PIERRE & VACANCES – CENTER PARCS GROUP

H1 2009/2010

FINANCIAL REPORT

CONTENTS

I. BUSINESS REPORT

1. MAIN EVENTS

Shareholding structure:

On 26 January 2010, Gérard Brémond's controlling holding company, Société d'Investissement Touristique et Immobilier (SITI), announced it had sold 5.9% of Pierre et Vacances SA on the market to now own 44.3% of shares and 61.2% of voting rights. This disposal was made solely under the framework of managing the holding company's assets and Gérard Brémond remains more than ever implied in the Group, especially in the Group's development in France and outside France.

Governance:

Sven Boinet has been appointed CEO of Pierre & Vacances – Center Parcs as of 16 November 2009. His compensation was fixed by the Board of Directors dated 16/11/2009. It consists of € 500,000 fixed remuneration (full year) and € 500,000 variable remuneration dependent on the achievement of some performance objectives as to those used for the variable remuneration of Executive Committee Members. He has no employment contract and does not receive supplementary pension scheme, or severance compensation or arrival bonus, or no compensation relating to no competition clause

Business:

In H1 2009/2010, the tourism offering was extended notably by the mountain residence operations taken over from Intrawest (Arc 1950 and Flaine-Montsoleil). In addition, the announced disposal of three Hôtels Latitudes businesses materialised in the sale of a first hotel at Val d'Isère.

On 4 March 2010, the Group announced a partnership project with Elior (in France and Germany), and Albron (in the Netherlands and Belgium), for management of the restaurants and food shops at the Center Parcs and Sunparks resorts and with the aim of providing a wider range of services to customers. These specialised partners are set to take over operation of these businesses in return for a concession fee paid to the Group and could invest around €38 million in new concepts in particular. Consultations with the various works' councils are currently underway. Partnerships could start as of June in France and Germany, this summer in the Netherlands and the autumn in Belgium.

The Q3 and Q4 2009 yoy construction cost indices (CCI) dropped by 5.77% and 1.05% respectively and this should have a positive impact on rents for residences managed by the Group in France.

2. H1 2009/2010 RESULTS

2.1 H1 2009/2010 TURNOVER AND EARNINGS (1 OCTOBER 2009 to 31 MARCH 2010)

CONSOLIDATED TURNOVER: €629.2 MILLION

Over the first six months of 2009/2010 running from 1 October 2009 to 31 March 2010, like-for-like turnover rose 2.3% to €629.2 million.

Euro millions	H1 2009/2010	H1 2008/2009	Current structure	Like-for-like*
Tourism	**478.5**	**480.7**	**-0.5%**	**-0.9%**
o/w accommodation turnover	*253.2*	*247.9*	*+2.2%*	*+1.8%*
Pierre & Vacances Tourisme Europe	221.4	211.7	+4.5%	+4.5%
o/w accommodation turnover	*133.8*	*123.9*	*+8.0%*	*+8.0%*
Center Parcs Europe	257.1	269.0	-4.4%	-5.2%
o/w accommodation turnover	*119.4*	*123.9*	*-3.7%*	*-4.4%*
Property development	**150.7**	**132.4**	**+13.8%**	**+13.8%**
Total H1	**629.2**	**613.1**	**+2.6%**	**+2.3%**

** On a like-for-like basis, Q2 2009/2009 turnover has been adjusted for the impact of the shift in the Easter holidays in the Netherlands, Belgium and Germany ,*

Tourism turnover

H1 2009/2010 tourism turnover totalled €478.5 million including €253.2 million in accommodation turnover, up 1.8% like-for-like.

Turnover at **Pierre & Vacances Tourisme Europe** rose 4.5% because Arc 1950 and Flaine-Montsoleil integration, which explain that average letting rates rose by 4.2% and the number of nights sold by 3.6%.

Like-for-like turnover at **Center Parcs Europe** fell by 5.2% primarily due to the decline in Dutch clients. Average letting rates dropped 1.7% and the number of nights sold by 2.7%.

Direct sales accounted for 81% of accommodation turnover. Direct internet sales continued to rise and accounted for 35% of turnover (52% for Center Parcs Europe, 20% for Pierre & Vacances Tourisme Europe).

Growth in supplementary income at Pierre & Vacances Tourisme Europe and Center Parcs Europe fell by 3.8% like-for-like and stemmed primarily from the decline in customer spending.

Property development turnover

H1 2009/2010 property development turnover totalled €150.7 million (€85.6 million of which from the Center Parcs Moselle – Lorraine) compared with €132.4 million in H1 2008/2009.

H1 2009/2010 EARNINGS

(euro millions)	H1 2009/2010	H1 2008/2009
Turnover	**629.2**	**613.1**
Current operating loss	**-73.3**	**-57.1**
- Tourism	-84.6	-61.5
Pierre & Vacances Tourisme Europe	*-52.0*	*-38.0*
Center Parcs Europe	*-32.6*	*-23.5*
- Property development	11.3	4.4
Financial items	-6.7	-6.5
Taxes (1)	22.4	19.0
Attributable current net loss (1)	**-57.6**	**-44.6**
Other operating income/expense net of tax (1)	-0.3	4.4
Attributable net income	**-57.9**	**-40.2**

(1) Other operating income/expense is presented net of tax and also includes non-recurring items associated with tax (tax savings, update of Group fiscal position) which are reclassified from accounting tax.

2.1.1 Current operating loss of €73.3 million

The seasonal nature of revenue trends in the Tourisme division (about 40% of annual turnover) and costs booked in a linear manner (50%) have the structural effect of pushing tourism operating profit into the red during H1. This is due to lower turnover of Center Parcs Europe and to specific marketing and development costs.

- Operating loss in tourism businesses of €84.6 million

Operating loss at **Pierre & Vacances Tourisme Europe** was affected in particular by the cost of the advertising campaign undertaken in March in order to boost sales for the summer season (-€3 million), as well as the rising momentum in Spain (-€3 million) and new Adagio residences (-€2 million).
In addition, the savings made during the period only partly made up for the increase in costs caused by inflation.

The operating loss at **Center Parcs Europe** stemmed primarily from lower turnover and the €3 million in costs caused by preparations for the opening of the Center Parcs du Domaine des Trois Forêts. The savings generated helped make up for the increase in costs prompted by inflation.

- The property development division contributed €11.3 million vs. €4.4 million in the H1 2008/2009. This increase was driven by turnover growth and the non-recurrence of exceptional costs booked in H1 2008/2009.

2.1.2 Net attributable loss of €57.9 million

Financial expenses were stable at €6.7 million.

Other operating income and expense net of taxes primarily included non-recurring tax savings (€ 3.5 million) and restructuring costs (€ 5.1 million).

2.2 INVESTMENTS AND BALANCE SHEET

MAIN CASH FLOWS

The change in cash flow during H1 2009/2010 stemmed primarily from the seasonal nature of business in the Pierre & Vacances Tourisme Europe division and to a lesser extent, Center Parcs Europe, which structurally caused the Group's cash flow to fall into the red in H1.

OVERVIEW OF CASH FLOWS

euro millions	H1 2009/2010	H1 2008/2009
Cash flow (after financial interest and taxes)	-70,2	-45,4
Change in working capital requirements	-51,2	-80,3
Flows from operations	**-121,4**	**-125,7**
Investments	-38,7	-37,7
Asset disposals	31,4	8,0
Flows attributed to investments	**-7,3**	**-29,7**
Acquisitions and disposal of treasury stock	0,0	-0,1
Dividends paid*	-13,0	-23,4
Change in loans	4,5	29,4
Flows attributed to financing	**-8,5**	**5,9**
Change in net cash	**-137,2**	**-149,5**

* dividends paid to shareholders at the parent company and to minority shareholders in integrated companies

Operating of the Group's tourism and property development businesses in H1 2009/2010 generated cash flow requirements of €121.4 million in line with the year-earlier period.

The €24.8 million fall in **cash flow** stemmed primarily from the €22.4 million fall in the current operating results between H1 2008/2009 and H1 2009/2010.

Financing requirements generated by the €51.2 million change in working capital requirements in H1 2009/2010 stemmed mainly from:

- A €3.8 million increase in stocks on property development programmes underway (new and renovation).
- The decline in operating debts primarily prompted by the property business.

Net cash flows allocated to investment operations totalled €7.3 million and mainly included:

- Net investments made for the tourism business of €21.5 million.

- Of which, Center Parcs Europe for €15.3 million with investments made in improving the product mix (€10.0 million) and in furniture for Center Parcs du Domaine des Trois Forêts (€5.3 million).

- Of which, Pierre & Vacances Tourisme Europe for €6.2 million.

- The disposal of Group IT equipment for €14.3 million, net of new investments to adapt and optimize information system.

Note that the acquisition of businesses and assets at Arc 1950 and Flaine Montsoleil (€6.6 million) was partly made up for by the disposal of the Hotel Latitudes in Val d'Isère (€5.0 million).

The €4.5 million rise in loans (excluding bank overdraft facilities) on 31 March relative to 30 September 2009 corresponded mainly to:

- A new IT lease contract of 19.7 million
- A net decrease in property bridging loans of €12.5 million.
- H1 amortisation of €9.3 million during the period for the Group's corporate debt contracted for acquisitions operations.

CHANGE IN BALANCE SHEET STRUCTURE

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

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

- Furniture for apartments sold unfurnished to individual investors.
- Infrastructure facilities for the residences.
- Leisure facilities for holiday villages (swimming pools, tennis courts, children's clubs etc.).
- Commercial premises (restaurants, bars, conference rooms etc.).

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

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

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

New construction programmes at Pierre & Vacances generally mobilise little equity and have the following financial characteristics:

- The capital required to fund each new residence is equivalent to around 10% of the cost price before VAT.

- Bridging loans are set up for each transaction, and maximum use is made of these facilities before the notarised deeds of sale are signed.

- The relative size of balance-sheet items (accounts receivable, work in progress, deferred income and prepayments) is significant. Sales signed with a notary and not yet recognised in earnings are booked to the balance sheet as deferred income and accrued liabilities. At the same time, costs incurred in connection with the property business are recorded as work in progress, or in the case of selling costs, as accrued income and pre-paid expense. Turnover and margins on property programmes are booked under the progress method and no longer on delivery of the apartments, the method previously used by the Group under French accounting standards. The percentage of completion is calculated by multiplying the percentage of progress in construction work by the percentage of property sales signed at a notary. In contrast, stocks of completed properties and land are kept low by the Group's marketing method (properties sold off-plan for delivery on completion) as well as its policy to market properties before construction work is started and to not acquire land before final planning permission has been obtained.

- However, major property programmes concerning the Center Parcs villages and notably the construction of equipment undertaken on behalf of purchasing institutional investors, can result in a temporary decline in WCR, since the group pre-finances part of this work.

The property renovation programme generates a temporary deterioration in working capital requirements. In this business, the Group acquires existing residences and cottages, generally from institutional investors, with the aim of renovating and selling them on to individual investors under its traditional sales formulas. The fact that the group owns the land and property of the residences and cottages during the renovation period increases its property stocks and hence, temporarily increases working capital requirements until the properties are delivered to individual investors.

SIMPLIFIED BALANCE SHEET

Euro millions	31/03/2010	30/09/2009	Change
Goodwill	156,5	152,0	4,5
Net fixed assets	559,9	586,1	-26,2
INVESTMENTS	**716,4**	**738,1**	**-21,7**
Shareholders' equity	421,2	490,9	-69,7
Provisions for risks and charges	40,0	47,0	-7,0
Net debt	239,0	97,6	141,4
Other	16,2	102,6	-86,4
RESOURCES	**716,4**	**738,1**	**-21,7**

The net book value of goodwill totalled €156.5 million with the €4.5 million increase stemming from the acquisition of the residence businesses at Arc 1950 and Flaine Montsoleil.

The main goodwill items broke down as follows:

- Pierre & Vacances Tourisme Europe : €73.5 million
- Center Parcs Europe : €63.3 million
- Les Senioriales : €17.8 million

The €26.2 million decrease in the book value of **net fixed assets** stemmed primarily from the disposal of Group IT equipment. Net investments made in tourism operations totalled €21.5 million and was offset by €23.4 million in depreciation, amortisation and provisions set aside during the period.

Net fixed assets on 31 March 2010 broke down as follows:

- €140.3 million in intangible fixed assets
- €390.8 million in tangible fixed assets
- €28.8 million in financial fixed assets

The contribution from Center Parcs Europe to net intangible fixed assets totalled €92.4 million, €85.9 million of which for the Center Parcs brand and €5.5 million for the Sunparks brand. The share of the sub-division in net intangible fixed assets totalled €288.1 million.

Attributable shareholders' equity totalled €421.2 million on 31 March 2010 (compared with €490.9 million on 30 September 2009), after taking account of:

- The net loss during the period of €57.9 million.

- The dividend pay-out of €13 million.

- A €1.1 million increase in equity before earnings caused by IFRS accounting of stock-options and financial hedging instruments.

Provisions for risks and charges totalled €40.0 million on 31 March 2010.

The decline over the period stemmed primarily from write-backs of provisions for various risks.

On 31 March 2009, provisions for risks and charges broke down as follows:

- provisions for renovation : €22.1 million
- provisions for pensions and retirement : €12.0 million
- provisions for restructuring and various risks : €5.9 million

Net debt reported by the Group on 31 March 2010 broke down as follows:

euro millions	31/03/2010	30/09/2009	Change
Gross debt	213,9	209,7	4,2
Cash pile (net of positive bank balances)	25,1	-112,1	137,2
Net debt	**239,0**	**97,6**	**141,4**

The change in net debt compared as of 30.09.2009 is due mainly to tourism business that is seasonal; the H1 represented only about 40% of turnover of the year and 50% of fixed costs. It is accentuated by the decline in cash flow due primarily to the fall of H1 tourism operating income, which includes marketing and development specific costs.

The increase in gross debt is analysed in the paragraph "Main cash flows" presented above.

Net debt reported by the group on 31 March 2010 (€239.0 million) corresponded primarily to:

- The €37 million in capital still due on corporate debt taken out during acquisitions operations. Outstanding loans on 31 March 2010 were as follows:
  - €28.6 million for the acquisition of the remaining 50% stake in sub-division Center Parcs Europe.
  - €8.4 million for the acquisition of Gran Dorado, the first 50% stake in Center Parcs Europe and Maeva.

  Maturity on this debt is set for 26 March 2012. The provisional amortisation plan for this five-year debt is linear and corresponds to the six-monthly reimbursement of the principal totalling €9.3 million.

The Pierre & Vacances – Center Parcs Group has signed on 10 May 2010 an agreement with its banks, defining the main terms and conditions of a loan of € 200 million for corporate debt refinancing and group funding general needs. This loan broke down as follows:

- A € 100 million loan with a 5 years maturity based on a linear amortisation profile. It refinances €37 million "corporate debt" as of 31.03.2010.
- Confirmed credit line of € 100 million, which replace the € 90 million credit line.

The remuneration conditions are at similar levels to those of previous credit.

One ratio Adjusted Net Financial Debt / EBITDAR valid for the loan and credit line, will be monitored and contractually calculated once a year, on 30 September:
-Adjusted Net Financial Debt: means Net Financial Debt increased by rents still to be paid by the Group over the 5 next years following the closing date of the exercise discounted at 6%;
-EBITDAR: means EBITDA increased by annual rents.
The ratio must remain below 4,25 as of September 30th 2010.

The signature of credit documentation is expected within the next few weeks.

- Financial debt of €144.5 million to finance the withdrawal of lease contacts, including €115.3 million booked for the adjustment of the lease contract for the central equipment at the Center Parcs village at Lac d'Ailette.

- Net bank overdrafts of €25.1 million.

- Loans contracted by the Group in order to finance property assets destined to be sold off for €17.8 million

3. OUTLOOK AND ACTION PLAN

3.1 OUTLOOK FOR 2009 / 2010

Since these last two months, tourism reservations for the summer season are higher than those noted in the year-earlier period and show growth in the core summer period in particular. Reservations are nevertheless marked by a wait especially on the wings of the season which do not allow to estimate accurately the tourism turnover of the second half.

Property reservations and signatures pace was extremely robust, with half of them concerning Avoriaz. Nevertheless property development turnover expected for 2009/10 as a whole is likely to be slightly lower than the 2008/2009 level in view of delivery schedules.

3.2 ACTION PLAN

Given the deep-rooted and lasting deterioration of the economic and financial backdrop, the Group has decided to implement a transformation and development project based on three main focuses:

- **Overhauling organisation by**:
- Refocusing on two product lines: Residences and Resorts, under two major brands: Pierre & Vacances and Center Parcs;
- Converging back office and front office systems;
- Pooling Group-wide functions with a structural cost-cutting programme (streamlining back office…)
- Outsourcing catering at Center Parcs Europe;
- Sharing sales tools (call-centers, Internet, sales teams);
- Strengthening the Group's purchasing policy.

In all, the aim is to reduce costs by €50 million between 2010/11 and 2012/13.

- **Increasing profitability of Tourism segment by:**
- Boosting tourism sales via:
  - The rising momentum of internet
  - Loyalty programmes
  - Cross-selling
  - Short stays
- Controlling changes in rents (implementation of indexation cap, incentive for owner occupancy rents) with a target gain of 1.5 of rents/sales ratio.

- **Continuing group expansion** in its core businesses with a target of 30% growth in the tourism residences portfolio, for 15,000 additional apartments and homes in five years time in France, Germany, Spain, Morocco and major European cities. This expansion is set to be driven by three sources:
- Property, via the sale of apartments and homes with a tourism operation lease. This business harbours potential turnover of €1.5 billion and should continue to feed the Group's tourism offering with around 6,000 apartments and homes.
- Partnership in city residences (Adagio) with Accor in the Villages Nature project with Eurodisney and in Morocco with Caisse des Dépôts et de Gestion du Maroc,
- Acquisitions.

II. HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2010

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

I. Consolidated profit and loss account
(In thousands of euros)

	Note	1st half-year 2009/2010	1st half-year 2008/2009
Turnover	3	629,180	613,114
Purchases and external services	19	-494,591	-469,600
Personnel expenses	20	-177,398	-171,297
Amortisation and provisions	21	-21,612	-29,119
Other operating earnings	22	9,462	16,342
Other operating expenses	22	-18,391	-16,480
CURRENT OPERATING INCOME	**3**	**-73,350**	**-57,040**
Other operating earnings	3/23	2,179	1,981
Other operating expenses	3/23	-7,268	-984
OPERATING INCOME	**3**	**-78,439**	**-56,043**
Financial earnings	24	1,697	2,970
Financial expenses	24	-8,388	-9,520
FINANCIAL INCOME		**-6,691**	**-6,550**
Corporate income tax	25	27,236	22,385
Share of income of companies accounted for by the equity method		-12	-
NET INCOME		**-57,906**	**-40,208**
Including: - Attributable		-57,906	-40,208
- Minority interests		-	-
Net attributable earnings per share (in euros)	26	-6.66	-4.64
Diluted attributable earnings per share (in euros)	26	-6.66	-4.64

II. Consolidated statement of comprehensive income
(In thousands of euros)

	Note	1st half-year 2009/2010	1st half-year 2008/2009
NET INCOME		**-57,906**	**-40,208**
Translation differences		-42	54
Hedging instruments		201	-966
Deferred taxes		-51	246
Other comprehensive income for the period, net of tax		**108**	**-666**
TOTAL COMPREHENSIVE INCOME		**-57,798**	**-40,874**
Dont : - Attributable		**-57,798**	**-40,874**
- Minority interest		-	-

III. Consolidated balance sheet
(In thousands of euros)

ASSETS	Note	31/03/2010	30/09/2009
Goodwill	4	156,447	151,985
Intangible fixed assets	5	140,302	151,927
Tangible fixed assets	6	390,801	397,216
Investments in companies accounted for by the equity method		-6	5
Non-current financial assets	7	28,838	36,941
Deferred tax assets		61,003	38,925
NON-CURRENT ASSETS	**3**	**777,385**	**776,999**
Inventories and work in progress	8/9	137,623	134,868
Trade receivables and related accounts	10	236,251	238,518
Other current assets	11	272,081	225,030
Current financial assets	11	30,468	23,200
Cash and cash equivalents	12	39,577	115,393
CURRENT ASSETS	**3**	**716,000**	**737,009**
TOTAL ASSETS	**3**	**1,493,385**	**1,514,008**

LIABILITIES		31/03/2010	30/09/2009
Share capital		88,216	88,196
Additional paid-in capital		8,637	8,564
Treasury stock		-8,686	-9,453
Items reported directly in shareholders' equity		-205	-313
Reserves		391,175	361,689
Consolidated income		-57,906	42,264
ATTRIBUTABLE SHAREHOLDERS' EQUITY	**13**	**421,231**	**490,947**
Minority interests		7	6
SHAREHOLDERS' EQUITY		**421,238**	**490,953**
Long-term borrowings	15	172,444	161,106
Provisions for contingencies and charges, non-current	14	26,807	26,361
Deferred tax liabilities		15,327	20,528
NON-CURRENT LIABILITIES	**3**	**214,578**	**207,995**
Short-term borrowings	15	105,772	51,311
Provisions for contingencies and charges, current	14	13,203	20,645
Trade payables and related accounts	17	265,902	278,733
Other current liabilities	18	440,260	430,626
Current financial liabilities	18	32,432	33,745
CURRENT LIABILITIES	**3**	**857,569**	**815,060**
TOTAL LIABILITIES	**3**	**1,493,385**	**1,514,008**

IV. Consolidated cash flow statement
(In thousands of euros)

	Note	1st half-year 2009/2010	1st half-year 2008/2009
Operations			
Net consolidated income		**-57,906**	**-40,208**
Depreciation, amortisation and provisions (not related to current assets)		17,116	16,980
Expenses related to share subscription and purchase option plans		1,035	1,256
Capital gains and losses on disposals		-2,693	-1,364
Share of income of companies accounted for by the equity method		12	-
Cost of net long-term debt	24	7,352	6,518
Taxation (including deferred taxes)	25	-27,236	-22,385
Cash flow generated by operations		**-62,320**	**-39,203**
Net cost of long-term debt: net interest paid		-7,371	-6,154
Taxes paid		-476	-31
Cash flow after debt interest and taxes		**-70,167**	**-45,388**
Inventories		-2,754	-52,069
Other items of change in working capital requirement		-48,455	-28,327
NET CASH FLOW FROM OPERATING ACTIVITIES (I)		**-121,376**	**-125,694**
Investments			
Acquisitions of tangible and intangible fixed assets	5/6	-31,230	-34,551
Acquisitions of long-term investments		-1,516	-3,133
Acquisitions of Business	12	-6,000	-
Acquisitions of subsidiaries (net of cash acquired)	12	-	13
Subtotal of disbursements		**-38,746**	**-37,671**
Disposals of tangible and intangible assets		24,411	6,111
Disposals of long-term investments		1,998	456
Disposals of Business	12	5,000	-
Disposals of subsidiaries (net of cash paid)	12	-	1,449
Subtotal of receipts		**31,409**	**8,016**
NET CASH FLOW FROM INVESTMENT ACTIVITIES (II)		**-7,337**	**-29,655**
Financing			
Capital increases in cash by the parent company	13	93	-
Acquisitions and disposals of treasury stock	13	14	-78
Dividends paid to parent company shareholders		-13,045	-23,438
Dividends paid to minority shareholders in subsidiaries	13	-	-
Receipts from new bank loans	15	33,781	50,794
Repayment of bank loans	15	-29,382	-21,402
Other flows from financing operations	15	61	30
NET CASH FLOW FROM FINANCING ACTIVITIES (III)		**-8,478**	**5,906**
CHANGE IN NET CASH FLOW (IV = I + II + III)		**-137,191**	**-149,443**
Cash and cash equivalents at beginning of year (V)	12	112,109	164,645
Cash and cash equivalents at end of year (VI = IV + V)	12	-25,082	15,202

V. Statement of changes in attributable consolidated shareholders' equity (in thousands of euros)

	Number of shares	Share capital	Additional paid-in capital	Treasury stock	Translation differences	Effective portion of hedging instruments	Reserves	Consolidated income	Attributable shareholders' equity	Minority interests	Total shareholders' equity
Balance at 30 September 2008	**8,810,911**	**88,109**	**8,651**	**-10,487**	**0**	**339**	**309,981**	**73,434**	**470,027**	**3**	**470,030**
Other comprehensive income	-	-	-	-	54	-720	-	-	-666	-	-666
Net income	-	-	-	-	-	-	-	-40,208	-40,208	-	-40,208
Total comprehensive income		**0**	**0**	**0**	**54**	**-720**	**0**	**-40,208**	**-40,874**	**0**	**-40,874**
Capital increase	8,665	87	-87	-	-	-	-	-	0	-	0
Dividends	-	-	-	-	-	-	-23,438	-	-23,438	-	-23,438
Change in treasury stock	-	-	-	860	-	-	-945	-	-85	-	-85
Expenses on option plans	-	-	-	-	-	-	1,256	-	1,256	-	1,256
Other movements	-	-	-	-	-	-	73,434	-73,434	0	2	2
Balance at 31 March 2009	**8,819,576**	**88,196**	**8,564**	**-9,627**	**54**	**-381**	**360,288**	**-40,208**	**406,886**	**5**	**406,891**
Other comprehensive income	-	-	-	-	4	10	-	-	14	-	14
Net income	-	-	-	-	-	-	-	82,472	82,472	-	82,472
Total comprehensive income					**4**	**10**	**0**	**82,472**	**82,486**	**0**	**82,486**
Capital increase	-	-	-	-		-	-	-	0	-	0
Dividends	-	-	-	-		-	-	-	0	-	0
Change in treasury stock	-	-	-	174		-	-70	-	104	-	104
Expenses on option plans	-	-	-	-		-	1,471	-	1,471	-	1,471
Other movements	-	-	-	-		-	-	-	0	1	1
Balance at 30 September 2009	**8,819,576**	**88,196**	**8,564**	**-9,453**	**58**	**-371**	**361,689**	**42,264**	**490,947**	**6**	**490,953**
Other comprehensive income	-	-	-	-	-42	150	-	-	108	-	108
Net income	-	-	-	-	-	-	-	-57,906	-57,906	-	-57,906
Total comprehensive income		**0**	**0**	**0**	**-42**	**150**	**0**	**-57,906**	**-57,798**	**0**	**-57,798**
Capital increase	1,975	20	73	-	-	-	-	-	93	-	93
Dividends	-	-	-	-	-	-	-13,045	-	-13,045	-	-13,045
Change in treasury stock	-	-	-	767	-	-	-768	-	-1	-	-1
Expenses on option plans	-	-	-	-	-	-	1,035	-	1,035	-	1,035
Other movements	-	-	-	-	-	-	42,264	-42,264	0	1	1
Balance at 31 March 2010	**8,821,551**	**88,216**	**8,637**	**-8,686**	**16**	**-221**	**391,175**	**-57,906**	**421,231**	**7**	**421,238**

VI. Notes to the condensed consolidated financial statements

Preamble

Pierre & Vacances is a French "société anonyme" with a Board of Directors, subject to all of the rules governing commercial companies in France, particularly the provisions of France's New Commercial Code and Decree 67-236 of 23 March 1967. Its registered office is at l'Artois – Espace Pont de Flandre – 11 rue de Cambrai 75019 Paris (France). It is listed on Euronext Paris.

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

On 26 May 2010, the Board approved the half-yearly condensed consolidated financial statements at 31 March 2010.

Note 1 – Accounting principles

1.1 – General context

The group's half-yearly condensed consolidated financial statements at 31 March 2010 have been prepared in accordance with international financial information standard IAS 34 on interim financial reporting and other IFRS standards adopted by the European Union as of 31 March 2010 (list available at http://ec.europa.eu/internal_market/accounting/ias_fr.htm).

The half-yearly condensed consolidated financial statements have been drawn up in accordance with the same rules and using the same methods as those adopted for drawing up the 2008/2009 financial statements, apart from the information given in note 1.2 and the details of standard IAS 34 concerning the calculation of tax and the calculation of pensions.

The accounting principles are described in detail in the 2008/2009 annual report.

The comparability of interim and annual financial statements is affected by the seasonality of the group's tourism activities, leading to negative operating income in the 1st half of the year. This is because consolidated turnover in the 1st half of the year (winter season) is structurally weaker than that achieved in the summer season, while fixed operating expenses (including rent) are spread evenly across the year.

1.2 – Changes in the accounting reference documents

The new standards and interpretations that have been adopted for drawing up the financial statements and whose application was made mandatory for the year beginning 1 October 2009 have not affected the group's consolidated financial statements for the 1st half of 2009/2010, apart from the adoption of revised version of IAS 1.

The application of revised version of IAS 1 relating to the presentation of financial statements led the group to complete the income statement with a statement of comprehensive income, displaying components of other comprehensive income.

The new standard IFRS 8 “Operating Segments”, whose application was applicable to years beginning on or after 1 January 2009, had no impact on the presentation of the group’s consolidated financial statements. IFRS 8 replaces IAS 14 “Segment reporting”. Whereas IAS 14 required segment information based on business segments and geographical segments, IFRS 8 requires segment information to be presented by operating segment on the same basis as that used for internal reporting purposes. The reported amount of each segment item now corresponds to the measurement reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. The operating segments defined by the group under the new standard are the same as the business segments defined under IAS 14. Likewise, the indicators used to assess the performance of the segments correspond to those already presented when IAS 14 was applied. However, the group can revise IFRS 8 application at 30 september 2010 within the project of its organisation’s evolution.

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

- IFRIC 12 relating to service concession agreements (applicable to years beginning on or after 29 March 2009);
- IFRIC 13 relating to customer loyalty programmes (applicable to years beginning on or after 1 January 2009);
- IFRIC 14 concerning the assets of defined-benefit schemes and minimum funding obligations (applicable to years beginning on or after 1 January 2009);
- IFRIC 16 on hedges of a net investment in a foreign operation (applicable to years beginning on or after 1 July 2009);
- amendments to IAS standard 23 "Borrowing costs" (applicable to years beginning on or after 1 January 2009);
- amendments to IFRS standard 2 "Payment on the basis of shares" concerning conditions of acquisition and cancellation (applicable to years beginning on or after 1 January 2009);
- amendments to standards IAS 32 and IAS 1, concerning financial instruments puttable at fair value and obligations arising on liquidation (applicable to years beginning on or after 1 January 2009);
- amendments to IFRS standard 1 and IAS standard 27 concerning the cost of an investment in a subsidiary, jointly controlled entity or associate on individual financial statements (applicable to years beginning on or after 1 January 2009);
- the amendments to IFRS standard 3 "business combination" and IAS standard 27 "Consolidated and individual financial statements" (applicable to years beginning on or after 1 July 2009);
- amendment to IAS standard 39 on eligible hedged items (applicable to years beginning on or after 1 July 2009);
- the amendment to standard IFRS 5 “Non current assets held for sale and discontinued operations”, plans for the partial disposal of shares of a subsidiary resulting in the loss of exclusive control (applicable to years beginning on or after 1 July 2009).

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

- IFRIC 17 relating to distributions of non-cash assets to owners (applicable to years beginning on or after 31 October 2009);
- IFRIC 18 relating to transfers of assets from customers (applicable to years beginning on or after 31 October 2009);
- IFRIC 15 on property building contracts (applicable to years beginning on or after 31 December 2009);
- amendment to IFRS standard 2 "Payment on the basis of shares" concerning group cash-settled share-based payment transactions (applicable to years beginning on or after 1 January 2010);
- amendment to IAS standard 32 “Classification of rights issues” (applicable to years beginning on or after 1 February 2010);
- IFRIC 19 relating to extinguishing liabilities with equity instruments (applicable to years beginning on or after 1 July 2010);
- the amendment to IFRIC 14, relating to prepayments of a minimum funding requirement (applicable to years beginning on or after 1 January 2011);
- amendment to IAS standard 24 (revised) “Related party disclosures”, concerning exemption to state-controlled entities and a revised definition of a related party (applicable to years beginning on or after 1 January 2011);
- IFRS standard 9 “Financial instruments: classification and measurement”, to replace IAS 39 principles for recognising and measuring financial assets (applicable to years beginning on or after 1 January 2013).

The group is reviewing all these standards and interpretations in order to measure their potential impact on the results, the financial position and the consolidated cash flows and to assess the impact on the disclosures to be made.

1.3 – New law applicable in France from 1 January 2010

The 2010 Finance act, passed in December 2009, introduced the Contribution Economique Territoriale (CET) to replace the French Local business tax known as Taxe Professionnelle (TP). The new CET has two components : the Contribution Foncière des Entreprises (CFE) and the Cotisation sur la Valeur Ajoutée des Entreprises (CVAE). The CFE assessed on the rental value of real estate, is similar of the Taxe Professionnelle, it fulfils the criteria for recognition as an operating expense. The CVAE assessed on the value added by the business, has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France's National Accounting Board, the Conseil National de la Comptabilité, stated that each business should exercise its own judgment to determine the accounting classification of CVAE.
In march 2006 and may 2009, IFRIC stated that, to be within the scope of IAS 12, a tax must be calculated on a net amount of income and expenses and that said net amount may be different from accounting profit. The group considers that the CVAE meets some of the characteristics listed by the IFRIC, to the extent that value added represents a level of profit that is systematically used under French tax rules to determine the amount of CVAE due. In accordance with IAS 12, the classification of CVAE as an income tax triggered the calculation, at March 31, 2010 of net deferred tax liabilities, for an amount of € 414 thousand, on the carrying amount of fixed assets, which represented the main source of taxable temporary differences at that date.

1.4 – Use of estimates and judgments

Drawing up consolidated financial statements according to international accounting principles requires group management to use a number of estimates and assumptions that have an effect on the assets and liabilities and on the expenses and earnings of the profit and loss account and on any assets and liabilities mentioned in the notes. In particular this involves determining the recoverable amount of goodwill, intangible assets with an indeterminate life (impairment test in case of significant unfavourable changes of activity), assumptions on the recoverability of the tax losses (used of tax losses within the medium term) and describing leases as finance leases or simple leases. These estimates are made assuming business continuity and are drafted according to the information available when they were made. It is possible that the actual amounts are subsequently found to be different from the estimates and assumptions made in preparing the financial statements presented.

Note 2 – Scope of consolidation

Main changes in the scope of consolidation occurring in the 1st half of 2009/2010:

Acquisitions:

Since 1 October 2009, the group invested €6.6 million - without bank financing - to acquire operation activities of four stars Intrawest tourism residences : Arcs 1950 (655 apartments) and Flaine Montsoleil (138 apartments).This transaction following the agreement signed on 3 August 2009 between Pierre & Vacances – Center Parcs Group and Intrawest Hotel et résidences group.
These residences are operated under Pierre & Vacances Premium label.

Disposals:

On 12 October 2009, the group signed an undertaking to sell the businesses of 3 Latitudes hotels (Val d'Isère, Arc 1800, and Les Ménuires) to Hotello, an Algonquin group subsidiary. Following this agreement, the group signed on 4 November 2009, the sale of "Hôtel Latitudes Val d'Isère" business for an amount of €5 million. This transaction generated a capital gain of €2,474 thousand before tax.

Other movements:

The creation, in the property development business, of two companies which have been consolidated following the launch of new programmes to refurbish residences: Le Christiana and Belle Plagne Gémeaux.

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

Main changes in scope in the 1st half of 2008/2009:

As part of its plan to develop the Adagio City Aparthotel brand, the Adagio joint venture, established in 2007 between the Accor and Pierre & Vacances groups, had acquired shares in the company Adagio Exploitation 1

from "Pierre & Vacances Maeva Tourisme et Exploitation", and shares in the company Serana from "Société d'Exploitation d'Hôtels Suite" and "Accor". Adagio Exploitation 1 and Serana run urban residences located in Montrouge and Marseille and in Annecy and Nantes respectively.
This transaction had generated, in the group's income, a pre-tax balancing cash adjustment of €1,450 thousand.

The Pierre & Vacances Group had purchased, as part of its Tourism business, two businesses:
- the first, for €230 thousand, was a restaurant located at the Cap Esterel village club;
- the second, for €81 thousand, was a residence in Croisic, operated under the Maeva brand.

SECTOR INFORMATION

Based on the group's internal organisation, sector information is given by operating segments. This breakdown reflects the operating organisation of the group's businesses in terms of management and operational control. The group develops its activities through two dovetailed lines of business:

- the property development division which aims to increase the holiday destinations available and adapt the stock of existing residences, villages and hotels to suit changes in customer requirements. It includes the building and marketing to individual investors of hotel rooms, apartments and new or refurbished houses. The property development programmes currently developed are in France, Italy and Spain. It also includes the development of the Les Senioriales division, specialising in building and marketing residences in France and aimed at a customer base of active seniors. The full ownership of the houses is sold without any operating commitment on the part of the group;

- the tourism business organised partly around the Pierre & Vacances Tourisme Europe division and partly around the Center Parcs Europe division:

    - the Pierre & Vacances Tourisme Europe division, within the same operating department, includes the operation of the residences, villages and hotels marketed under the Pierre & Vacances, Maeva, Adagio, and Hôtels Latitudes brands, located in 7 European countries, mainly in France, Italy and Spain,

    - the Center Parcs Europe division, within the same operating department, includes the operation of all the villages in the Netherlands, Germany, Belgium and France which are marketed under the Center Parcs Europe and Sunparks brands.

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

Inter-divisional turnover is generated on normal market terms.
The unassigned assets include long-term investments, other assets of a financial nature, current and deferred tax receivables and non-current assets and asset groups held for sale.
The unassigned liabilities include bank borrowings and current and deferred tax payables.

Note 3 – Information by operating segment

(in thousands of euros)	1st half of 2009/2010 TOURISM Pierre & Vacances Tourisme Europe	TOURISM Center Parcs Europe	PROPERTY DEVELOPMENT	Unassigned	TOTAL
Business turnover	227,345	257,265	156,878	-	641,488
Turnover between business groups	-5,952	-138	-6,218	-	-12,308
External turnover	**221,393**	**257,127**	**150,660**	**0**	**629,180**
Current operating income	**-52,091**	**-32,605**	**11,346**	**-**	**-73,350**
Other operating expenses and earnings	-796	-3,690	-603	-	-5,089
Operating income	**-52,887**	**-36,295**	**10,743**	**0**	**-78,439**
Amortisation expenses	-8,825	-14,765	-85	-	**-23,675**
Depreciation expenses	-514	-	-	-	**-514**
Tangible and intangible investments	13,514	19,067	85	102	**32,768**
Non-current assets	219,374	443,839	22,579	91,593	777,385
Current assets	203,099	67,768	369,465	75,668	716,000
Total assets	**422,473**	**511,607**	**392,044**	**167,261**	**1,493,385**
Non-current liabilities	8,507	16,299	411	189,361	214,578
Current liabilities	280,746	187,511	248,871	140,441	857,569
Total liabilities excluding shareholders' equity	**289,253**	**203,810**	**249,282**	**329,802**	**1,072,147**

(in thousands of euros)	1st half of 2008/2009 TOURISM Pierre & Vacances Tourisme Europe	TOURISM Center Parcs Europe	PROPERTY DEVELOPMENT	Unassigned	TOTAL
Business turnover	217,280	269,113	132,886	-	619,279
Turnover between business groups	-5,521	-136	-508	-	-6,165
External turnover	**211,759**	**268,977**	**132,378**	**0**	**613,114**
Current operating income	**-37,980**	**-23,486**	**4,426**	**-**	**-57,040**
Other operating expenses and earnings	1,963	-559	-407	-	997
Operating income	**-36,017**	**-24,045**	**4,019**	**0**	**-56,043**
Amortisation expenses	-8,326	-14,034	-154	-	**-22,514**
Depreciation expenses	-	-	-	-	**0**
Tangible and intangible investments	15,420	17,693	406	722	**34,241**
Non-current assets	209,162	458,945	23,170	112,247	803,524
Current assets	187,866	68,442	475,656	55,612	787,576
Total assets	**397,028**	**527,387**	**498,826**	**167,859**	**1,591,100**
Non-current liabilities	8,096	17,353	516	259,290	285,255
Current liabilities	268,174	192,794	337,903	100,083	898,954
Total liabilities excluding shareholders' equity	**276,270**	**210,147**	**338,419**	**359,373**	**1,184,209**

ANALYSIS OF MAIN BALANCE SHEET ITEMS

Note 4 – Goodwill

During the 1st half of 2009/2010, there was no suggestion of any risk of impairment in one of the group's cash generating units requiring an impairment test to be carried out. As stated in the accounting principles in the reference document for 2008/2009, this test will be carried out automatically on 30 September 2010.

The changes in the net balance of goodwill for the 1st half of 2009/2010 are broken down as follows:

	(in thousands of euros)
Net values on 1 October 2009	**151,985**
Increase in gross value and impact of additions to the scope	**4,462**
Disposals	**-**
Impairments	**-**
Reclassification and other changes	**-**
Net values at 31 March 2010	**156,447**

The change in the gross value of goodwill for the 1st half of 2009/2010 is linked to the acquisition of two Intrawest tourism residences Arcs 1950 and Flaine Montsoleil (cf. note 2: scope of consolidation);

Net values at the end of the half-year are broken down as follows:

(in thousands of euros)	**31/03/2010**	**30/09/2009**
Center Parcs Europe	63,344	63,344
Pierre & Vacances Tourisme Europe	73,476	69,014
Pierre & Vacances Promotion Immobilière	1,463	1,463
Pierre & Vacances Développement España	336	336
Les Senioriales	17,828	17,828
Total net value	**156,477**	**151,985**

Note 5 – Intangible fixed assets

(in thousands of euros)	Brands	Other intangible fixed assets	Total intangible fixed assets
At 1st October 2009			
Gross values	105,877	74,105	179,982
Accumulated amortisation and depreciation	-1,508	-26,547	-28,055
Net values	**104,369**	**47,558**	**151,927**
Changes			
Acquisitions	-	6,114	6,114
Disposals and write-offs	-	-25,324	-25,324
Business combinations	-	-	0
Amortisation	-	-822	-822
Impairment	-	-	0
Writebacks of amortisation and impairment	-	7,820	7,820
Reclassifications	-	587	587
Total changes for the year	**0**	**-11,625**	**-11,625**
At 31 March 2009			
Gross values	105,877	55,154	161,031
Accumulated amortisation and depreciation	-1,508	-19,221	-20,729
Net values	**104,369**	**35,933**	**140,302**

The net fall in intangible assets mainly results from disposals of several IT assets.

Note 6 – Tangible fixed assets

(in thousands of euros)	Land	Buildings	Fixtures and fittings	Other tangible assets and work in progress	Total tangible fixed assets
At 1 October 2009					
Gross values	17,295	206,205	244,085	167,809	635,394
Accumulated amortisation and depreciation	-947	-40,523	-99,916	-96,792	-238,178
Net values	**16,348**	**165,682**	**144,169**	**71,017**	**397,216**
Changes					
Acquisitions	111	2,008	13,696	10,839	26,654
Disposals and write-offs	-42	-286	- 2,185	-18,825	-21,338
Business combinations	-	-	-	-	0
Amortisation	-	-3,258	-13,059	-6,624	-22,941
Impairment	-	-514	-	-	-514
Writebacks of amortisation and impairment	1	186	1,822	10,310	12,319
Reclassifications	50	60	426	-1 131	-595
Total changes for the year	**120**	**-1,804**	**700**	**-5,431**	**-6,415**
At 31 March 2010					
Gross values	17,414	207,982	256,053	158,659	640,108
Accumulated amortisation and depreciation	-946	-44,104	-111,184	-93,073	-249,307
Net values	**16,468**	**163,878**	**144,869**	**65,586**	**390,801**

The net value of tangible fixed assets decreased by €6,415 thousand. This change was mainly down to the following:

- a decrease in net fixed assets of the **Pierre & Vacances Tourisme Europe division** of €6,901 thousand resulting, in particular, from:
  - investments of €6,664 thousand, including €5,897 thousand for the refurbishment and modernisation of the property run, in particular the Intrawest sites (Arcs 1950 and Flaine Montsoleil) and Adagio Brussels (respectively for €2,269 thousand and €1,513 thousand),
  - sales of fixtures and fittings associated with running the tourism business at a net book value of €4,592 thousand,
  - amortisations for the period to the value of €8,771 thousand;

- a reduction in net fixed assets of €258 thousand of the **Center Parcs Europe division** due:
  - to investment of €18,059 thousand, including:
    - €14,859 thousand to improve the product mix of all the villages, including €6,733 thousand for the French villages, €4,790 thousand for the Dutch villages, €1,998 thousand for the Belgian villages and €1,338 thousand for the German villages,
  - to sales of fixtures and fittings and other assets under construction at a net book value of €4,434 thousand,
  - to amortisation for the period of €13,885 thousand;

- an increase in net fixed assets of €1,748 thousand of the **Spain division,** related to investments made on Manilva site during the period.

Lease financing contracts:

The group's tangible fixed assets include assets held on lease financing contracts with a net value, at 31 March 2010, of €150,347 thousand.

This amount mainly included:

- the central facilities of the Domaine Center Parcs du Lac d'Ailette village for €143,086 thousand;
- the overhaul of the stock of televisions in the residences operated by Pierre & Vacances Tourisme Europe for €7,007 thousand.

Corresponding long-term debt is €124,798 thousand at 31 March 2010, including €115,312 thousand for the Domaine Center Parcs du Lac d'Ailette village (cf. note 15 "Bank borrowings").

Note 7 – Non-current financial assets

(in thousands of euros)	Non-consolidated short-term investments	Related receivables	Loans and other financial assets	Total financial assets
At 1 October 2009				
Gross values	9,295	14	27,956	37,265
Accumulated depreciation	-	-	-324	-324
Net values	**9,295**	**14**	**27,632**	**36,941**
Changes				
Change in scope	-	-	-	0
Reclassification	-7,596	-	-	-7,596
Acquisitions	-	-	1,535	1,535
Disposals	-	-	-2,030	-2,030
Impairment	-	-	-	0
Provisions	-	-	-12	-12
Impairment writebacks	-	-	-	0
Writebacks of provisions	-	-	-	0
Total changes for the year	**-7,596**	**0**	**-507**	**-8,103**
At 31 March 2010				
Gross values	1,699	14	27,461	29,174
Accumulated depreciation	-	-	-336	-336
Net values	**1,699**	**14**	**27,125**	**28,838**

The 10% of the capital held by Sunparks Groep NV to the value of €7,596 thousand in Sunparks De Haan NV, Sunparks Oostduinkerke NV, Sunparks Projects NV and Sunaquapark Oostduinkerke NV have been reclassified in "Current financial assets" as a protocol for an option to buy these shares is available to the company Foncière des Murs and can be exercised at 1st October 2010. (cf. Note 11)

Note 8 – Inventories and work in progress

(in thousands of euros)	31/03/2010	30/09/2009	31/03/2009
Work in progress	74,516	77,578	116,739
Finished products	57,039	50,153	48,349
Gross property development programmes	131,555	127,731	165,088
Provisions	-4,093	-3,989	-2,328
Net property development programmes	**127,462**	**123,742**	**162,760**
Other inventories	10,161	11,126	11,454
Total	**137,623**	**134,868**	**174,214**

The net value of inventories increased by €2,755 thousand over the first half of 2009/2010. The following note describes the change in gross value of stocks by property development programme.

Note 9 – Contribution of property development programmes to the gross value of inventories

(in thousands of euros)	30/09/2009	Increases	Reductions	31/03/2010
Manilva	21,981	1,812	-496	**23,297**
Le Hameau de Pont Royal	575	16,094	-4,106	**12,563**
Roybon Cottages	8,527	1,620	-	**10,147**
Bois des Harcholins - Cottages et Villages	9,634	64,318	-64,466	**9,486**
Avoriaz Résidences MGM I et II	7,254	1,736	-	**8,990**
Paris Bastille	14,194	-	-7,930	**6,264**
Les Senioriales - Ruoms	4,875	1,647	-890	**5,632**
Avoriaz Pierre & Vacances	3,828	1,059	-	**4,887**
Les Senioriales - Jonquières	3,998	4,004	-3,170	**4,832**
Calarossa	4,419	-	-118	**4,301**
Roybon Equipements	2,574	775	-	**3,349**
Danestal (Extension Branville)	3,386	63	-129	**3,320**
Bois des Harcholins Foncière	3,205	-	-	**3,205**
Les Senioriales - Lombez	1,603	3,270	-1,985	**2,888**
Le Pouliguen Hôtel	3,227	22	-633	**2,616**
Les Senioriales - Paradou	2,905	1,701	-2,019	**2,587**
Nantes Russeil	-	1,960	-	**1,960**
Les Senioriales - Cévennes	3,089	40	-1,458	**1,671**
Avoriaz Maeva	1,136	443	-	**1,579**
Quend	829	2,993	-2,315	**1,507**
Les Senioriales - Côte d'Azur	5,825	46	-4,396	**1,475**
Les Senioriales - Bergerac	2,377	82	-1,509	**950**
Les Senioriales - Salles sur Mer	2,526	1,409	-2,991	**944**
Avoriaz Equipements	147	783	-	**930**
Presqu'île de la Touques	634	88	-	**722**
Neuilly La Défense	2,866	-	-2,189	**677**
Les Senioriales - Equemauville	121	502	-	**623**
Tréboul	74	473	-	**547**
Les Senioriales - Gonfaron	200	335	-	**535**
Les Senioriales - Soulac	170	299	-	**469**
Courseulles	-	444	-	**444**
Les Senioriales - Carcassonne	431	-	-	**431**
Saint Cast Le Guildo	-	340	-	**340**
Christiana	-	297	-	**297**
Belle Plagne Gémeaux	-	296	-	**296**
Les Senioriales - Montagnac	-	259	-	**259**
Belle Dune	1,140	-	-895	**245**
Les Senioriales - Villereal	333	-	-122	**211**
Les Senioriales - St Hilaire	236	-29	-	**207**
Les Senioriales - Camargue	408	-	-259	**149**
Les Senioriales - Méditerranée	114	-	-	**114**
Cap d'Agde Rochelongue	1,165	-	-1,165	**0**
Hauts de Bruyères	806	-	-806	**0**
Other property development programmes	6,919	3,069	-4,379	**5,609**
Property development sub-total	**127,731**	**112,250**	**-108,426**	**131,555**

The gross value of work in progress and finished products of property development programmes rose by **€3,824 thousand** over the first half of 2009/2010. This change is the result of:

- increases mainly caused by:

  - acquisitions for €17,454 thousand. This amount mainly concerns the acquisition in Sale in Futur State of 63 houses and 52 apartments located at Pont Royal for an amount of €15,500 thousand, for subsequent resale to individual investors using the Pierre & Vacances sales scheme with attached lease,

  - work carried out over the half-year on new programmes or refurbishment increasing the gross value of inventories by €94,796 thousand, in particular on cottages of Bois des Harcholins (€64,318 thousand), Les Senioriales – Jonquières (€4,004 thousand), Les Senioriales – Lombez (€3,270 thousand), Quend (€2,783 thousand), Manilva (€1,812 thousand), Les Senioriales – Paradou (€1,701 thousand);

- €108,426 thousand reductions relating to reporting on the percentage completion method of income from new build or refurbishment programmes, including Bois des Harcholins Cottages (€-64,466 thousand), Paris Bastille (€-7,930 thousand), Les Senioriales – Côte d'Azur (€-4,396 thousand), le Hameau de Pont Royal (€-4,106 thousand), Les Senioriales – Jonquières (€-3,170 thousand), Les Senioriales – Salles sur Mer (€-2,991 thousand), Quend (€-2,315 thousand).

Note 10 - Trade receivables and related accounts

(in thousands of euros)	31/03/2010	30/09/2009
Property development	163,113	165,461
Tourism	71,353	80,050
Services	8,651	997
Gross trade receivables	**243,117**	**246,508**
Property development	-498	-764
Tourism	-6,287	-7,193
Services	-81	-33
Provisions	**-6,866**	**-7,990**
Total	**236,251**	**238,518**

The net fall in trade receivables is **€2,267 thousand** and is the result of :

- Receipts as works progressed (€68,298 thousand) mainly related to the following programmes: Domaine Center Parcs du Bois des Harcholins, Houlgate, Les Senioriales – Ruoms.

- partially offset by the €66,268 thousand increase in receivables arising from capital fund campaigns to be carried out on sales signed in the presence of a notary during the year and relating to programmes not yet delivered (essentially Avoriaz, Pont Royal, Les Senioriales – Paradou).

Note 11 – Other current assets

11.1 – Other current assets

(in thousands of euros)	31/03/2010	30/09/2009
Advances and downpayments	17,667	9,323
Statements – taxes	113,793	106,772
Other receivables	56,282	50,319
Gross values	**187,742**	**166,414**
Provisions	-734	-727
Other net debtors	**187,008**	**165,687**
Marketing fees and publicity - Tourism	662	406
Marketing fees and publicity - Property Development	23,486	21,874
Rent	29,847	25,053
Sundry prepayments	31,078	12,010
Prepayments	**85,073**	**59,343**
Total	**272,081**	**225,030**

Other current assets increased by €47,051 thousand. This change is due to:

- a €19,068 thousand increase in "Sundry prepayments" mainly resulting from refurbishment works carried out by the Pierre & Vacances Tourisme Europe division but not yet completed at 31 March 2010. As these works will have to be recharged to owners, the associated profit is booked in “Deferred income” (cf Note 18);
- an €8,344 thousand increase in "Advances and downpayments" linked to the payment of owner rents advances as part of Intrawest sites management;
- a €5,963 thousand increase in "Other receivables" following the recharging to owners of refurbishment works achieved in residences and completed at 31 March 2010;
- a €7,021 thousand increase in tax receivables mainly caused by the increase in VAT receivables in the property development business associated with new developments (essentially Pont Royal, Bois des Harcholins Cottages and Roybon Cottages).

11.2 – Current financial assets

(en milliers d'euros)	31/03/2010	30/09/2009
Non-consolidated short-term investments	7,596	-
Current Accounts	10,986	10,498
"Ownership & Holidays" loans	11,886	12,702
Hedging instruments	-	-
	30,468	**23,200**

Note 12 – Notes on the cash flow statement

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

The net amount of cash assigned to the acquisition and disposal of subsidiaries and businesses (the amount of investments or net disposals of available cash in the subsidiary on the date of the transactions) during the periods presented, as shown on the consolidated cash flow statement, is broken down as follows:

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Acquisitions		
Intrawest business	-6,000	-
SAS Serana	-	13
Subtotal of subsidiary acquisitions	**-6,000**	**13**
Disposals		
Latitudes Val d'Isère	5,000	-
SAS Adagio exploitation 1	-	1,449
Subtotal of subsidiary disposals	**5,000**	**1,449**
TOTAL	**-1,000**	**1,462**

Net cash assigned to the acquisition and disposal of businesses generated a cash requirement of €1,000 thousand for the 1st half of 2009/2010. It corresponds to the payment made for buying two Intrawest residences and to the sale of the Latitudes Hotel at Val d'Isère. (Cf. note 2: Scope of consolidation).

Net cash assigned to the acquisition and disposal of subsidiaries generated an excess of €1,462 thousand for the 1st half of 2008/2009. It corresponded to the Adagio transactions, in other words the acquisition of "Serana" shares, less the positive cash flow, and the disposal of "Adagio exploitation 1" shares. (Cf. note 2: Scope of consolidation).

12.2 – Net cash flow

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

(In thousands of euros)	31/03/2010	30/09/2009
Cash	37,323	58,351
Cash equivalents (SICAV)	2,254	57,042
Credit bank balances	-64,659	-3,284
Net cash flow	**-25,082**	**112,109**

The change in cash flow recorded over the 1st half of 2009/2010 is mainly down to the seasonal nature of tourism activities.

Note 13 – Group shareholders' equity

Capital and additional paid-in capital

The share capital on 31 March 2010 stood at €88,215,510 and was divided into 8,821,551 fully paid-up ordinary shares with a par value of €10 each.

Potential capital

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

	31/03/2010	30/09/2009
Number of shares at 1st October	**8,819,576**	**8,810,911**
Number of shares issued during the year (prorata temporis)		
Exercising of options to subscribe for Pierre & Vacances shares	241	6,282
Pierre & Vacances shares held by Pierre & Vacances SA And deducted from consolidated shareholders' equity	-129,911	-132,571
Weighted average number of shares	**8,689,906**	**8,684,622**
Dilutive effect		
Options to subscribe for and purchase Pierre & Vacances shares	2,803	556
Free allotment of Pierre & Vacances shares	101,190	86,362
Diluted weighted average number of shares	**8,793,899**	**8,771,540**

Acquisitions of own shares:

At 31 March 2010, the group held 122,839 of its own shares at a total value of €8,686 thousand.

Distribution of dividends:

The Combined General Meeting of 18 February 2010 decided to distribute a dividend of €1.50 per share, that is a total of €13,229 thousand.

Note 14 – Provisions for contingencies and charges

(in thousands of euros)	31/03/2010	30/09/2009
Refurbishment	15,856	15,907
Pension commitments	9,848	9,783
Other provisions	1,103	671
Non-current provisions	**26,807**	**26,361**
Refurbishment	6,229	6,201
Pension commitments	2,180	2,193
Provisions for disputes	1,769	2,418
Provisions for restructuring	2,055	799
Other provisions	970	9,034
Current provisions	**13,203**	**20,645**
Total	**40,010**	**47,006**

In the 1st half of 2009/2010, the net fall in provisions for contingencies and charges is **€6,996 thousand**. The fall is mainly caused by a net writeback in provisions for sundry contigencies.

Note 15 – Bank borrowings

Breakdown by type and business sector:

(in thousands of euros)	31/03/2010	30/09/2009
<u>**Long-term borrowings**</u>		
Bank borrowings	**27,500**	**28,725**
. Tourism	*27,500*	*27,750*
. Property development		*975*
Bridging loans	**2,444**	**7,278**
. Property development	*2,444*	*7,278*
Lease financing contracts	**140,009**	**122,675**
. Tourism	*140,009*	*122,675*
Other bank borrowings	**2,491**	**2,428**
. Tourism	*1,338*	*1,277*
. Property development	*1,153*	*1,151*
Long-term sub-total	***172,444***	***161,106***
. of which Tourism	***168,847***	***151,702***
. of which Property development	***3,597***	***9,404***
<u>**Short-term borrowings**</u>		
Bank borrowings	**20,829**	**20,872**
. Tourism	*17,965*	*17,636*
. Property development	*2,864*	*3,236*
Bridging loans	**15,328**	**23,007**
. Property development	*15,328*	*23,007*
Lease financing contracts	**4,496**	**3,663**
. Tourism	*4,496*	*3,663*
Other bank borrowings	**460**	**485**
. Tourism	*362*	*422*
. Property development	*98*	*63*
Credit bank balances	**64,659**	**3,284**
. Tourism	*61,464*	*3,071*
. Property development	*3,195*	*213*
Short-term sub-total	***105,772***	***51,311***
. of which Tourism	***84,287***	***24,792***
. of which Property development	***21,485***	***26,519***
Total	**278,216**	**212,417**
. of which Tourism	***253,134***	***176,494***
. of which Property development	***25,082***	***35,923***

The change in borrowing from banks mainly corresponded to the following at 31 March 2010:

Tourism business:

- half-yearly amortisation of the "Corporate" loan taken out by the group for its external growth operations. At 31 March 2010, the loan outstanding is €37,000 thousand, broken down as follows:

  – €28,560 thousand to purchase the additional 50% of Center Parcs Europe,
  – €8,440 thousand to buy Gran Dorado, the first 50% of the capital of Center Parcs Europe and Maeva.
  This loan is due to mature on 26 March 2012. The repayment plan for it uses the straight-line method and corresponds to a half-yearly repayment of the principal of €9,250 thousand.

  Covenants on this loan are calculated once a year, on the basis of 30 September data;

- new loan signed during the period for an amount of €9,000 thousand, to finance the group's general needs, and payable In Fine on 31 December 2011.

Property development business:

- changes in bridging loans (€-12,513 thousand) for financing property development programmes. This decrease is in particular due to the repayment of the Paris Bastille bridging loan.

Furthermore, at 31 March 2010, the Pierre & Vacances – Center Parcs Group had the benefit of three confirmed credit lines totalling €107 million, these breaking down as follows:

- €12 million maturing in August 2010;
- €5 million maturing in April 2011;
- €90 million maturing in March 2012.

These credit lines had not been used at 31 March 2010.

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

(in thousands of euros)	31/03/2010	30/09/2009
Domaine du Lac d'Ailette village	115,312 (*)	116,036
PVMTM	19,707 (**)	-
PVMTE	9,338 (***)	10,020
Center Parcs Europe	122 (****)	205
Sunparks	26 (*****)	77
Total	**144,505**	**126,338**

(*): the underlying net asset (€143,086 thousand at 31 March 2010) is recorded in tangible fixed assets.
(**): the underlying net asset (€19,707 thousand at 31 March 2010) is recorded in tangible fixed assets.
(***): the underlying net asset (€7,007 thousand at 31 March 2010) is recorded in tangible fixed assets.
(****): the underlying net asset (€132 thousand at 31 March 2010) is recorded in tangible fixed assets.
(*****): the underlying net asset (€122 thousand at 31 March 2010) is recorded in tangible fixed assets.

Breakdown by maturity:
The change in maturity of gross bank borrowings is broken down as follows:

Maturities	Balance (in thousands of euros) at 31/03/2010	Balance (in thousands of euros) at 30/09/2009
Year N+ 1 (12 next months)	105,772	51,311
Year N+ 2	35,532	30,061
Year N+ 3	5,900	13,382
Year N+ 4	6,439	3,922
Year N+ 5	8,782	5,173
Year > N+ 5	115,791 (*)	108,568
Total	**278,216**	**212,417**

(*): including €115,255 thousand for the lease financing contracts.

Security:

(in thousands of euros)	31/03/2010	30/09/2009
Guarantees	235,596	257,144
Mortgages	-	-
Total	**235,596**	**257,144**

The security provided by the group to guarantee its bank loans fall by €21,548 thousand. This change is mainly down to the following:

- the €7,854 thousand reduction in first-call guarantees granted by Pierre & Vacances SA to banks for financing the "Corporate" loan (this fall was linked to the half-yearly repayment of this loan);
- the €1,181 thousand reduction in the amortisable first-call guarantee granted to the bank with which it took out the lease finance agreement for the Domaine du Lac d’Ailette village facilities;
- the €12,513 thousand reduction in security provided for bridging loans for property development programmes. This change is in particular down to the end of the bridging loan on Paris Bastille programme.

Note 16 – Hedging instruments

The financial instruments contracted by the Pierre & Vacances – Center Parcs Group at 31 March 2010 are exclusively for the management of interest rate risk. Interest rate risk is generally managed relative to the group's net bank borrowings in order to protect it against a possible rise in interest rates. To do this, the group had taken out swaps with leading banks at 31 March 2010.

At 31 March 2010, the notional amounts and market values of the swap contracts taken out to cover variable rate loans were as follows:

Lender rate	Borrower rate	Notional at 31/03/2010 (in thousands of euros)	Market value of hedging contracts (in thousands of euros)	Starting date	Date of maturity
6-month Euribor	2.2300%	14,000	-218	28 Sept 2009	26 March 2012
6-month Euribor	1.9500%	7,000	-36	26 March 2010	27 Sept 2010
6-month Euribor	2.1400%	7,000	-75	26 March 2010	26 March 2011
TOTAL		**28,000**	**-329**		

The market value of the hedging instruments was €-329 thousand at 31 March 2010, compared with €-530 thousand at 30 September 2009.

Note 17 – Trade payables and related accounts

(in thousands of euros)	31/03/2010	30/09/2009
Tourism	157,898	188,641
Property development	101,716	83,508
Services	6,288	6,584
Total	**265,902**	**278,733**

Over the 1st half of 2009/2010, the item "Trade payables and related accounts" falls by **€12,831 thousand**. This reduction mainly concerns the tourism division and reflects the seasonality of this activity.

Note 18 – Other current liabilities

18.1 – Other current liabilities

(in thousands of euros)	31/03/2010	30/09/2009
Downpayments from clients	106,737	64,191
VAT and other taxes payable	57,263	60,421
Wages and social security commitments	69,743	75,060
Payables on acquisition of assets	69	219
Other payables	76,688	61,277
Other operating liabilities	**310,500**	**261,168**
Property sales and support funds	119,920	165,397
Other deferred income	20,484	4,061
Deferred income	**140,404**	**169,458**
Total	**450,904**	**430,626**

The **€20,278 thousand** increase in other operating liabilities was caused by:

- a €42,546 thousand increase in "Downpayments received from clients" on orders corresponding to deposits received from tourism clients when reserving holidays;

- a €16,423 thousand increase in "Other deferred income", mainly in Pierre & Vacances Tourisme Europe division, linked to the recharging of refurbishment works completed at 31 March 2010 (cf Note 11);

- a €45,477 thousand reduction in deferred income on property sales partly due to deliveries made during the first semester 2009/2010 on inventories for which the deed of sale in the presence of a notary had been signed on previous years (Domaine Center Parcs du Bois des Harcholins).

18.2 – Other current liabilities

(en milliers d'euros)	31/03/2010	30/09/2009
Current accounts	21,263	32,852
Hedging instruments	525	893
	21,788	**33,745**

BREAKDOWN OF THE MAIN PROFIT AND LOSS ACCOUNT ITEMS

Note 19 – Purchases and external services

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Tourism cost of goods sold	-37,383	-40,242
Property development cost of inventories sold	-73,515	-84,908
Owner leases and other co-ownership expenses	-184,869	-178,295
Subcontracted services (laundry, catering, cleaning)	-14,340	-14,702
Advertising and fees	-96,281	-56,846
Other	-88,203	-94,607
Total	**-494,591**	**-469,600**

The variance in “Advertising and fees” is related to an increase in fees paid to purchasing advisors as part of real estate selling activity (Bois des Harcholins).

Note 20 – Personnel expenses

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Salaries and social security expenses	-177,107	-170,334
Cost of defined-contribution and defined-benefit schemes	202	293
Option plan expenses	-493	-1,256
Total	**-177,398**	**-171,297**

The increase in the item "Salaries and social security expenses" mainly results from the change of real estate selling activity.

Note 21 – Amortisation and provisions

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Amortisation	-23,675	-22,514
Provisions	2,063	-6,605
Total	**-21,612**	**-29,119**

Note 22 – Current items

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Taxes	-5,477	-5,312
Other operating expenses	-12,914	-11,168
Other operating earnings	9,462	16,342
Total	**-8,929**	**-138**

The other operating expenses are essentially related to headquarter costs.

Note 23 – Other operating expenses and earnings

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Income from disposals	2,179	1,364
Restructuring costs net of writeback for provisions	-7,268	-367
Total	**-5,089**	**997**

The "Other operating expenses and earnings" at 31 March 2010 mainly included:
- the profit resulting from the disposal of the “Hotel Latitudes Val d’Isère”;
- restructuring costs net of provisions relating to the introduction of the plan to provide greater synergy between Pierre & Vacances Tourisme Europe and Center Parcs Europe.
-

The "Other operating expenses and earnings" at 31 March 2009 mainly included:
- the balancing cash adjustment of €1,450 thousand on contributions to the Adagio joint venture (cf. note 2 "Scope of consolidation");
- €367 thousand restructuring costs net of writeback for provision relating to the introduction of the plan to provide greater synergy between Pierre & Vacances Tourisme Europe and Center Parcs Europe.

Note 24 – Financial income

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Gross cost of borrowings	-7,984	-8,118
Earnings from cash and cash equivalents	632	1,600
Net cost of borrowings	**-7,352**	**-6,518**
Income on loans	863	1,367
Other financial income	202	3
Other financial expenses	-404	-1,402
Other financial income and expenses	**661**	**-32**
Total	**-6,691**	**-6,550**
Total financial expenses	*-8,388*	*-9,520*
Total financial income	*1,697*	*2,970*

Financial income for the 1st half of 2009/2010 mainly includes the cost of the lease financing contract relating to the central facilities of Center Parcs du Domaine du Lac d’Ailette Village (€3,772 thousand) and the costs of bank loans taken out by the group to finance the acquisition of Center Parcs Europe and Gran Dorado.

Note 25 – Corporate income tax and deferred taxes

Deferred tax assets are recorded on the basis of future profit forecasts.

The tax saving relating to the half-yearly financial statements has been calculated:

- on the one hand by applying to operating income and to financial income for the period the average effective rate estimated for the whole financial year (12-month period). This effective rate is determined for each tax consolidation subgroup. It is applied to the half-yearly pre-tax income of each of these subgroups. Thus, the tax calculated on income in the 1st half of 2009/2010 shows a tax saving of €22,382 thousand;

- on the other hand, tax relating to one-off transactions in the period amounting to €4,854 thousand in the 1st half of 2009/2010.

The tax saving booked for the 1st half of 2008/2009 was €22,385 thousand.

Furthermore, Pierre & Vacances SA underwent a tax inspection for 2003/2004, 2004/2005 and 2005/2006. Based on a detailed analysis of the reassessment notification received at the end of december 2007, the Pierre & Vacances – Center Parcs Group's legal and tax advisers do not anticipate any financial risk relating to this notification. This matter is nevertheless being discussed by the Pierre & Vacances – Center Parcs Group and the tax authorities.

Note 26 – Earnings per share

Average number of shares:

	1st half-year 2009/2010	1st half-year 2008/2009
Number of shares issued at 1 October	8,819,576	8,810,911
Number of shares issued during the period	1,975	8,665
Number of shares issued at the end of the period	**8,821,551**	**8,819,576**
Weighted average number of shares	8,689,906	8,668,567
Weighted average number of potential shares	8,793,899	8,734,605

The various equity instruments included in calculating the weighted average number of potential shares are:

Number of free share (AGAs), share subscription options (OSAs) and purchase options (OAAs) awarded by the Board of Directors:	**Type**	**Strike price (in euros)**	**1st half-year 2009/2010**	**1st half-year 2008/2009**
on 18/12/98 and still valid	OSA	15.24	-	-
on 20/03/00 and still valid	OSA	47.00	-	-
on 11/04/03 and still valid	OSA	44.00	5,000	-
on 03/11/03 and still valid	OSA	63.83	-	-
on 07/09/04 and still valid	OSA	66.09	-	-
on 26/09/05 and still valid	OSA	59.89	-	-
on 26/09/05 and still valid	OAA	59.89	-	-
on 21/07/06 and still valid	OAA	80.12	-	-
on 09/01/07 and still valid	OAA	87.40	-	-
on 09/01/07 and still valid	AGA	-	-	-
on 09/01/07 and still valid	AGA	-	-	-
on 07/01/08 and still valid	OAA	86.10	-	-
on 07/01/08 and still valid	AGA	-	-	13,010
on 12/01/09 and still valid	OSA	39.35	5,000	5,000
on 12/01/09 and still valid	AGA	-	84,135	84,135
on 12/02/09 and still valid	AGA	-	3,325	3,325
on 12/02/09 and still valid	AGA	-	6,575	6,575
			104,035	**112,045**

Earnings per share:

	1st half-year 2009/2010		**1st half-year 2008/2009**
Net attributable income (in thousands of euros)	-57,906		-40,208
Weighted net attributable income per share (in euros)	-6.66		-4.64
Weighted net attributable income per share after dilution (in euros)	-6.66	(*)	-4.64

(*): The conversion of potential ordinary shares into ordinary shares would reduce the loss per share. As a result, according to IAS 33, diluted income per share is equal to basic income per share at the end of the half-year period.

OTHER INFORMATION

Note 27 – Off-balance sheet commitments

The security provided by the group to guarantee its bank loans and reciprocal commitments are detailed respectively in note 15 "Bank borrowings" and note 16 "Hedging instruments". They are therefore not included in the table below:

(in thousands of euros)	31/03/2010	30/09/2009
Guarantees	31,188	10,957
Rental commitments	2,127,488	2,206,096
Commitments given	**2,158,676**	**2,217,053**
Guarantees	32,979	32,206
Completion guarantees	78,258	114,614
Commitments received	**111,237**	**146,820**

Commitments given:

Commitments given decreased by €58,377 thousand during the course of the 1st half of 2009/2010. This change is the result of:

- the €78,608 thousand decrease in rental commitments.
  When the land and buildings of the residences, hotels and villages operated by the Pierre & Vacances – Center Parcs Group's tourism companies are sold, a lease is signed with the new owners. At 31 March 2010, the rent remaining to be paid by the group over the residual term of these leases amounted to €2,127 million. The present value of these rental commitments, calculated using a 6.0% discount rate, stood at €1,585 million at 31 March 2010;
- the increase in guarantees (€+20,231 thousand) mainly resulting from:
  - the granting by the SNC of the Hameau de Pont Royal of a real estate commitment of final payment to Nexity, after buying it a tourism residence in Sale in Futur State (€+17,611 thousand),
  - the granting by Pierre & Vacances SA of a rental payment guarantee after the sale of the Center Parcs Europe IT equipment (€+6,709 thousand),
  - the decrease, due to works progress, of commitments provided by Pierre & Vacances SA to contractors carrying out construction work at Domaine Center Parcs du Bois des Harcholins (€-2,347 thousand),
  - repayments made over the period relating to the securitisation of receivables arising from sales made under the "Ownership & Holidays" scheme (€-617 thousand).

Commitments received:

- **Guarantees** increased by €773 thousand, particularly as a result of the granting by Accor of guarantees to Pierre & Vacances SA concerning the operation of Adagio residences in Austria and Switzerland (€+817 thousand).
  Commitments given by banks to property development and tourism companies allow them to exercise their regulated activities and to obtain the relevant licences to conduct their property management, business and property trading and travel agency activities. These commitments remain stable over the period and amounted to €30,140 thousand at 31 March 2010;
- **Completion guarantees** fell by €36,356 thousand. These guarantees are provided by banks for property development operations and changes therein over the half-year period is the result:

- of a total increase of €57,568 thousand for the provision during the half-year period of new guarantees for the Avoriaz Pierre & Vacances (€+39,077 thousand), Quend (€+10,029 thousand), Avoriaz Maeva (€+8,462 thousand) programmes,
- of a total decrease of €93,924 thousand caused by:
  - the €28,810 thousand reduction in guarantees for the Avoriaz Résidence MGM (€-24,668 thousand), Les Senioriales – Lombez (€-3,443 thousand), Les Senioriales – Paradou (€-699 thousand) programmes,

- the expiry of several guarantees of the half-year period: €-65,114 thousand, mainly including Bois des Harcholins Cottages (€-56,113 thousand), Les Senioriales – Ruoms (€-4,443 thousand), Les Senioriales – Côte d'Azur (€-2,686 thousand), Les Senioriales – Salles sur Mer (€-1,437 thousand).

Note 28 – Transactions with related parties

The related parties used by the group are:

- the members of senior management and executive bodies;
- the parent company of Pierre & Vacances (Société d'Investissement Touristique et Immobilier) and its subsidiaries which are not in the group's scope of consolidation;
- the joint venture companies that are consolidated on a proportional basis: Citéa, Les Villages Nature de Val d'Europe, Montrouge Développement, Nuit & Jour Projections, Part House, entities of the Adagio Group, N.L.D., Nantes Russeil and SDRT Immo (a property development company owned by Pierre & Vacances Maroc);

The main transactions with related companies include:

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

These transactions are conducted on normal market terms.

The details of the transactions with related parties are:

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Turnover	2,176	2,719
Purchases and external services	-6,824	-6,035
Current items	1,617	787
Financial income	376	1,001

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

(in thousands of euros)	31/03/2010	30/09/2009
Trade receivables and related accounts	3,966	4,459
Other current assets	31,299	24,375
Trade payables and related accounts	5,980	6,760
Other current liabilities	26,426	35,798

Note 29 – Information relating to joint venture companies

The companies over which the group exercises joint control and are consolidated by the proportional method were as follows at 31 March 2010:

- SA Citéa (50%);
- SCI Montrouge Développement (50%);
- SARL Les Villages Natures de Val d'Europe (50%) ;
- Part House Srl (55%);
- Nuit & Jour Projections SL (50%);
- entities of the Adagio Group (50%);
- SNC N.L.D. (50%);
- SA SDRT Immo (50%);
- SCCV Nantes Russeil (50%).

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

<u>Information on the balance sheet</u>:

(in thousands of euros)	31/03/2010	30/09/2009
Non-current assets	5,749	5,222
Current assets	14,053	30,879
Total assets	**19,802**	**36,101**
Non-current liabilities	191	169
Current liabilities	16,349	28,076
Total liabilities excluding shareholders' equity	**16,540**	**28,245**

<u>Information on the profit and loss account</u>:

(in thousands of euros)	1st half-year 2009/2010	1st half-year 2008/2009
Turnover	8,798	13,906
Current operating income	549	845
Net income	-30	836

Note 30 – Significant events since closing

Following the sale agreement regarding the disposal of three hotels Latitudes businesses, signed on 12 October 2009, Pierre & Vacances – Center Parcs Group sold to Hotello, an Algonquin group subsidiary, the Hotel Arc du Golf 1800 and the Hotel des Bruyères Ménuires businesses on 30 April 2010 at a value of €2,750 thousand.

The Pierre & Vacances – Center Parcs Group has signed on 10 May 2010 an agreement with its banks, defining the main terms and conditions of loan of €200 million for corporate debt refinancing and group funding general needs. This loan broke down as follows:

- A €100 million loan with a 5 years maturity, based on a linear amortisation profile.
- Confirmed credit line of €100 million.

The signature of credit documentation is expected in June 2010.

On 21 May 2010, Pierre & Vacances – Center Parcs Group opened its 4th Center Parcs village in France, the Domaine des trois forêts, located in Moselle – Lorraine.

III. REPORT OF THE STATUTORY AUDITORS ON THE HALF-YEARLY INFORMATION

Report of the statutory auditors on the 2009/2010 half-yearly financial information

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by you General Meeting and in accordance with article L.451-1-2 III of the French monetary and financial code (code monétaire et financier), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of 2010, for the period from October 1, 2009 to mars 31, 2010, and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

Without modifying the conclusion expressed above, we draw your attention to note 1.2 "Changes in the accounting reference documents" which sets out the changes adopted with effect from October 1, 2009 in the presentation of the consolidated income statement (IAS 1 revised) and in the presentation of information about operating segments (IFRS 8).

2. Specific verification

We have also verified the information provided in the interim management report in respect of the half-yearly financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly financial statements.

Neuilly-sur-Seine and Paris-La-Défense, May 31, 2009
The Statutory Auditors

French original signed by

A.A.C.E. ILE DE France	ERNST & YOUNG et Autres
Patrick Ughetto	Marie-Henriette Joud

IV. ATTESTATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

I hereby attest that, to the best of my knowledge, the condensed financial statements for the half-yearly period ended have been drawn up in accordance with applicable accounting standards and give a true picture of the assets, finances and income of the company and all of the undertakings consolidated, and that the half-yearly business report (attached, see pages 3 to 11) gives a true account of the important events that occurred during the first six months of the year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and the main areas of uncertainty in the remaining six months of the year.

Paris, 31 May 2010

Sven Boinet
Chief Executive Officer