for the year ending 30 September 2015.

Information on Françoise Gri's offices in other companies is provided on page 157 of this Registration document.

Share buy-back programme

Since the authorisation given by the Shareholders' Ordinary Meeting of 06/03/2012 is valid until 06/09/2013, 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 6 March 2012 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 2012, the Company holds 370,964 of its own shares, or 4.21% of the capital:

- 2,981 shares as part of the Natixis 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;
- 184,500 shares were allocated to the share purchase option plan of 3 March 2011;
- 55,733 shares were allocated to the reserve for future bonus share plans and/or share purchase options.

4

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 31/12/2012, 882,155 shares at a par value of €10 each. In light of the 370,964 shares already held in treasury stock at 31 December 2012, the maximum number of shares that may be acquired as part of this buy-back programme is therefore 511,191, reflecting a theoretical maximum investment of €35,783,370 on the basis of the maximum buying price of €70 specified in the 19th resolution put to the vote of the Shareholders' Ordinary Meeting on 28 February 2013. It should however be noted that the buy-back programme's main objective is to steady the share price, so this maximum investment is not expected to be reached.

Duration of the buy-back programme

A total of 18 months from approval by the Shareholders' Combined Ordinary and Extraordinary Meeting of 28.02.13, that is until 28.08.14.

Report of the Board on proposed resolutions to be voted on by the Shareholders' Extraordinary Meeting

Authorisation for the Board of Directors to cancel the shares bought back under the share buy-back programme

Through the 19th 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 20th 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' Ordinary Meeting, would replace that of the same type granted by the Shareholders' Ordinary Meeting on 6 March 2012.

RESOLUTIONS PUT TO THE SHAREHOLDERS' COMBINED ORDINARY AND EXTRAORDINARY MEETING OF 28 FEBRUARY 2013

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 30/09/2012, 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' Ordinary Meeting, as proposed by the Board of Directors, resolves to appropriate the income for the year, reflecting the net profit of €32,349,865.30, in full to 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)	Par value *(in €)*	Amount distributed *(in €)*	Net dividend per share *(in €)*	Distribution eligible for reduction as in Article L. 158-3-2 of the General Tax Code (CGI) *(in €)*
2010/2011	8,517,904	10	5,962,532.80	0.70	5,962,532.80
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

(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 30/09/2012, 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 2012 show consolidated revenue of €1,419.1 million and a net consolidated loss attributable to owners of the Company of -€27,372,000.

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, notes that no new agreement was concluded during the financial year and that no previously concluded and authorised agreement remained in effect.

Sixth resolution

The Shareholders' Ordinary Meeting notes that Mr Gérard Brémond's term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Seventh resolution

The Shareholders' Ordinary Meeting notes that Mr Olivier Brémond's term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Eighth resolution

The Shareholders' Ordinary Meeting notes that Mr Marc Pasture's term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Ninth resolution

The Shareholders' Ordinary Meeting notes that Mr Ralf Corsten's term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Tenth resolution

The Shareholders' Ordinary Meeting notes that Mr Andries Arij Olijslager's term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Eleventh resolution

The Shareholders' Ordinary Meeting notes that SA Société d'Investissement Touristique et Immobilier – S.I.T.I.'s term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Twelfth resolution

The Shareholders' Ordinary Meeting notes that G.B. Développement SAS's term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Thirteenth resolution

The Shareholders' Ordinary Meeting notes that Mrs Delphine Brémond's term of office as director has expired and resolves to renew this for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Fourteenth resolution

The Shareholders' Ordinary Meeting resolves to appoint Mrs Françoise Gri as director for a term of three years, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Fifteenth resolution

The Shareholders' Ordinary Meeting, having taken note of the resignation of Mr Pascal Macioce as alternate Statutory Auditor, resolves to appoint Auditex, whose registered office is at ½ place des Saisons, 92400 Courbevoie Paris-La Défense 1, as alternate Statutory Auditor, for the remainder of Mr Pascal Macioce's term of office, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Sixteenth resolution

The Shareholders' Ordinary Meeting, having taken note of the resignation of Mr Jean-Baptiste Poncet as alternate Statutory Auditor, resolves to appoint Grant Thornton, whose registered office is at 100 rue de Courcelles, 75017 Paris, as alternate Statutory Auditor, for the remainder of Mr Jean-Baptiste Poncet's term of office, or until the end of the Shareholders' Ordinary Meeting called to approve the financial statements for the year ending 30 September 2015.

Seventeenth resolution

The Shareholders' Ordinary Meeting notes the change in registered office for Ernst & Young & Autres, represented by Mrs Marie-Henriette Joud, at 1/2 place des Saisons, 92400 Courbevoie-Paris-La Défense 1.

Eighteenth resolution

The Shareholders' Ordinary Meeting tales note of the change in registered office for A.A.C.E. – Île de France, represented by Mr Michel Riguelle, at 100 rue de Courcelles, 75017 Paris.

Nineteenth 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 €70 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 €70, would be €35,783,370 based on the issued capital at 31 December 2012, 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 06/03/2012.

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)

Twentieth 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 nineteenth resolution of this Meeting, and of the buy-backs made to date, where appropriate, and to reduce the issued 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 06/03/2012, which was not used and which is thereby replaced.

Twenty-first resolution

(Powers for formalities)

The Shareholders' Ordinary Meeting grants full power to the bearer of an original, a copy or an extract of the minutes of this Meeting with a view to performing all formalities required by Law.

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Notes 5

PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND AUDITING THE FINANCIAL STATEMENTS

Name of the person assuming responsibility for the Registration document

Gérard BRÉMOND, Chairman of the Board of Directors,

This information is provided under the sole responsibility of the executives of the Company.

Declaration of the person assuming responsibility for the Registration document

After having taken all reasonable measures appropriate, I confirm that the information contained in this Registration document is, to my knowledge, a fair reflection of the true situation and is not subject to any omission likely to impair the meaning thereof.

I hereby confirm, to my knowledge, that the financial statements have been prepared in accordance with 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 have been reported on by the independent auditors, with said report containing an observation on the change in the accounting method 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 subject to a report by the independent auditors which contains an observation on the impact of the new accounting standards, revised IAS 1 and IFRS 8.

I 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, 23 January 2013

Gérard BRÉMOND,
Chairman of the Board of Directors

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 – French member of Grant Thornton International

Michel RIGUELLE

100, rue de Courcelles – 75107 PARIS

First appointed by the General Meeting of 03.10.88

Reappointed for six years by the General Meeting of 18 February 2010

Deputy Auditors:

AUDITEX

1/2 place des Saisons – 92400 COURBEVOIE-PARIS-LA DÉFENSE 1

Whose appointment is proposed to the Shareholders' Ordinary Meeting of 28 February 2013 as replacement of Pascal Macioce

GRANT THORNTON

100 rue de Courcelles – 75107 PARIS

Whose appointment is proposed to the Shareholders' Ordinary Meeting of 28 February 2013 as replacement of Jean-Baptiste PONCET

FEES PAID TO THE STATUTORY AUDITORS AND THE MEMBERS OF THEIR NETWORK

	Ernst & Young & Autres				AACE – Île-de-France			
	Amount		%		Amount		%	
(in € thousands)	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011
Audit								
Statutory Auditors services, certifications, examination of individual and consolidated financial statements	1,335	1,196	66%	49%	376	341	100%	100%
Issuer	348	329	17%	13%	145	142	39%	42%
Fully integrated subsidiaries	987	867	49%	36%	231	199	61%	58%
Other examinations and services directly associated with the task of the Statutory Auditor	143	129	7%	5%				
Issuer	103	129	5%	5%				
Fully integrated subsidiaries	40		2%					
Sub-total	**1,478**	**1,325**	**73%**	**54%**	**376**	**341**	**100%**	**100%**
Other services provided by the networks to fully integrated subsidiaries								
Legal, fiscal, social	543	1,106	27%	46%				
Others (to be specified if >10% of the audit fees)								
Sub-total	**543**	**1,106**	**27%**	**46%**				
TOTAL	**2,021**	**2,431**	**100%**	**100%**	**376**	**341**	**100%**	**100%**

The consolidated parent company financial statements of the Center Parcs Europe subgroup for 2011/2012 and 2010/2011 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 2011/2012 by members of the Ernst & Young network in the Netherlands, Germany and Belgium, primarily as part of restructuring operations.

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 99 (financial report) of the 2010/2011 Registration document registered with the AMF on 13 January 2012 under number D. 12-0015;
- 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 Group management report shown on pages 4 to 33 (financial report) of the 2010/2011 Registration document registered with the AMF on 13 January 2012 under number D. 12-0015;
- 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;
- parts not included in these documents are either irrelevant to the investor or covered elsewhere in the Registration document.

ANNUAL INFORMATION REPORT

The list of information [(1)] published or made public by the Pierre & Vacances-Center Parcs Group over the last 12 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

- 2010/2011 Registration document:
  - filed with the AMF on 13 January 2012 under No. D.12-0015;
  - notice of provision of the 2010/2011 Registration document, published on 16 January 2012;
- Shareholders' Combined Ordinary and Extraordinary Meeting of 6 March 2012:
  - meeting notice, published in the *Bulletin des Annonces Légales Obligatoires* of 27 January 2012 (bulletin no. 12);
  - meeting notice, published in the *Bulletin des Annonces Légales Obligatoires* of 17 February 2012 (bulletin no. 21);
  - notice of provision of preparatory documents, published on 21 February 2012;
  - results of voting on resolutions;
  - 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 30 March 2012 (bulletin no. 39);
- Financial information:
  - 1st quarter 2011/2012, published on 19 January 2012;
  - 2nd quarter 2011/2012, published on 19 April 2012;
  - 3rd quarter 2011/2012, published on 19 July 2012;
  - 4th quarter 2011/2012, published on 18 October 2012;
- 1st half of 2011/2012:
  - Results of the first half of 2011/2012, published on 30 May 2012;
  - Notice of provision of the 2011/2012 half-yearly financial report, published on 31 May 2012;
  - 2011/2012 half-yearly financial report, published on 31 May 2012;
- 2011/2012 annual results, published on 6 December 2012.

Transactions on the share capital

- Half-yearly report on the liquidity agreement:
  - at 30 December 2011, published on 9 January 2012;
  - at 29 June 2012, published on 5 July 2012;
- Declaration of trading in treasury shares:
  - from 2 to 6 January 2012, published on 9 January 2012;
  - from 25 to 30 January 2012, published on 1 February 2012;
  - from 17 to 23 February 2012, published on 24 February 2012;
  - from 7 to 14 March 2012, published on 14 March 2012;
  - from 15 to 16 March 2012, published on 22 March 2012;
  - from 30 May to 6 June 2012, published on 6 June 2012;
  - from 7 to 14 June 2012, published on 14 June 2012;
  - from 14 to 15 June 2012, published on 20 June 2012;
  - from 15 to 19 October 2012, published on 19 October 2012;
  - from 22 October to 26 October 2012, published on 26 October 2012;
- Monthly declaration of the number of shares and rights on 31 December 2011, 31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 31 October, 30 November and 31 December 2012.

Other information

- Adagio City Aparthotel launch in Brazil, published on 23 February 2012;
- Change in Pierre & Vacances-Center Parcs Group Executive Management, published on 27 July 2012;
- Press release announcing appointment published on 5 November 2012;
- Partnership between the CDG Group and the Pierre & Vacances-Center Parcs Group published on 10 December 2012.

(1) Information available on the Pierre et Vacances website at http://groupe.pvcp.com and in the French Official Bulletin of Legal Notices (BALO).

CROSS-REFERENCE TABLE

Cross-reference table of the registration document

No.	Items of note 1 to regulation 809/2004	Business report PAGES	Annual Financial Report PAGES
1.	**Persons responsible**		**186**
2.	**Independent auditors**		**187**
3.	**Selected financial information**		
3.1.	Historic financial information		n/a
3.2.	Interim financial information		n/a
4.	**Risk factors**		**31-36**
5.	**Information on the issuer**		
5.1.	History and development of the Company		4-6; 106-109
5.1.1.	*Company name and trading name*		*106*
5.1.2.	*Place of registration and registration number*		*106*
5.1.3.	*Date of incorporation and term of the Company*		*106*
5.1.4.	*Registered office and legal form*		*106*
5.1.5.	*Significant events in the development of the business*		*5-6 ; 108-109*
5.2.	Investment spending		18-19; 65-69; 75
5.2.1.	*Main investments made by the issuer during each financial year of the period covered by the historic financial information*		*18-19; 68; 75*
5.2.2.	*Main investments in course, geographical distribution of these investments (nationally and abroad) and the financing method (internal or external)*		*n/a*
5.2.3.	*Information on the main investments that the issuer plans to make in the future and for which the management bodies have already assumed firm commitments*		*n/a*
6.	**Overview of the Group's businesses**		
6.1.	Main businesses		5-16
6.2.	Main markets		37
6.3.	Exceptional events		n/a
6.4.	Extent of dependence on patents and licenses, industrial, commercial or financial contracts or new manufacturing processes		n/a
6.5.	Competitive position		37
7.	**Organisational structure**		
7.1.	Summarised description of Group		110-112
7.2.	List of significant subsidiaries		150-151
8.	**Property, plant and equipment**		
8.1.	Significant property, plant and equipment and significant expenses linked to these		18-21; 69-70
8.2.	Environmental issues that may impact the use of property, plant and equipment		n/a
9.	**Examination of financial position and profit (loss)**		
9.1.	Financial position		18-21
9.2.	Operating profit (loss)		17

No.	Items of note 1 to regulation 809/2004	Business report PAGES	Annual Financial Report PAGES
10.	**Cash flow and capital**		
10.1.	Information on capital		44; 76
10.2.	Cash flow		18-19; 43; 75
10.3.	Terms and conditions of loans and financing structure		81-85
10.4.	Restrictions on the use of capital		n/a
10.5.	Planned financing sources		n/a
11.	**R&D, patents and licenses**		**n/a**
12.	**Information on trends**		
12.1.	Main trends since the end of the previous financial year		39
12.2.	Known trend or event likely to affect the issuer's outlook		39
13.	**Profit forecasts or estimates**		**n/a**
14.	**Administrative, management, supervisory and executive management bodies**		
14.1.	Administrative bodies	4-5	156-158
14.2.	Conflicts of interest		156-158
15.	**Remuneration and benefits**		
15.1.	Remuneration and benefits in kind		100; 122-125
15.2.	Total amount provisioned or otherwise recorded for the purposes of paying pensions, retirement benefits or other benefits		77-80; 100
16.	**Functioning of the administrative and management bodies**		
16.1.	Expiry of current terms of office		156
16.2.	Employment contracts linking members of the administrative, management or supervisory bodies		122
16.3.	Audit Committee and Remuneration Committee		159; 163-164
16.4.	Conformity with the corporate governance plan in effect in France		161
17.	**Employees**		
17.1.	Number of employees	36	23
17.2.	Profit-sharing and stock options		115; 122-127
17.3.	Employee profit-sharing in the issuer's capital		115-116
18.	**Main shareholders**	**5**	
18.1.	Shareholders holding more than 5% of the capital		116
18.2.	Existence of different voting rights		112
18.3.	Control of the issuer		162-163
18.4.	Agreement which, if implemented, would result in a change in control		n/a
19.	**Related-party transactions**		**100-101; 154**

5

Concordance table detailing social and environmental information in relation to decree no. 2012-557 of 24 April 2012

	Management report	*Business report*	*Financial report*
1/ Social information			
a) Employment:			
■ Total workforce (broken down by gender, age and by geographic zone)	23	36/37	
■ Recruitment and dismissals	23		
■ Remuneration and changes in remuneration			92, 100
b) Organisation of work:			
■ Organisation of working hours	25		
■ Absenteeism	23		
c) Employee relations:			
■ Social dialogue, particularly procedures for informing, consulting and negotiating with personnel	23		
■ Collective agreements	25		
d) Health and safety:			
■ Health and safety conditions at work	23		
■ Collective agreements signed with unions or employee representatives regarding health and safety at work	25		
■ Occupational accidents, particularly frequency rate and severity, including work-related illnesses	24		
e) Training:			
■ Training policies implemented	24		
■ Total number of training hours	24		
f) Equal opportunities:			
■ Measures taken in respect of equal opportunities for men and women	24–25		
■ Measures taken in respect of the employment and integration of disabled persons	24–25	28–29	
■ Anti-discrimination policy	24		
g) Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation in relation to:			
■ The freedom of association and right to collective bargaining	23		
■ The elimination of discrimination in respect of employment and profession	24		
■ The elimination of forced labour (1)	30		
■ The effective abolition of child labour (1)	30		
2/ Environmental information			
a) General environmental policy:			
■ The organisation of the Company to take into account environmental issues and, where necessary, processes for environmental assessment or certification	26	32–33, 34-35	
■ Training and information for employees in relation to the protection of the environment		28–29	
■ Methods used to prevent pollution and environmental risks	34–35		
■ Amount of provisions and guarantees for environmental risks, providing that this information should not cause any serious prejudice to the Company in any litigation in progress	n/s		

n/s = not significant.

5

	Management report	*Business report*	*Financial report*
b) Pollution and waste management:			
■ Measures to prevent, reduce or redress emissions of waste with serious environmental impact into the air, water or soil	27		
■ Waste prevention, recycling and elimination measures	27		
■ Sound pollution and other pollution specific to a particular activity	27		
c) Sustainable use of resources:			
■ Water consumption and procurement (respecting local constraints)	28–29		
■ Consumption of raw materials and measures taken to improve efficiency in their use	29		
■ Energy consumption, measures taken to improve energy efficiency and use of renewable energy	28–29		
■ Use of land	30		
d) Climate change:			
■ Greenhouse gas emissions	29		
■ Adaptation to the consequences of climate change	34–35		
e) Protection of biodiversity:			
■ Measures taken to preserve or develop biodiversity	30		
3/ Information on commitments to sustainable development			
a) Territorial, economic and social impact of the Company's activity:			
■ In terms of employment and regional development	30–31		
■ On neighbouring or local populations	30–31		
b) Relations with interested parties or organisations, particularly occupational integration associations, educational establishments, environmental protection associations, consumer associations and neighbouring populations			
■ Dialogue with these persons or organisations		31, 35	
■ Partnerships or sponsorship	n/s		
c) Subcontracting and suppliers:			
■ Awareness of social and environmental issues within the purchasing policy	30		
■ Importance of subcontracting and awareness of social and environmental responsibility in relations with suppliers and subcontractors	30		
d) Fair practice:			
■ Actions taken to prevent corruption	30		170
■ Measures taken to support consumer health and safety	34		
e) Other actions taken, in relation to the present part 3/, to support human rights			

n/s = not significant.

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Groupe

Pierre & Vacances

CenterParcs

HEAD OFFICE
L'Artois - Espace Pont de Flandre
11, rue de Cambrai - 75947 Paris Cedex 19 - France
Tel.: +33 (0)1 58 21 58 21

FINANCIAL INFORMATION
Tel.: +33 (0)1 58 21 53 72
Email: infofin@fr.groupepvcp.com

PRESS RELATIONS
Tel.: +33 (0)1 58 21 54 61
Email: valerie.lauthier@fr.groupepvcp.com

www.groupepvcp.com