PIERRE & VACANCES – CENTER PARCS GROUP

H1 2010/2011 FINANCIAL REPORT

CONTENTS

I. MANAGEMENT REPORT

1. SIGNIFICANT EVENTS

1.1. Financial structure / Shareholding

Issue of OCEANE

On 25 January 2011, the group carried out an offering of bonds convertible into and/or exchangeable for new or existing shares (OCEANE), due 1 October 2015, for an amount of €100 million. This issue was largely oversubscribed. The initial amount of € 100 million was increased up to €115 million on 27 January 2011, as a result of the exercise in full of the 15% over-allotment option from the joint lead banks of the operation.

The proceeds from this issue will enable the group to meet its general financing needs, to finance potential external growth opportunities and to diversify its sources of financing while prolonging the maturity profile of its debt.

Crossing of shareholding threshold

On 27 April 2011, the Ameriprise Financial Inc. company, acting on behalf of funds it manages, overstepped the 5% capital threshold in Pierre et Vacances SA and held, on behalf of the said funds, 443,600 shares representing 5.03% of the capital and 3.47% of voting rights.

1.2. Development / Disposal

Adagio acquires Citéa and becomes the European no.1 in urban Tourism Residences

The group has signed with Lamy (Nexity Group) an agreement to purchase from Lamy:

- 50% of Citéa, mandated administrator of 49 2* urban Tourism Residences on behalf of Pierre & Vacances, Lamy and other interests. Which will bring the participation of Pierre & Vacances - Center Parcs in Citéa to 100% ;
- the branch of activity operating the 31 urban Tourism Residences managed by Citéa

Secondly, the Pierre & Vacances - Center Parcs Group will sell 100% of Citéa to Adagio.

By the end of this operation, Adagio will manage 84 urban Tourism Residences, thus becoming the European market leader in urban Tourism Residences, with almost 10 000 apartments generating a business volume of around €160 million.

Adagio's development plan consolidated with Citéa is principally focused in Europe (France, Germany, UK), as well as Russia and the Middle East. By 2015, Adagio will manage almost 130 residences and have a business volume of €330 million.

Development of Center Parcs in Germany

- On 2 May 2011, the group signed a framework agreement with the Leutkirch town authorities for the development of a new Center Parcs in the south of Germany in the Baden Württemburg region, as well as the acquisition of the corresponding land. This agreement followed the granting of an equipment subsidy from the Baden Württemberg government at the end of April. The village is due to open in spring 2015.

- On 29 March 2011, the group signed with the state and local authorities in the Saar region the definitive agreements related to the creation of Center Parcs at Bostalsee. This project of 500 cottages, scheduled to be delivered in 2013, represents an investment of €130 million to be financed by third parties.

Disposal of the Latitudes hotel in Trouville

On 22 December 2010, the group sold the business and the tangible assets of the Beach Hôtel in Trouville to the Sofisol Group ("Hôtels du Soleil" brand), for an amount of €2.2 million.

1.3. Operating / Renovation

Renovation of two Center Parcs in France

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

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

Partnerships for managing catering at the Center Parcs and Sunparks Domains

The implementation of the partnerships announced in March 2010 with Elior and Albron for management of the catering at the Center Parcs and Sunparks domains continued in the first semester 2010/2011 and integrates from now on the management of catering at the Belgian Center Parcs domains (taken over by Albron), and that of the French and German domains (taken over by Elior).

16 Center Parcs domains now beneficiate from the know-how of the two specialized groups.

These partnerships, which involve investments of around €38 million by Elior and Albron, have no impact on margins, which are paid back to the group as royalties by the services providers.

2. H1 2010/2011 RESULTS

2.1 H1 2010/2011 TURNOVER AND EARNINGS (1 October 2010 to 31 March 2011)

CONSOLIDATED TURNOVER: €653.2 MILLION

H1 2010/2011 like-for-like turnover – from 1 October 2010 to 31 March 2011 - rose 14.1% to €653.2 million.

Euro million	2010/2011	2009/2010 Like-for-like (*)	2009/2010	Like-for-like	Current structure
Tourism	**440.3**	**421.6**	**478.5**	**+4.4%**	**-8.0%**
o.w accommodation turnover	*265.3*	*251.8*	*253.2*	*+5.3%*	*+4.8%*
- Pierre & Vacances Tourisme Europe	222.6	221.4	221.4	+0.5%	+0.5%
o.w accommodation turnover	*134.6*	*133.8*	*133.8*	*+0.6%*	*+0.6%*
- Center Parcs Europe	217.7	200.2	257.1	+8.7%	-15.3%
o.w accommodation turnover	*(**)130.7*	*118.0*	*119.4*	*+10.7%*	*+9.5%*
Property Development	**212.9**	**150.7**	**150.7**	**+41.3%**	**+41.3%**
Total 1st semester	**653.2**	**572.3**	**629.2**	**+14.1%**	**+3.8%**

(*) Like-for-like turnover has been adjusted for the impact of:
- The outsourcing of catering activities at the Center Parcs villages (i.e. €54.9 million in H1);
- For Center Parcs, the shift in the Easter holidays from March in 2010 to April in 2011 for most of German customers.

(**) Including €12.6 million of accommodation turnover generated by the Domain des Trois Forêts.

Tourism turnover

H1 2010/2011 tourism turnover totalled €440.3 million (of which €222.6 million for Pierre & Vacances Tourisme Europe and €217.7 million for Center Parcs Europe), **up 4.4% like-for-like**.

This growth essentially stems:

- for Center Parcs Europe, from the Domain des Trois Forêts, which, in its first year of opening, recorded occupancy rates exceeding 75% on average over the semester,
- for Pierre & Vacances Tourisme Europe, from city residences, which performances (turnover growth of more than 10%, excluding new residences) offset the effect of the decline in the mountain offering (disposal of Hotels Latitudes and decline in the apartment portfolio) ;

Property Development turnover

H1 2010/2011 property development turnover rose by 41.3% from €150.7 million in the year-earlier period to €212.9 million.

H1 turnover was primarily driven by property renovation programmes at the Center Parcs Bois Francs and Hauts de Bruyères villages for €100.2 million. The remainder was notably generated by the new residences (Avoriaz, Caen, Pont Royal, Branville…) as well as by the Senioriales resorts (Montélimar, Equemauville, Gonfaron, Agde, Lucé...).

H1 2010/2011 EARNINGS

Euro millions	H1 2010/2011	H1 2009/2010
Turnover	**653.2**	**629.2**
- Tourism	440.3	478.5
- Property Development	212.9	150.7
Current operating earnings	**-83.4**	**-73.3**
- Tourism	-95.5*	-84.6
- Property Development	12.1	11.3
Financial expenses	-8.4	-6.7
Taxes	24.0	22.4
Attributable current net earnings[1]	**-67.8**	**-57.6**
Other operating income/expense net of tax[2]	-6.9	-0.3
Attributable net earnings	**-74.7**	**-57.9**

* of which -66,0 M€ for Pierre & Vacances Tourisme Europe and -29,5 M€ for Center Parcs Europe

Current operating earnings

The seasonal nature of revenue trends in the Tourism division (about 40% of annual turnover) and costs booked in a linear manner (50%) have the structural effect of pushing tourism operating earnings into the red over the period.

In addition, this first semester has been impacted by costs generated in a transitory period by the transformation plan underway.

✓ **The contribution from the Tourism business** totalled - €95.5 million (of which - €66.0 million for Pierre & Vacances Tourisme Europe and - €29.5 million for Center Parcs Europe) :

- H1 current operating result beneficiates from the positive evolution of the contribution of the Domain des Trois Forêts. This positive effect is temporarily offset over the semester by the impact of the disposal of the Latitudes hotels, which contributed positively over the winter period (and are breakeven over the whole fiscal year),
- Moreover, the operating result is affected, beyond the evolution of inflation charges (- € 6 million), by the effect of the implementation of the transformation plan, which, while being underway, leads to temporary additional costs, notably due to the setting up of new IT facilities (- €4 million). Savings on rents are in line with the targets (+ €2 million),
- To be also noted the effect of an unfavourable arbitral award of a litigation related to the delay in delivery of the Domaine du Lac d'Ailette in 2007 (- €2 million on the tourism result) ;

✓ **The contribution of property development** reached €12.1 million, versus €11.3 million over H1 2009/2010. This evolution stems essentially from the growth in turnover. Property operations made over H1 2010/11 (renovation of the Center Parcs Bois Francs and Hauts de Bruyères, Avoriaz…) showed a margin of approximately 6%.

In total, current operating earnings totalled - €83.4 million.

[1] Attributable current net earnings correspond to current operating earnings, financial expenses and underlying taxes excluding exceptional items, which are reclassified as other operating income and expenses.

[2] Other operating income and expenses net of tax include earnings items, which due to their non-recurring nature are not considered as part of current earnings (tax savings, update of group tax position, restructuring costs…).

2.2 Attributable net earnings

Financial expenses totalled €8.4 million, versus an expense of €6.7 million over H1 2009/2010. This evolution is mainly due to interests charges on the new financing made by the group since the 2nd semester of 2009/10 to strengthen its liquidity and extend the maturity of its debt:

- Refinancing of the corporate debt in June 2010 (new loan of €100 million refinancing the existing loan of €37 million) ;
- Issue of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) in January 2011 for an amount of €115 million.

Other operating income and expenses net of tax mainly include the overall restructuring costs estimated to date of the closure of Center Parcs Europe headquarter in Rotterdam, i.e. €7 million net.

In total, attributable net earnings totalled - €74.7 million.

2.2 INVESTMENTS AND BALANCE SHEET

MAIN CASH FLOWS

The €6.5 million cash surplus generated over the first semester 2010/2011 stemmed primarily from the issue of OCEANE carried out on January 25, 2011 for an amount of €115 million. This new financing enables to absorb the recurring cash flow requirement generated by the group tourism activities over the first semester due to their seasonality.

OVERVIEW OF CASH FLOWS

In € million	H1 2010/2011	H1 2009/2010
Cash flow (after financial interest and taxes)	-75.5	-70.2
Change in working capital requirements	-4.8	-51.2
Cash flows from operating activities	**-80.3**	**-121.4**
Investments	-16.2	-38.7
Asset disposals	4.6	31.4
Net cash allocated to assets due to be sold off	7.5	-
Cash flow from investment activities	**-4.1**	**-7.3**
Dividends paid	-6.1	-13.0
Change in borrowings	97.0	4.5
Cash flow from financing activities	**90.9**	**-8.5**
Change in cash and cash equivalents	**6.5**	**-137.2**

Operating of the group's tourism and property development businesses in H1 2010/2011 generated cash flow requirements of €80.3 million.

The seasonal nature of business in the Pierre & Vacances Tourisme Europe division and, to a lesser extent, Center Parcs Europe, structurally causes the group's cash flow to fall into red in H1.

Financing requirements generated by the €4.8 million change in working capital requirements in H1 2010/2011 stemmed primarily from:

- A €13.6 million increase in the cash flow requirement generated by the property development business, due to the €18.8 million increase in stocks on property development programmes underway ;
- Partly offset by the increase in payments received from Center Parcs Europe customers, in light of the good level of reservations over the second semester 2010/2011.

Net cash flows allocated to investment operations totalled €4.1 million and mainly included:

- Net investments made for the tourism business of €14.8 million:

- of which Center Parcs Europe for €10.6 million, mainly for improving the product mix at all of the villages with €3.9 million for the Dutch villages, €3.6 million for the French villages, €1.8 million for the Belgian villages and €1.3 million for the German villages,

- of which Pierre & Vacances Tourisme Europe for €4.2 million ;

Moreover, over the same period, renovation works in the Dutch village of Eemhof have been realised and financed by the owner of the domain for an amount of €7.5 million (out of a global budget of €14.5 million).

- Cash generated by the disposal of a number of IT assets pre-financed by the group, pursuant to the outsourcing of IT solutions and hardware (sale and lease-back agreement) for a net value of €7.5 million.

To be also noted, over the semester, a €7.0 million investment of IT assets financed by the partner lease companies and made available to the group *via* lease agreements.

- Cash generated by the disposal of hotel Latitudes in Trouville for €2.2 million (€2.0 million for tangible assets and €0.2 million for the business),

The €97.0 million rise in borrowings and various financial debts (excluding bank overdrafts) on 31 March 2011 compared to 30 September 2010 primarily correspond to:

- The issue of OCEANE carried out on 25 January 2011 for a net amount of €111.9 million ;
- The €10 million half-year amortization of the « Corporate » debt refinanced by the group in June 2010 ;
- The net reimbursement of the property bridging loans of €2.9 million on the Senioriales programmes.

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 particularly capital intensive since the group does not intend to own the villages or residences that it operates. As such, investment spending primarily concerns:

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

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

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

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

New construction programmes generally mobilise little equity and have the following financial characteristics:

- The capital required to fund each new residence is equivalent to around 10% of the cost price before VAT.
- Bridging loans are set up for each transaction, and maximum use is made of these facilities before the notarised deeds of sale are signed.
- The relative size of balance-sheet items (accounts receivable, work in progress, deferred income and prepayments) is significant. Sales signed with a notary and not yet recognised in earnings are booked to the balance sheet as deferred income. At the same time, costs incurred in connection with the property 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 percentage completion method and no longer on delivery of the apartments, the method previously used by the group under French accounting standards. The percentage of completion is calculated by multiplying the percentage of progress in construction work by the percentage of property sales signed at a notary. In contrast, stocks of completed properties and land are kept low by the group's marketing method (properties sold off-plan for delivery on completion) as well as its policy to market properties before construction work is started and to not acquire land before final planning permission has been obtained.

However, 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

in M€	31/03/2011	30/09/2010	Changes
Goodwill	156.3	156.3	0.0
Net fixed assets	501.2	510.4	-9.2
TOTAL INVESTMENTS	**657.5**	**666.7**	**-9.2**
Group's shareholder equity	409.8	486.8	-77.0
Provisions for risks and charges	42.3	36.7	5.6
Net financial debt	179.7	92.2	87.5
Other	25.7	51.0	-25.3
TOTAL RESOURCES	**657.5**	**666.7**	**-9.2**

The main goodwill items broke down as follows:

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

The decrease in net assets (€9.2 million) mainly stems from:

- the disposal of the Latitudes hotel in Trouville for €2.2 million (of which €2.0 million of tangible assets and €0.2 million of business) ;
- depreciation, amortisation and provisions of €16.3 million over the period ;
- after deducting the net investments made for operating the tourism business of €14.8 million.

Net fixed assets on 31 March 2011 broke down as follows:

- €108.4 million in intangible fixed assets;
- €366.3 million in tangible fixed assets;
- €26.5 million in financial fixed assets.

The contribution from Center Parcs Europe to net intangible fixed assets totalled €92.2 million. The share of the sub-division in net tangible fixed assets totalled €275.4 million.

Group's shareholder equity totalled €409.8 million on March 31, 2011 (compared with €486.8 million on September 30, 2010), after taking into account:

- the net loss of -€74.7 million over the period,
- the dividend pay-out of €6.1 million,
- the equity component of the OCEANE, for a net amount of €2.6 million,
- a net €1.2 million increase in other comprehensive income related to the IFRS accounting of stock-options and financial hedging instruments.

Provisions for risks and charges totalled €42.3 million on 31 March 2011.

The €5.6 million increase over the period stemmed mainly from the restructuring provisions related to the closure of Center Parcs Europe headquarter in Rotterdam.

On 31 March 2011, provisions for risks and charges broke down as follows:

- provisions for renovation : €20.6 million
- provisions for pensions and retirements : €12.7 million
- provisions for restructuring : € 6,3 million
- provisions for various risks : € 2,7 million

Net debt reported by the group on 31 March 2011 broke down as follows:

euro million	**31/03/2011**	**30/09/2010**	**Change**
Gross debt	342.3	248.2	94.1
Cash and cash equivalents (net of credit bank balances)	-162.6	-156.0	-6,6
Net financial debt	**179.7**	**92.2**	**87.5**

The increase in gross debt is analysed in paragraph « Main cash flows » presented above (issuance of OCEANE and reimbursement of the corporate debt).

Net debt reported by the group on 31 March 2011 (€179.7 million) correspond primarily to :

- the issuance of OCEANE for a net amount of €109.5 million ;
- the remaining capital due (€90.0 million) of the €100 million « Corporate » debt contracted by the group in June 2010 ;
- the amount of financial debt prompted by adjustments for sale and lease-back contracts for €121.8 million including €113.8 million for the central equipment at Center Parcs Domain du Lac d'Ailette ;
- the loans contracted by the group to finance property assets destined to be sold off (€8.5 million only relating to the Senioriales programmes on 31 March 2011) ;
- net bank overdrafts of €7.5 million ;
- net of available cash.

3. OUTLOOK AND TRANSFORMATION PLAN

3.1. TRANSFORMATION PLAN

The transformation plan implemented by the group since the beginning of the year is underway:

- the closure of the headquarter in Rotterdam and the merge of the organizations, which started during summer 2010, will be finalized at 1 July 2011,
- numerous actions launched over the first semester (cross selling, promotion of the PV brand in the BNG, optimization of distribution channels…) should have positive effects from the second semester onwards;
- almost all IT projects of convergence have been launched, with a maturity of 12 to 36 months (choice of the ERP, CRM project launched, common web platform, new Pierre & Vacances website of online reservations…) ;
- the purchase policy (development of a unique and smaller base of referenced suppliers) is implemented (€3.5 million of gains secured) ;
- the lease renewal policy with reduction in rents is on track, in line with the plan (€ 4.5 million of gains secured for FY 2010/2011).

The extent of the actions launched over the first semester pursuant to the plan illustrates the importance of the transformation in which the group is involved, and enables to confirm the objectives by 2013: an additional tourism turnover of € 100 million and a reduction in costs by €65 million (including €15 million of reduction in rents).

3.2. SUMMER 2011 OUTLOOK

To date, tourism reservations for the summer season and those last weeks trends lead to anticipate an increase of the turnover over the second semester 2010/2011.

For Pierre & Vacances Tourisme Europe, reservations to date are in advance compared to the year-earlier period, with, for the seaside destination:

- an advance in the beginning of the season (from April 1 to June 30),
- a slight withdrawal in the core summer period (July – August), due to the commercial policy of reducing early booking offers for the high summer season, thus allowing a good level in average letting rates over this period, factor of growth in the final turnover.

For Center Parcs Europe, reservations are in advance compared to the year-earlier period (excluding Domain des Trois Forêts).

FY 20010/2011 property development turnover should keep a significant growth rate compared to FY 2009/2010.

II. HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011

Half-year condensed consolidated financial statements – 31 March 2011

Consolidated profit and loss
(in thousands of Euros)

	Note	H1 2010/2011	H1 2009/2010
Turnover	3	653,193	629,180
Purchases and external services	19	-542,764	-494,591
Personnel expenses	20	-155,555	-177,398
Amortisation and provisions	21	-24,348	-21,612
Other current operating earnings	22	3,351	9,462
Other current operating expenses	22	-17,256	-18,391
CURRENT OPERATING INCOME	**3**	**-83,379**	**-73,350**
Other operating earnings	3/23	1,522	2,179
Other operating expenses	3/23	-11,558	-7,268
OPERATING INCOME	**3**	**-93,415**	**-78,439**
Financial earnings	24	888	1,697
Financial expenses	24	-9,305	-8,388
FINANCIAL INCOME		**-8,417**	**-6,691**
Corporate income tax	25	27,147	27,236
Share of profit of an associate		-28	-12
NET INCOME		**-74,713**	**-57,906**
Including : - Attributable		-74,712	-57,906
- Non-controlling interests		-1	-
Net attributable earnings per share (in euros)	26	-8.58	-6.66
Diluted attributable earnings per share (in euros)	26	-8.58	-6.66

Consolidated statement of comprehensive income
(in thousands of Euros)

	Note	H1 2010/2011	H1 2009/2010
NET INCOME		**-74,713**	**-57,906**
Translation difference		37	-42
Effective portion of financial hedging instruments		1,167	201
Deferred taxes		-402	-51
Other elements of comprehensive income after tax		**802**	**108**
TOTAL COMPREHENSIVE INCOME		**-73,911**	**-57,798**
Of which : - Attributable		-73,910	-57,798
- Non-controlling interests		-1	-

Consolidated balance sheet
(in thousands of Euros)

ASSETS	Note	31/03/2011	30/09/2010
Goodwill	4	156,335	156,335
Intangible fixed assets	5	108,373	108,586
Tangible fixed assets	6	366,349	374,204
Investment in an associate		-38	-11
Financial assets held for sale		1,690	1,699
Other non-current financial assets	7	24,829	25,885
Deferred tax assets	25	82,837	56,216
NON CURRENT ASSETS	**3**	**740,375**	**722,914**
Inventories and work in progress	8/9	167,754	150,369
Trade receivables and related accounts	10	348,437	239,827
Other current assets	11	280,170	237,751
Current financial assets	11	25,401	24,451
Cash and cash equivalents	12	170,098	167,566
CURRENT ASSETS	**3**	**991,860**	**819,964**
Non-current assets and assets groups held for sale		601	8,047
TOTAL ASSETS	**3**	**1,732,836**	**1,550,925**

LIABILITIES		31/03/2011	30/09/2010
Share capital		88,216	88,216
Additional paid-in capital		8,637	8,637
Treasury shares		-4,889	-8,779
Other components of equity		698	-104
Retained earnings		391,852	391,593
Consolidated net income		-74,712	7,275
Attributable shareholder's equity	**13**	**409,802**	**486,838**
Non-controlling interests		6	7
SHAREHOLDERS' EQUITY		**409,808**	**486,845**
Non-current financial debt	15	301,996	214,829
Non-current provisions	14	27,621	26,203
Deferred tax liabilities	25	15,268	18,852
NON-CURRENT LIABILITIES	**3**	**344,885**	**259,884**
Current financial debt	15	48,755	44,753
Current provisions	14	14,707	10,544
Trade payables and related accounts	17	238,212	258,271
Other current liabilities	18	657,226	465,039
Other current financial liabilities	18	19,243	25,589
CURRENT LIABILITIES	**3**	**978,143**	**804,196**
TOTAL LIABILITIES	**3**	**1,732,836**	**1,550,925**

Consolidated cash flow statement
(in thousands of Euros)

	Note	H1 2010/2011	H1 2009/2010
Operations			
Net consolidated income		**-74,713**	**-57,906**
Depreciation, amortisation and provisions (not related to current assets)		25,994	17,116
Expenses related to share subscription and purchase option plans		331	1,035
Capital gains and losses on disposals		-1,522	-2,693
Share of profit of an associate		28	12
Cost of net financial debt	24	8,183	7,352
Taxation (including deferred taxes)	25	-27,147	-27,236
Cash flow generated by operations		**-68,846**	**-62,320**
Cost of net financial debt: net interest paid		-7,507	-7,371
Taxes paid		849	-476
Cash flow after debt interest and taxes		**-75,504**	**-70,167**
Change in working capital requirement from operations (incuding debt relating to employee benefits)			
Inventories and work in progress		-16,626	-2,754
Other elements of the working capital requirement		11,832	-48,455
NET CASH FLOW FROM OPERATING ACTIVITIES (I)		**-80,298**	**-121,376**
Investments			
Acquisition of tangible and intangible fixed assets	5/6	-15,617	-31,230
Acquisition of financial assets		-541	-1,516
Acquisition of businesses	12	-	-6,000
Acquisitions of subsidiaries (net of cash acquired)	12	-	-
Subtotal of disbursments		**-16,158**	**-38,746**
Disposals of tangible and intangible assets		2,755	24,411
Disposals of financial assets		1,615	1,998
Disposals of businesses	12	200	5,000
Disposal of subsidiaries (net of cash paid)		-	-
Subtotal of receipts		**4,570**	**31,409**
Cash flow on assets held for sale		7,446	-
NET CASH FLOW FROM INVESTMENT ACTIVITIES (II)		**-4,142**	**-7,337**
Financing			
Capital increases in cash by the parent company	13	-	93
Acquisitions and disposals of treasury shares	13	-20	14
Dividends paid to the company shareholders		-6,124	-13,045
Receipts from new bank loans	15	115,687	33,781
Repayments of loans	15	-18,602	-29,382
Other flows from financing operations	15	27	61
NET CASH FLOW FROM FINANCING ACTIVITIES (III)		**90,968**	**-8,478**
CHANGE IN NET CASH FLOW (IV = I + II + III)		**6,528**	**-137,191**
Net cash at the beginning of the year (V)	12	156,038	112,109
Net cash at the end of the period (VI = IV +V)	12	162,566	-25,082

Statement of changes in consolidated shareholders' equity
(in thousands of Euros)

	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Translation difference	Fair value reserves of financial hedging instruments	Retained earnings	Consolidated income	Attributable shareholders' equity	Non-controlling interests	Total shareholders' equity
Balance at 30 September 2009	**8,819,576**	**88,196**	**8,564**	**-9,453**	**58**	**-371**	**361,689**	**42,264**	**490,947**	**6**	**490,953**
Other items of 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 shares	-	-	-	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**
Other items of comprehensive income	-	-	-	-	22	79	-	-	101	-	101
Net income	-	-	-	-	-	-	-	65,181	65,181	-1	65,180
Total comprehensive income		**0**	**0**	**0**	**22**	**79**	**0**	**65,181**	**65,282**	**-1**	**65,281**
Capital increase	-	-	-	-	-	-	-	-	0	-	0
Dividends	-	-	-	-	-	-	-	-	0	-	0
Change in treasury shares	-	-	-	-93	-	-	2	-	-91	-	-91
Expenses on option plans	-	-	-	-	-	-	416	-	416	-	416
Other movements	-	-	-	-	-	-	-	-	0	1	1
					-						
Balance at 30 September 2010	**8,821,551**	**88,216**	**8,637**	**-8,779**	**38**	**-142**	**391,593**	**7,275**	**486,838**	**7**	**486,845**
Other items of comprehensive income	-	-	-	-	37	765	-	-	802	-	802
Net income	-	-	-	-	-	-	-	-74,712	-74,712	-1	-74,713
Total comprehensive income		**0**	**0**	**0**	**37**	**765**	**0**	**-74,712**	**-73,910**	**-1**	**-73,911**
Capital increase				-	-	-	-	-	0	-	0
Dividends	-	-	-	-	-	-	-6,124	-	-6,124	-	-6,124
Change in treasury shares	-	-	-	3 890	-	-	-3,854	-	36	-	36
Expenses on option plans	-	-	-	-	-	-	331	-	331	-	331
Convertible bonds (OCEANE)	-	-	-	-	-	-	2,631	-	2,631	-	2,631
Other movements	-	-	-	-	-	-	7,275	-7,275	0		0
					-						
Balance at 31 March 2011	**8,821,551**	**88,216**	**8,637**	**-4,889**	**75**	**623**	**391,852**	**-74,712**	**409,802**	**6**	**409,808**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes to the condensed consolidated financial statements

Preamble

Pierre & Vacances is 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 24 May 2011, the Board approved the half-year condensed consolidated financial statements at 31 March 2011.

Note 1 – Accounting principles

1.1 – General context

The group's half-year condensed consolidated financial statements at 31 March 2011 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 2011 (list available at http://ec.europa.eu/internal_market/accounting/ias_fr.htm).

The half-year 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 2009/2010 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 2009/2010 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 2010 have not affected the group's consolidated financial statements for the 1st half of 2010/2011.

The new standards, interpretations and amendments applied to 2010/2011 and not anticipated in the financial statements for 2009/2010 are:

- IFRIC 17 pertaining to the "Distributions of non-cash assets to owners" (applicable to financial years beginning on or after 31 October 2009).
- IFRIC 18 pertaining to the "Transfers of assets from customers" (applicable to financial years beginning on or after 31 October 2009).
- IFRIC 15 on "Agreements for the construction of real estate" (applicable to financial years beginning on or after 31 December 2009).
- Amendment to IFRS 2 " Group Cash-settled Share-based Payment Transactions » pertaining to intra-group transactions for which payment is based on shares and which are settled using cash (applicable to years beginning on or after 1 January 2010).
- Amendment to IAS 32 on the "Classification of rights issues" (applicable to financial years beginning on or after 1 February 2010).
- IFRIC 19 pertaining to the "Extinguishing financial liabilities with equity instruments" (applicable to financial years beginning on or after 1 July 2010).

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

- Amendment to IFRIC 14 pertaining to "Prepayment of minimum funding requirements "(applicable to financial years beginning on or after 1 January 2011).
- Amendment to IAS 24 revised "Related parties disclosures" concerning part-exemption for government-related entities and the revised definition of a related party (applicable to financial years beginning on or after 1 January 2011).
- IFRS 9 "Financial instruments: classification and measurement", in replacement of the various IAS 39 rules on measurement and impairment of financial instruments (applicable to financial years beginning on or after 1 January 2013).
- Improvements to IFRS (May 2010).

The group is reviewing all these standards and interpretations in 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 – 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 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 – Main events and scope of consolidation

2.1 Main events:

Financial structure

On 25 January 2011, the group carried out an offering of bonds convertible into and/or exchangeable for new or existing shares (OCEANE), due 1 October 2015, for an amount of €100 million. This issue was largely oversubscribed. The initial amount of € 100 million was increased up to €115 million on 27 January 2011, as a result of the exercise in full of the 15% over-allotment option from the joint lead banks of the operation.

The proceeds from this issue will enable the group to meet its general financing needs, to finance potential external growth opportunities and to diversify its sources of financing while prolonging the maturity profile of its debt.

Transformation plan

The transformation plan implemented by the group since the beginning of the year is underway:

- the closure of the headquarter in Rotterdam and the merge of the organizations, which started during summer 2010, will be finalized at 1 July 2011;
- numerous actions launched over the first semester (cross selling, promotion of the PV brand in the BNG, optimization of distribution channels…) should have positive effects from the second semester onwards;
- almost all IT projects of convergence have been launched, with a maturity of 12 to 36 months (choice of the ERP, CRM project launched, common web platform, new Pierre & Vacances website of online reservations…);
- the purchase policy (development of a unique and smaller base of referenced suppliers) is implemented;
- the lease renewal policy with reduction in rents is on track, in line with the plan.

The extent of the actions launched over the first semester pursuant to the plan illustrates the importance of the transformation in which the group is involved.

Partnerships for managing catering at the Center Parcs and Sunparks Domains

The implementation of the partnerships announced in March 2010 with Elior and Albron for management of the catering at the Center Parcs and Sunparks domains continued in the first semester 2010/2011 and integrates from now on the management of catering at the Belgian Center Parcs domains (taken over by Albron), and that of the French and German domains (taken over by Elior).

16 Center Parcs domains now beneficiate from the know-how of the two specialized groups.

These partnerships, which involve investments of around €38 million by Elior and Albron, have no impact on margins, which are paid back to the group as royalties by the services providers.

Renovation of two Center Parcs in France

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

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

Development of Center Parcs in Germany

On 29 March 2011, the group signed with the state and local authorities in the Saar region the definitive agreements related to the creation of Center Parcs at Bostalsee. This project of 500 cottages, scheduled to be delivered in 2013, represents an investment of €130 million to be financed by third parties.

2.2 Main changes in the scope of consolidation occurring in the 1st half of 2010/2011:

Disposals:

On 22 December 2010, the group signed the sale of the business and tangible assets of the Latitudes hotel « Beach Hôtel de Trouville » to the Sofisol Group, for an amount of respectively €200 thousand and €2,000 thousand. This transaction generated a capital gain of €1,599 thousand before tax.

Other movements:

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 2009/2010:

Acquisitions:

On 1 October 2009, the group invested €6.3 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, Arcs 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.

OPERATING SEGMENT INFORMATION

Based on the group's internal organisation, the segment information is presented by operating segment as far as the tourism business is concerned, and by grouping operating segments as far as the property development business is concerned. This breakdown reflects the operating organisation of the group's businesses in terms of management and operational control.

The project to transform the group's organisation, aimed at pooling the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe, had no impact on the operating segments in H1 2010/2011. As of end-April 2011 and with a retroactive effect to 1 October 2010, this transformation is to include the legal overhaul of the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe in order to take account of the group's new operating organisation. As such, for the full-year accounts closed on 30 September 2011, the group will have to review the presentation of its operating segment information in compliance with IFRS 8.

The group develops its activities via two complementary businesses:

- The property business, which aims to increase the range of tourism destinations and adapt the existing stock of residences, villages and hotels to suit changes in customer requirements. It includes the construction and marketing to individual investors of hotel rooms, new and renovated apartments and cottages. The property development projects currently underway are primarily located in France, Italy and Spain. They also include expansion of Les Seniorales, which is specialised in the building and marketing of residences located in France and destined for an active elderly population. The homes are sold under full ownership, with no operating commitment by the group,

- The tourism business, organised partly around the Pierre & Vacances Tourisme Europe division and partly around the Center Parcs Europe division, with both divisions supervised and co-ordinated by a joint Tourism general management team:

    - Pierre & Vacances Tourisme Europe houses within the same operating division, the operation of residences, villages and hotels marketed under the Pierre & Vacances, Maeva, Adagio and Hôtels Latitudes brands located in Europe, primarily in France, Italy and Spain;

    - Center Parcs Europe houses within the same operating division, operation of all of the villages located in The Netherlands, Germany, Belgium and France and marketed under the Center Parcs Europe and Sunparks brands. The partnerships set up in March 2011 with Elior and Albron for management of restaurants and food shops at the Center Parcs and Sunparks villages continued in H1 2010/2011 in the Belgian, French and German domains. This outsourcing had no impact on margins, which are paid back to the group in form of royalties by the services provider.

In each business and within each division, an organisation by country ensures monitoring of operations. Turnover and total non-current assets in France, where the head offices of the parent company are located, totalled €506,845 thousand and €377,079 thousand respectively.

Intra-group turnover is generated on normal market terms. No single customer accounts for a significant share of turnover at the Pierre & Vacances - Center Parcs Group.

Unassigned assets include investments and financial placements, other financial assets, current and deferred tax receivables, and non-current assets.

Unassigned liabilities include financial debt and current and deferred tax payables.

Note 3 – Information by operating segment

(in thousands of Euros)	H1 2010/2011				
	TOURISM		PROPERTY DEVELOPMENT	Unassigned	TOTAL
	Pierre & Vacances Tourisme Europe	Center Parcs Europe			
Business turnover	228,680	217,978	213,946	-	660,604
Turnover between business group	-6,122	-274	-1,015	-	-7,411
External turnover	**222,558**	**217,704**	**212,931**	**0**	**653,193**
Current operating result	**-65,977**	**-29,468**	**12,066**	**-**	**-83,379**
Other operating expenses and earnings	-1,482	-7,789	-765	-	-10,036
Operating result	**-67,459**	**-37,257**	**11,301**	**0**	**-93,415**
Amortisation expenses	-8,703	-12,600	-91	-	**-21,394**
Depreciation expenses	-	-	-	-	**0**
Tangible and intangible investments	4,369	10,824	162	262	**15,617**
Non-current assets	176,219	430,868	22,468	110,820	740,375
Current assets	198,312	85,681	512,166	195,701	991,860
Total assets	**375,132**	**516,549**	**534,634**	**306,521**	**1,732,836**
Non-current liabilities	8,505	16,587	570	319,223	344,885
Current liabilities	313,435	214,216	362,138	88,354	978,143
Total liabilities excluding shareholders' equity	**321,940**	**230,803**	**362,708**	**407,577**	**1,323,028**

(in thousands of Euros)	H1 2009/2010				
	TOURISM		PROPERTY DEVELOPMENT	Unassigned	TOTAL
	Pierre & Vacances Tourisme Europe	Center Parcs Europe			
Business turnover	227,345	257,265	156,878	-	641,488
Turnover between business group	-5,952	-138	-6,218	-	-12,308
External turnover	**221,393**	**257,127**	**150,660**	**0**	**629,180**
Current operating result	**-52,091**	**-32,605**	**11,346**	**-**	**-73,350**
Other operating expenses and earnings	-796	-3,690	-603	-	-5,089
Operating result	**-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**

Note 4 – Goodwill

During the 1st half of 2010/2011, 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 2009/2010, this test will be carried out automatically on 30 September 2011.

In H1 2010/2011, no changes in goodwill were noted. Net values at the end of the period were as follows:

(In thousands of Euros)	31/03/2011	30/09/2010
Center Parcs Europe	63,344	63,344
Pierre & Vacances Tourisme Europe	73,364	73,364
Pierre & Vacances Promotion Immobilière	1,463	1,463
Pierre & Vacances Développement España	336	336
Les Senioriales	17,828	17,828
Total net value	**156,335**	**156,335**

Note 5 – Intangible fixed assets

(In thousands of Euros)	Brands	Other intangible fixed assets	Total Intangible fixed assets
At 1 October 2010			
Gross values	105,877	25,525	131,402
Accumulated amortisation and depreciation	-1,508	-21,308	-22,816
Net values	**104,369**	**4,217**	**108,586**
Changes			
Acquisitions	-	494	494
Disposals and write-off	-	-261	-261
Business combinations	-	-	0
Amortisation	-	-451	-451
Impairment	-	-	0
Write backs of amortisation and impairment	-	5	5
Reclassifications	-	-	0
Total changes for the period	**0**	**-213**	**-213**
At 31 March 2011			
Gross values	105,877	25,758	131,635
Accumulated amortisation and depreciation	-1,508	-21,754	-23,262
Net values	**104,369**	**4,004**	**108,373**

Note 6 – Tangible fixed assets

(in thousands of Euros)	Lands	Buildings	Fixtures and fittings	Other tangible fixed assets and fixed assets in progress	Total tangible fixed assets
At 1 October 2010					
Gross values	17,366	205,801	267,129	151,966	642,262
Accumulated amortisation and depreciation	-1,039	-46,123	-122,658	-98,238	-268,058
Net values	**16,327**	**159,678**	**144,471**	**53,728**	**374,204**
Changes					
Acquisitions	113	560	11,220	3,230	15,123
Disposals and write-off	-87	-1,195	-260	-2,919	-4,461
Business combinations	-	-	-	-	0
Amortisation	-	-3,127	-11,546	-6,265	-20,938
Impairment	-	-	-	-	0
Write backs of amortisation and impairment	12	787	195	2,312	3,306
Reclassifications	-119	11	4,324	-5,101	-885
Total changes for the period	**-81**	**-2,964**	**3,933**	**-8,743**	**-7,855**
At 31 March 2011					
Gross values	17,261	204,096	282,438	146,468	650,263
Accumulated amortisation and depreciation	-1,015	-47,382	-134,034	-101,483	-283,914
Net values	**16,246**	**156,714**	**148,404**	**44,985**	**366,349**

The net book value of tangible assets totalled €366,349 thousand on 31 March 2011, primarily including property assets from:

- **The Center Parcs Europe division**, for net book value of €275,425 thousand, mainly including furniture and the general installations necessary for operating the villages. In H1, €10,148 thousand was invested in improving the product mix at all of the Center Parcs Europe villages;
- **The Pierre & Vacances Tourisme Europe division**, for net book value of €88,954 thousand. This mainly included general services, furnishings and the material necessary for operating the sites.

Lease financing contracts:

The group's tangible assets include assets held on lease financing, the net value of which stood at €141,988 thousand on 31 March 2011, with €107,334 thousand of this corresponding to construction and €29,757 thousand for fixtures and fittings.

This amount mainly included:

- the central facilities of the Domaine Center Parcs du Lac d'Ailette village for €137,533 thousand;
- the overhaul of the stock of televisions in the residences operated by Pierre & Vacances Tourisme Europe for €4,385 thousand.

Corresponding long-term debt is €121,752 thousand at 31 March 2011, including €113,794 thousand for the Domaine Center Parcs du Lac d'Ailette village (cf. note 15 "Financial debts").

Note 7 – Other non-current financial assets

(in thousands of Euros)	Related receivables	Loans and other financial assets	Total Financial assets
At 1 October 2010			
Gross value	14	26,195	26,209
Accumulated depreciation	-	-324	-324
Net values	**14**	**25,871**	**25,885**
Changes			
Changes in scope	-	-	0
Reclassification	-	1	1
Acquisitions	-	554	554
Disposals	-	-1,611	-1,611
Impairment	-	-	0
Provisions	-	-	0
Impairment write backs	-	-	0
Provisions write backs	-	-	0
Total changes for the period	**0**	**-1,056**	**-1,056**
At 31 March 2011			
Gross value	14	25,130	25,144
Accumulated depreciation	-	-315	-315
Net values	**14**	**24,815**	**24,829**

Note 8 – Inventories and work in progress

(in thousands of Euros)	31/03/2011	30/09/2010
Work in progress	104,468	76,566
Finished products	58,324	67,312
Gross property development programmes	162,792	143,878
Provisions	-2,944	-2,839
Net property development programmes	**159,848**	**141,039**
Other inventories	7,906	9,330
Total	**167,754**	**150,369**

The net value of inventories rose by €17,385 thousand in H1 2010/2011. 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)	30/09/2010	Increases	Reductions	31/03/2011
Manilva	30,906	6	-	30,912
Roybon	23,391	2,392	-	25,783
Avoriaz	9,027	15,905	-11,090	13,842
Bois des Harcholins	10,821	2,107	-	12,928
Maroc	29	5,900	-	5,929
Aix Centre	447	12,218	-7,414	5,251
Plagne Lauze	375	10,097	-6,053	4,419
Calarossa	4,263	-	-84	4,179
Hauts de Bruyères Cottages	3,275	43,203	-42,509	3,969
Center Parcs - Allgäu	3,218	664	-	3,882
Bois Francs Cottages	3,621	37,197	-37,045	3,773
Les Senioriales - Paradou	2,920	2,155	-1,530	3,545
Chaumont Cottages	0	3,396	-	3,396
Les Senioriales - Rambouillet	673	2,889	-391	3,171
Bois de la Mothe Chandenier Cottages	0	3,070	-	3,070
Presqu'île de la Touques	2,218	745	-	2,963
Les Senioriales - Jonquières	5,099	-	-2,158	2,941
Les Villages Nature de Val d'Europe	730	1,380	-	2,110
Les Senioriales - Lombez	2,627	-	-573	2,054
Center Parcs - Bostalsee	1,650	300	-	1,950
Les Senioriales - Soulac	1,583	1,986	-1,638	1,931
Les Senioriales - Montelimar	477	2,779	-1,566	1,690
Les Senioriales - Ruoms	2,997	-	-1,373	1,624
Flaine Montsoleil Centre	0	1,622	-	1,622
Les Senioriales - Montagnac	1,706	1,378	-1,624	1,460
Les Senioriales - Lacanau	377	1,792	-1,007	1,162
Chamonix	911	58	-	969
Le Pouliguen Hôtel	898	-	-65	833
St Cast Le Guildo	726	83	-	809
Belle Dune Village	540	232	-	772
Les Senioriales en Ville - Luce	1,723	1,173	-2,188	708
Bourgenay	562	222	-115	669
Bois de la Mothe Chandenier Equipements	0	654	-	654
Les Senioriales - Marseille	178	349	-	527
Les Senioriales - Côte d'Azur	988	-	-463	525
Les Senioriales - St Julien des Landes	349	110	-	459
Extension Branville (Danestal)	3,713	1,395	-4,665	443
Les Senioriales - Landes	438	-	-	438
Les Senioriales – Gonfaron	1,470	1,398	-2,460	408
Les Senioriales - Pont-Aven	0	403	-	403
Les Senioriales en Ville - Montelimar	512	2,687	-2,802	397
Les Senioriales - Saint Hilaire	394	1	-	395
Dhuizon	392	-	-42	350
Courseulles sur Mer	1,000	1,292	-2,000	292
Caen Meslin	0	5,862	-5,583	279
Plagne Gémeaux	3,552	-	-3,552	0
Le Christiana	3,051	193	-3,244	0
Le Hameau de Pont Royal	1,698	2,045	-3,743	0
Les Senioriales en Ville - Agde	1,307	1,001	-2,268	40
Other property development programmes	7,046	5,570	-9,750	2,866
Property development sub-total	**143,878**	**177,909**	**-158,995**	**162,792**

The gross value of work in progress and finished products of property development programmes rose by **€18,914 thousand** in H1 2010/2011. This increase stemmed from:

- Acquisitions and renovations of residences and cottages with a view to selling them off under the Pierre & Vacances sales formula with an attached lease. These operations concerned:
    - The cottages at the Center Parcs villages at Bois Francs and Hauts de Bruyères. In H1, this operation resulted in a €80,400 thousand increase in the gross value of inventories following the purchase of 386 cottages (€56,343 thousand) and their renovation (€24,057 thousand) and by a €79,544 thousand decline following the booking of earnings for the two programmes under the percentage completion method,

    - Three residences in Aix en Provence, La Plagne and Caen, the acquisitions of which increased the gross value of inventories by €6,500 thousand, €6,550 thousand and €1,764 thousand respectively. Renovation works at these residences resulted in a €13,363 thousand increase and the booking of earnings from work in progress in a €19,050 thousand decline in the gross value of inventories,

- The acquisition of land for new construction programmes for an overall amount of €13,378 thousand;

- Works undertaken during the period on new and renovation programmes, thereby causing a rise in the gross value of stocks of €55,954 thousand, particularly for the Avoriaz programmes (€15,905 thousand), Chaumont Cottages (€3,396 thousand), Bois de la Mothe Chandenier Cottages (€3,070 thousand), Les Senioriales – Paradou (€2,155 thousand), Bois des Harcholins (€2,107 thousand);

- A decline of €60,391 thousand due to the booking of earnings under the percentage completion method for new and renovation programmes including Avoriaz (€11,090 thousand), the Branville extension (€4,665 thousand), the Hameau de Pont Royal (€3,743 thousand), Plagne Gémeaux (€3,552 thousand), Le Christiana (€3,244 thousand), Les Senioriales en Ville – Montélimar (€2,802 thousand).

Apart from these changes, the gross value of property programmes inventories included:

- The Manilva programme representing a stock of 230 apartments, the marketing of which should be re-launched during H2 2010/2011, notably thanks to the study currently underway with a financial partner for financing that should benefit individual buyers;

- The Center Parcs Roybon programme, for which an appeal was lodged against the building permit in September 2010. Pending a positive outcome to this dispute, the group has temporarily suspended development and marketing of this property programme.

Note 10 – Trade receivables and related accounts

(in thousands of Euros)	31/03/2011	30/09/2010
Property Development	263,136	152,384
Tourism	87,963	90,299
Services	5,373	4,945
Gross trade receivables	**356,472**	**247,628**
Property Development	-1,392	-1,451
Tourism	-6,562	-6,269
Services	-81	-81
Provisions	**-8,035**	**-7,801**
Total	**348,437**	**239,827**

The **€108,610 thousand** increase in the net value of trade receivables stemmed mainly from the property development business. This change was the result of:

- the €134,453 thousand increase in receivables prompted by funds to be called up on sales signed at solicitor's during the period and relative to programmes not yet delivered (primarily cottages at Center Parcs du Bois des Harcholins, Center Parcs des Hauts de Bruyères, and Center Parcs de Bois Francs, as well as the Avoriaz programmes);

- partly offset by €23,642 thousand in revenues booked as work progresses on property programmes.

Note 11 – Other current assets

11.1 – Other current assets

(in thousands of Euros)	31/03/2011	30/09/2010
Advances and down payments	10,453	4,255
Taxes	106,068	108,359
Other receivables	74,272	53,607
Gross values	**190,793**	**166,221**
Provisions	-1,388	-1,842
Other net debtor	**189,405**	**164,379**
Marketing fees and advertising - Tourism	1,684	1,023
Marketing fees and advertising - Property development	31,298	33,990
Rents	30,614	24,197
Sundry pre-payments	27,169	14,162
Pre-payments	**90,765**	**73,372**
Total	**280,170**	**237,751**

Other current assets rose by **€42,419 thousand** on the back of:

- A €20,665 thousand increase in "Other receivables", including €11,151 thousand from the tourism business (notably due to the rebilling to owners of renovation work undertaken in residences and completed on 31 March) and €7,421 thousand from the property development programme (€5,425 thousand in capital allowances paid to an institutional investor as part of a unilateral sales promise under the conditional precedent clause concerning the successful marketing of underlying assets to individual buyers);

- A €13,007 thousand increase in "Various pre-paid expenses", mainly associated with seaside resort renovation works undertaken by Pierre & Vacances Tourisme Europe and not completed on 31 March 2011;

- A €6,417 thousand increase in "Pre-paid expenses for rents" stemming from rents from individual and institutional owners of land and property for certain residences and villages operated by Center Parcs Europe and Pierre & Vacances Tourisme Europe;

- A €6,198 thousand increase in "Advances and deposits" paid primarily stemming from the Pierre & Vacances Tourisme Europe division and partly corresponding to advances paid to ski-lift and ski-rental services providers.

11.2 – Current financial assets

(in thousands of Euros)	31/03/2011	30/09/2010
Current accounts	9,082	7,955
« Ownership & Holidays » loans	15,375	16,496
Financial hedging instruments	944	-
	25,401	**24,451**

Note 12 – Notes on the cash flow statement

12.1 – Net cash 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)	H1 2010/2011	H1 2009/2010
<u>Acquisitions</u>		
Intrawest business	-	-6,000
Subtotal		**-6,000**
<u>Disposals</u>		
Latitudes « Beach Hôtel de Trouville »	200	-
Latitudes Val d'Isère	-	5,000
Subtotal	**200**	**5,000**
TOTAL	**200**	**-1,000**

Net cash assigned to the disposal of businesses generated an excess of €200 thousand for the 1st half of 2010/2011 (Cf. note 2: Scope of consolidation).

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).

12.2 – Net cash

Net cash disclosed in the cash flow statement is broken as follows:

(In thousands of Euros)	31/03/2011	30/09/2010
Cash	55,245	65,260
Cash equivalents (SICAV)	114,853	102,306
Credit bank balances	-7,532	-11,528
Net cash	**162,566**	**156,038**

Note 13 – Group shareholder's equity

Capital and additional paid-in capital

The share capital on 31 March 2011 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 2010/2011 are detailed in the table below:

	31/03/2011	30/09/2010
Number of shares at 1st October	**8,821 551**	**8,819 576**
Number of shares issued during the period (prorata temporis)		
Exercising of options to subscribe for Pierre & Vacances shares	-	1,102
Pierre & Vacances shares held by Pierre & Vacances SA and deducted from shareholders' equity	-105,241	-125,321
Weighted average number of shares	**8,716,310**	**8,695,357**
Dilutive effect		
Options to subscribe for and purchase Pierre & Vacances shares	2,890	2,544
Free allotment of Pierre & Vacances shares	49,718	89,927
Diluted weighted average number of shares	**8,768,918**	**8,787,828**

Acquisitions of treasury shares

At 31 March 2011, the group held 73,024 of its own shares for a total value of €4,889 thousand.

Distribution of dividends

The Combined General Meeting of 3 March 2011 decided to distribute a dividend of €0.70 per share, i.e. a total of €6,124 thousand.

Compound instruments – equity component

On 2 February 2011, the Pierre & Vacances-Center Parcs Group issued a bond convertible or exchangeable into new or existing shares (French OCEANE bond) redeemable on 1 October 2015 and convertible at any moment. The bonds carry an annual coupon of 4%. These bonds are compound instruments, which have a debt component corresponding to the discounted value of cash flow (coupon to be paid over four years and 241 days plus redemption value) and an equity component for the remainder. The costs associated with the operation are allocated to each component in proportion to their respective value.

On 31 March 2011, the equity component associated with the OCEANE bond totalled €2,631 thousand.

Note 14 – Provisions

(in thousands of Euros)	31/03/2011	30/09/2010
Refurbishment	15,990	14,907
Pension commitments	10,425	9,904
Provisions for litigation	10	330
Restructuring provisions	506	300
Other provisions	690	762
Non-current provisions	**27,621**	**26,203**
Refurbishment	4,586	4,551
Pension commitments	2,282	2,367
Provisions for litigation	1,279	1,951
Restructuring provisions	5,786	639
Other provisions	774	1,036
Current provisions	**14,707**	**10,544**
Total	**42,328**	**36,747**

The €5,581 thousand increase in provisions was mainly due to the roll-out of the group's organisation transformation plan, including future costs for the closure of the Rotterdam offices.

Provisions for pension liabilities and other assimilated advantages on 31 March 2011 were based on the estimate calculated on 30 September 2010.

Note 15 – Financial debts

Breakdown by type and operating segment:

(in thousands of Euros)	31/03/2011	30/09/2010
<u>**Non-current financial debts**</u>		
Bank borrowings	69,470	87,984
. Tourism	*69,470*	*87,984*
OCEANE	109,471	0
. Tourism	*109,471*	*-*
Bridging loans	2,711	4,625
. Property development	*2,711*	*4,625*
Lease financing contracts	117,784	119,688
. Tourism	*117,784*	*119,688*
Other financial debts	2,560	2,532
. Tourism	*1,406*	*1,379*
. Property development	*1,154*	*1,153*
Subtotal non-current	***301,996***	***214,829***
. of which Tourism	***298,131***	***209,051***
. of which property development	***3,865***	***5,778***
<u>**Current financial debts**</u>		
Bank borrowings	31,371	22,530
. Tourism	*29,457*	*19,641*
. Property development	*1,914*	*2,889*
Bridging loans	5,802	6,742
. Property development	*5,802*	*6,742*
Lease financing contracts	3,968	3,854
. Tourism	*3,968*	*3,854*
Other financial debts	82	99
. Tourism	*62*	*50*
. Property development	*20*	*49*
Credit bank balances	7,532	11,528
. Tourism	*7,205*	*11,178*
. Property development	*327*	*350*
Subtotal current	***48,755***	***44,753***
. of which Tourism	***40,692***	***34,723***
. of which property development	***8,063***	***10,030***
Total	**350,751**	**259,582**
. of which Tourism	***338,823***	***243,774***
. of which property development	***11,928***	***15,808***

The change in loans from credit institutions as of 31 March 2011 corresponded to:

Tourism business:

- half-year amortisation of the "Corporate" loan taken out by the group partly for its external growth operations, which was refinanced in June 2010. At 31 March 2011, the loan outstanding is €90,000 thousand.

  This loan is due to mature on 28 June 2015. The repayment plan for it uses the straight-line method and corresponds to a half-year repayment of the principal of €10,000 thousand.

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

- The 2 February 2011 OCEANE bond issue for €115,000 thousand redeemable on 1 October 2015 and convertible at any moment. These bonds provide the right to an annual coupon of 4%.

  OCEANE bonds are compound instruments that have a debt component and an equity component.

  The debt component corresponds to the current value of future contractual cash flows (including coupons, redemptions) discounted at the market rate valid on the issue date for bond debt instruments presenting identical maturity and flow characteristics but with no option to convert into shares.

  The costs associated with the operation are allocated to each component in proportion to their respective value.

  On 31 March 2011, the debt component totalled €109,471 thousand.

  The proceeds from this issue will enable the group to meet its general financing needs, to finance potential external growth opportunities and to diversify its sources of financing while prolonging the maturity profile of its debt.

Property development business:

- changes in bridging loans (€-2,854 thousand) for financing property development programmes. This decrease is due to the repayment of several bridging loans financing the programmes Les Senioriales.

Furthermore, the Pierre & Vacances-Center Parcs Group has the benefit of five confirmed credit lines totalling €142 million, these breaking down as follows:

- €12 million maturing in September 2011;
- €5 million maturing in October 2012;
- €15 million maturing in January 2014;
- €100 million, related to the Corporate debt and maturing in June 2015;
- €10 million.

These credit lines had not been used at 31 March 2011.

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

(in thousands of euros)	31/03/2011	30/09/2010
Le Domaine du Lac d'Ailette	(*) 113,794	114,566
PVMTE	(**) 7,948	8,934
Sunparks	(***) 10	42
Total	**121,752**	**123,542**

(*): the underlying net asset (€137,533 thousand at 31 March 2011) is recorded in tangible fixed assets.

(**): the underlying net asset (€4,385 thousand at 31 March 2011) is recorded in intangible fixed assets.

(***): the underlying net asset (€16 thousand at 31 March 2011) is recorded in tangible fixed assets.

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

Maturities	Balance (in thousands of Euros) at 31/03/2011	30/09/2010
Year N+ 1 (12 next months)	48,755	44,753
Year N+ 2	26,319	36,779
Year N+ 3	23,665	23,852
Year N+ 4	132,725	23,399
Year N+ 5	12,324	22,742
Year > N+ 5	(*) 106,963	108,057
Total	**350,751**	**259,582**

(*): of which €104,403 thousand for the lease financing contracts.

Sureties:

(in thousands of Euros)	31/03/2011	30/09/2010
Guarantees	185,364	187,121
Mortgages	-	-
Total	**185,364**	**187,121**

Sureties granted by the group as guarantees for loans contracted from credit institutions fell by €1,757 thousand due mainly to the €1,255 thousand decrease in the amortisable first-demand guarantee granted to the entity with which a financing lease was concluded for equipment at Domain du Lac d'Ailette.

Note 16 – Hedging instruments

The financial instruments contracted by the Pierre & Vacances - Center Parcs Group at 31 March 2011 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 2011.

At 31 March 2011, 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 31/03/2011 (in thousands of Euros)	Market value of hedging contracts (in thousands of Euros)	Starting date	Date of maturity
6-month Euribor	1.7425 %	45,000	473	28 Dec. 2010	28 Dec. 2013
6-month Euribor	1.7325 %	45,000	471	28 Dec. 2010	28 Dec. 2013
TOTAL		**90,000**	**944**		

The market value of the hedging instruments was €+944 thousand at 31 March 2011, compared with €-223 thousand at 30 September 2010.

Note 17 – Trade payables and related accounts

(in thousands of Euros)	31/03/2011	30/09/2010
Tourism	171,748	173,978
Property Development	59,447	75,717
Services	7,017	8,576
Total	**238,212**	**258,271**

"Trade payables and related accounts" fell by €20,059 thousand, mainly due to the property development business and the programmes delivered in 2009/2010 (Domain Center Parcs du Bois des Harcholins) and in H1 2010/2011 (Hameau du Pont Royal).

Note 18 – Other current liabilities

18.1 – Other current liabilities

(in thousands of Euros)	31/03/2011	30/09/2010
Down payments from clients	128,346	72,301
VAT and other taxes payable	86,099	75,137
Wages and social security commitments	64,146	71,117
Payables on acquisition of assets	196	122
Other payables	109,638	89,636
Other operating liabilities	**388,425**	**308,313**
Property sales and support funds	246,234	144,688
Other deferred income	22,567	12,038
Deferred income	**268,801**	**156,726**
Total	**657,226**	**465,039**

The **€192,187 thousand** increase in **"**Other current liabilities" was prompted by:

- The property development business for €126,384 thousand. The increase in VAT and other tax liabilities as well as "pre-paid income on property sales" stemming from sales signed at solicitor's offices, particularly on new property programmes currently being developed and renovated, not yet delivered and for which the state of progress had not yet been noted on 31 March 2011;

- The tourism business for €62,078 thousand, in particular due to the seasonal nature of the business. As such, "Down-payments received from clients" corresponding to payments received from customers on reservation of their holidays increased significantly (€56,045 thousand).

18.2 – Current financial liabilities

(in thousands of Euros)	31/03/2011	30/09/2010
Current accounts	19,243	25,366
Financial hedging instruments	-	223
	19,243	**25,589**

ANALYSIS OF MAIN PROFIT AND LOSS ITEMS

Note 19 – Purchases and external services

(in thousands of Euros)	H1 2010/2011	H1 2009/2010
Tourism cost of goods sold	-17,400	-37,383
Property development cost of inventories sold	-139,435	-73,515
Owner leases and other co-ownership expenses	-207,185	-184,869
Subcontracted services (laundry, catering, cleaning)	-14,958	-14,340
Advertising and fees	-78,086	-96,281
Other	-85,700	-88,203
Total	**-542,764**	**-494,591**

The €48,173 thousand increase in purchases and outside services was primarily driven by the group's property business with the developments of major programmes such as the second tranche of the Center Parcs programme at Bois des Harcholins and the Avoriaz programmes.

Note 20 – Personnel expenses

(in thousands of Euros)	H1 2010/2011	H1 2009/2010
Salaries and social security expenses	-155,122	-177,107
Cost of defined-contribution and defined-benefit	-175	202
Option plan expenses	-258	-493
Total	**-155,555**	**-177,398**

The decline in "Payroll expenses" relative to 31 March 2010 stemmed mainly from the outsourcing of catering activities at Center Parcs Europe.

Note 21 – Amortisation and provisions

(in thousands of Euros)	H1 2010/2011	H1 2009/2010
Amortisation	-21,394	-23,675
Provisions	-2,954	2,063
Total	**-24,348**	**-21,612**

Note 22 – Other current operating expenses and earnings

(in thousands of Euros)	H1 2010/2011	H1 2009/2010
Taxes	-4,973	-5,477
Other current operating expenses	-12,283	-12,914
Other current operating earnings	3,351	9,462
Total	**-13,905**	**-8,929**

Other current operating expenses and earnings are essentially related to headquarter costs and non-recurring operating items.

Note 23 – Other operating expenses and earnings

(in thousands of Euros)	H1 2010/2011	H1 2009/2010
Income from disposals	1,522	2,179
Restructuring costs net of provision reversals	-11,558	-7,268
Total	**-10,036**	**-5,089**

The « Other operating expenses and earnings » at 31 March 2011 mainly include:

- the profit resulting from the disposal of the Latitudes « Beach Hôtel Trouville »;
- restructuring costs net of provisions relating to the implementation of the group transformation plan, including restructuring costs estimated to date of the closure of Center Parcs Europe headquarter in Rotterdam.

The "Other operating expenses and earnings" at 31 March 2010 mainly included:

- the profit resulting from the disposal of the “Hôtel 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.

Note 24 – Financial income

(in thousands of Euros)	H1 2010/2011	H1 2009/2010
Cost of gross financial debt	-8,251	-7,984
Earnings from cash and cash equivalents	68	632
Cost of net financial debt	**-8,183**	**-7,352**
Income on loans	723	863
Other financial income	97	202
Other financial expenses	-1,054	-404
Other financial income and expenses	**-234**	**661**
Total	**-8,417**	**-6,691**
Total financial expenses	*-9,305*	*-8,388*
Total financial income	*888*	*1,697*

Financial expenses totalled €8,417 thousand, versus an expense of €6,691 thousand over H1 2009/2010. This €1,726 thousand evolution is mainly due to interests charges on the new financing made by the group since the 2nd semester of 2009/10 to strengthen its liquidity and extend the maturity of its debt:

- €850 thousand related to the refinancing of the corporate debt in June 2010;
- €907 thousand related to the issue of OCEANE in January 2011.

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-year 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-year pre-tax income of each of these subgroups. Thus, the tax calculated on income in the 1st half of 2010/2011 shows a tax saving of €23,933 thousand;

- on the other hand, tax relating to one-off transactions in the period amounting to €3,214 thousand in the 1st half of 2010/2011.

The tax saving booked for the 1st half of 2009/2010 was €27,236 thousand.

Furthermore, Pierre & Vacances SA underwent a tax inspection for 2003/2004, 2004/2005 and 2005/2006. Based on a detailed analysis of the tax adjustment notification received at end-December 2007 as well as the subsequent changes, the Pierre & Vacances-Center Parcs Group expects no financial risk in view of the actions undertaken and recent regulatory changes (2011 finance law) following close collaboration with legal and tax advisors.

Note 26 – Earnings per share

Average number of shares:

	H1 2010/2011	**H1 2009/2010**
Number of shares issued at 1 October	8,821,551	8,819,576
Number of shares issued over the period	0	1,975
Number of shares issued at the end of the period	**8,821,551**	**8,821,551**
Weighted average number of shares	8,716,310	8,689,906
Weighted average number of potential shares	8,768,918	8,793,899

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

Number of free shares (AGAs), share subscription options (OSAs) and purchase options (OAAs) granted by the Board of Directors :	**Type**	**Strike price (In Euros)**	**H1 2010/2011**	**H1 2009/2010**
on 11/04/03 and still valid	OSA	44.00	5,000	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 07/01/08 and still valid	OAA	86.10	-	-
on 12/01/09 and still valid	OSA	39.35	5,000	5,000
on 12/01/09 and still valid	AGA	-	42,732	84,135
on 12/02/09 and still valid	AGA	-	2,127	3,325
on 12/02/09 and still valid	AGA	-	4,858	6,575
on 03/03/11 and still valid	OAA	63.93	-	-
			59,717	**104,035**

Earnings per share:

	H1 2010/2011	**H1 2009/2010**
Attributable net income (in thousands of Euros)	-74,712	-57,906
Weighted net attributable income per share (in Euros)	-8.58	-6.66
Weighted net attributable income per share after dilution (in Euros)	-8.58 (*)	-6.66

(*): 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.

Note 27 – Off-balance sheet commitments

The sureties provided by the group to guarantee its bank loans and reciprocal commitments are detailed respectively in note 15 « Financial debts » and note 16 «Hedging instruments ». They are therefore not included in the table below:

(in thousands of Euros)	31/03/2011	30/09/2010
Guarantees	23,110	21,103
Rental commitments	2,673,663	2,269,423
Commitments made	**2,696,773**	**2,290,526**
Guarantees	45,737	36,109
Completion guarantees	41,362	29,175
Commitments received	**87,099**	**65,284**

Commitments made:

Commitments made increased by €406,247 thousand during H1 2010/2011 and concerned:

- €404,240 thousand increase in rental commitments.

  When land and property at residences, hotels and villages operated by the tourism operating companies at the Pierre & Vacances-Center Parcs Group is sold, a lease is signed with the news owners. On 31 March 2011, the amount of rents remaining to be paid by the group over the residual duration of the leases totalled €2,764 million. The current value of these rental commitments, discounted at a rate of 6%, totalled €1,903 million on 31 March 2011. Changes in these commitments stemmed primarily from the new leases concluded during the semester with the owner of seven Center Parcs located in the Netherlands, Germany and Belgium (€349,869 thousand), as well as leases concluded following the property operation undertaken at the Center Parcs villages at Hauts de Bruyères and Bois Francs (€149,025 thousand);

- A €2,007 thousand increase in guarantees and sureties stemming mainly from:
  - the granting by Pierre & Vacances SA of a rent payment guarantee concerning rental of IT and TV assets as well as furniture (+€6,382 thousand),
  - guarantees made by Pierre & Vacances SA in favour of SOCCO, a company involved in construction work for property programmes in Avoriaz for €2,810 thousand,
  - fhe extinguishing of the payment on completion property guarantee obtained by SNC du Hameau de Pont Royal from Nexity, following the off-plan purchase of a tourism residence (-€4,569 thousand),
  - Following the definitive sale on 8 October 2010, the elimination of first-call guarantees delivered by Pierre & Vacances SA to Eurosic, which owns the property of the Center Parcs Hauts de Bruyères and Bois Francs. These guarantees totalled €2,817 thousand and were granted under the framework of unilateral purchase promises that have to be concluded between Eurosic and SNC Hauts de Bruyères Cottages and Bois Francs Cottages, concerning the acquisition by SNC of 386 cottages.

Commitments received:

- **Guarantees and sureties** increased by €9,628 thousand, primarily following bank guaranties to construction companies for construction of property programmes Avoriaz (+€8,446 thousand).

Commitments made by banking institutions to the property and tourism operating companies enable them to exercise their regulated business and thereby obtain the professional licences for property management, business and property trade as well as travel agency activities. These commitments rose by €992 thousand over the period and totalled €34,242 thousand on 31 March 2011;

- **Guarantees for completion** rose by €12,187 thousand. These guarantees were delivered by banking institutions under the framework of property development operations and the increase over the period stemmed from:

- An overall increase of €30,550 thousand prompted by new guarantees put in place during the period, mainly for the programmes Les Senoriales at St Julien des Landes (+€6,214 thousand), Tréboul (+€5,264 thousand), Bois des Harcholins Village (+€4,100 thousand), Courseulles sur Mer (+€2,766 thousand), Plagne Lauze (+€2,710 thousand), Les Senioriales – Montélimar (+€2,289 thousand) and the Branville extension (+€2,254 thousand).
- An overall decrease of €18,363 thousand stemming from:
    - The €11,141 thousand decline in guarantees for the Avoriaz programmes (€6,721 thousand), Les Senioriales – Gonfaron (€2,417 thousand) and Les Senioriales – Equemauville (€2,003 thousand),
    - The expiry of several guarantees during the period: €7,222 thousand concerning the Le Hameau de Pont Royal programmes (€4,569 thousand), Les Senioriales – Paradou (€2,653 thousand).

Note 28 – Related parties transactions

The related parties used by the group are:
- the members of senior management and executive bodies;
- the parent company of Pierre & Vacances (la 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, Village Nature Management, Montrouge Développement, Nuit & Jour Projections, Part House, entities of the Adagio Group, N.L.D., Nantes Russeil, SDRT Immo (a property development company owned by Pierre et Vacances Maroc) and Caen Meslin.

The main transactions with related companies include:
- invoicing for lease payments and administrative personnel;
- purchases 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)	H1 2010/2011	H1 2009/2010
Turnover	1,769	2,176
Purchases and external services	-8,436	-6,824
Other current operating items	1,404	1,617
Financial income	259	376

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

(in thousands of Euros)	31/03/2011	30/09/2010
Trade receivables and related accounts	3,292	3,532
Other current assets	28,908	24,664
Trade payables and related accounts	4,136	3,686
Other current liabilities	21,251	26,940

Note 29 – Information relating to joint venture companies

The companies on which the group exercises joint control and which are consolidated under the proportional method were as follows at 31 March 2011:

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

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

Information on the balance sheet:

(in thousands of Euros)	31/03/2011	30/09/2010
Non-current assets	5,756	6,275
Current assets	24,086	12,945
Total assets	**29,842**	**19,220**
Non-current liabilities	267	1,087
Current liabilities	32,890	23,039
Total liabilities excluding shareholder's equity	**33,157**	**24,126**

Information on the profit and loss:

(in thousands of Euros)	H1 2010/2011	H1 2009/2010
Turnover	14,330	8,798
Current operating result	497	549
Net result	229	-30

Note 30 – Significant post-closing events

Adagio acquires Citéa and becomes the European no.1 in urban Tourism Residences

The group has signed with Lamy (Nexity Group) an agreement to purchase from Lamy:

- 50% of Citéa, mandated administrator of 49 2* urban Tourism Residences on behalf of Pierre & Vacances, Lamy and other interests. Which will bring the participation of Pierre & Vacances - Center Parcs in Citéa to 100% ;
- the branch of activity operating the 31 urban Tourism Residences managed by Citéa

Secondly, the Pierre & Vacances - Center Parcs Group will sell 100% of Citéa to Adagio.

By the end of this operation, Adagio will manage 84 urban Tourism Residences, thus becoming the European market leader in urban Tourism Residences, with almost 10 000 apartments generating a business volume of around €160 million.

Adagio's development plan consolidated with Citéa is principally focused in Europe (France, Germany, UK), as well as Russia and the Middle East. By 2015, Adagio will manage almost 130 residences and have a business volume of €330 million.

Development of Center Parcs in Germany

On 2 May 2011, the group signed a framework agreement with the Leutkirch town authorities for the development of a new Center Parcs in the south of Germany in the Baden Württemburg region, as well as the acquisition of the corresponding land. This agreement followed the granting of an equipment subsidy from the Baden Württemberg government at the end of April. The village is due to open in spring 2015.

III REPORT OF THE STATUTORY AUDITORS ON THE YEAR-HALF FINANCIAL INFORMATION

To the shareholders,

In compliance with the assignment entrusted to us by your General Shareholder's 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:

- the review of the accompanying condensed half-year consolidated financial statements of PIERRE & VACANCES SA, for the period from 1 October 2010 to 31 March 2011; and
- the verification of information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors, in a context described in the interim management report. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with 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 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 the accompanying condensed half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-year consolidated financial statements subject to our review.

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

French original signed by the Statutory Auditors

Paris and Neuilly-sur-Seine, 27 May 2011

The Statutory Auditors

A.A.C.E. ILE DE France

Patrick Ughetto

ERNST & YOUNG et Autres

Marie-Henriette Joud

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

I hereby attest that, to the best of my knowledge, the condensed financial statements for the half-year 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-year management report (attached, see pages 3 to 12) 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, 27 May 2011

Sven Boinet

Chief Executive Officer