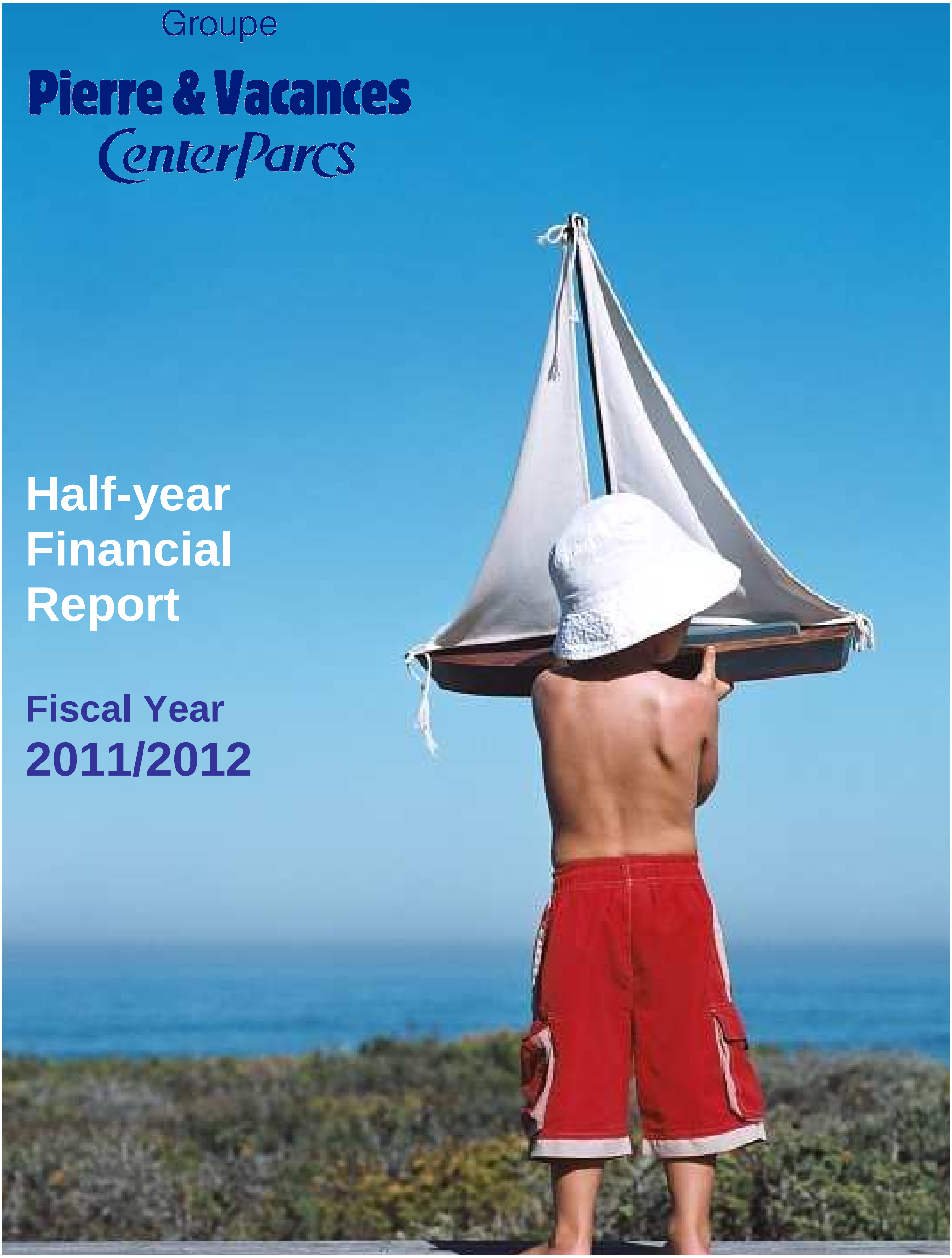
Groupe

Pierre & Vacances

Center Parcs



Half-year Financial Report

Fiscal Year 2011/2012

Contents

➊ Significant events

1.1 Breaching of thresholds

Financière de l'Échiquier, acting on behalf of managed funds, declared having breached upwards, on 16 November 2011, the threshold of 5% of Pierre et Vacances SA voting rights, holding, on behalf of the said funds, 667,047 shares as of that date and representing an equivalent number of voting rights, namely 7.56% of the capital and 5.22% of voting rights.

1.2 Development / Sales of tourism offer

Launch of Adagio City Aparthotel in Brazil

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

The development of the Adagio brand in Brazil is to involve both the conversion of a number of Accor group hotels and the construction of five aparthotels.

The contract is a significant international development opportunity for the Adagio brand and also provides it an opening in the rapidly expanding Latin American markets.

New Adagio Access residences

Four new Adagio Access residences opened over H1 2011/12, in Asnières, Nantes, Strasbourg and in Spain, in Barcelona (San Cugat).

Disposal of the Latitudes hotel in Valescure

On 12 April 2012, the Group sold the business goodwill of the Latitudes hotel in Valescure to the "SNC Compagnie Hôtelière Saint Raphaël Valescure" for €650 thousand, thus finalising its strategy to withdraw from hotel activities.

1.3 Operation / Rénovation

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

On 22 November 2011, the Group acquired 350 cottages at the Domaine des Hauts de Bruyères from Eurosic as part of a renovation operation: 182 cottages were renovated during Q1 and the other 168 are to be renovated by the end of fiscal year 2012.

1.4 Property Development

Extension of Censi-Bouvard tax incentives until 2014

The Amendment to the French Finance Law for 2012, voted in on 29 February, extended the Censi-Bouvard tax incentives applicable to the residences-services segment including tourism residences, until the end of 2014 (allowing a tax credit of 11% for housing acquired before 1 January 2015, for which the building permit was filed for before 1 January 2012 and belonging to a property complex in which at least one unit was acquired before the 30 June 2012).

❷ H1 2011/2012 results

2.1 H1 2011/2012 turnover and earnings (1 October 2011 to 31 March 2012)

- ### Turnover

H1 2011/2012 consolidated turnover – from 1 October 2011 to 31 March 2012 – totalled €669.1 million, up 0.8% like-for-like (*)

Euro millions	2011/2012	2010/2011 like-for-like	Like-for-like Change	2010/2011 Reported
Tourism	**449.9**	**451.1**	**-0.3%**	**440.3**
- Pierre & Vacances Tourisme Europe	237.0	236.2	0.3%	222.6
- Center Parcs Europe	212.9	214.9	-0.9%	217.7
o/w accomodation turnover	*294.4*	*291.2*	*1.1%*	*265.3*
- Pierre & Vacances Tourisme Europe	*160.9*	*156.3*	*2.9%*	*134.6*
- Center Parcs Europe	*133.5*	*134.9*	*-1.1%*	*130.6*
Property Development	**219.2**	**212.9**	**2.9%**	**212.9**
H1 2011/2012	**669.1**	**664.0**	**0.8%**	**653.2**

*** On a like-for-like basis, turnover has been adjusted for the impact of:**

1. For Pierre & Vacances Tourisme Europe (PVTE):

- As of 1 July 2011, the acquisition from Lamy of the businesses of 31 Citéa residences (+€17.7m in H1 2010/11, o/w €16.6m in accommodation turnover).

Accommodation turnover from the 11 Citéa residences operated by the Group prior to the acquisition, as well as that from the seven Adagio residences managed under external mandates, were the object of reclassifications within turnover (net reclassification of €5.0m from "supplementary income" to "accommodation turnover" in H1 2010/11);

- The reclassification under "other operating income" of rebilled charges incurred under the framework of external mandates (€4.0m in H1 2010/11).

2. For Center Parcs Europe (CPE):

- The outsourcing of catering activities at the Center Parcs villages (€2.8m in H1 2010/11);

- As of 1 October 2011, the alignment of internal commission rates on turnover at the Center Parcs domains in France with the rates historically applied at Pierre & Vacances Tourisme Europe (increase in accommodation turnover and equivalent decline in supplementary income of €4.3m in H1 2010/11).

Tourism turnover

H1 2011/2012 Group tourism turnover totalled €449.9 million and was stable relative to the year-earlier period.

Like-for-like accommodation turnover rose 1.1% to €294.4 million:

- ✓ Pierre & Vacances Tourisme Europe accounted for €160.9 million of accommodation turnover, up almost 3%. This growth stemmed from an increase in net average letting rates (+1.7%) and in the number of nights sold (+1.3%).

  Turnover from city residences (growth in turnover rose by more than 10%, or 5% on a same-structure basis (excluding the operation of six new residences).

  Performances by the city residences (more than 5% growth in turnover excluding new residences), the seaside destinations (+2.4%) and the French West Indies (+5.4%) made up for the decline in turnover at mountain resorts (-2.8%), due to reduced capacity and negative impact of higher VAT which was only partly passed onto selling prices.

  Sales generated by online websites continued to increase to account for 31% of accommodation turnover vs. 25% in the year-earlier period.

- ✓ Center Parcs Europe accounted for €133.5 million of accommodation turnover, down 1.1%. Net average letting rates rose by 2.9% relative to the year-earlier period, with the number of nights sold dropping 3.9%.

  The decline in Q1 turnover (-2.1%), due to Dutch clients, was only partly offset by growth in Q2 turnover (+0.3%), which was driven by healthy performances at the Dutch and German villages (turnover at the French villages was temporarily affected by the renovation works underway).

  Sales generated by online websites rose to account for 56% of accommodation turnover vs. 55% in the year-earlier period.

Property development turnover

H1 2011/2012 property development turnover rose by 2.9% to €219.2 million.

H1 turnover growth was primarily driven by the renovation operation at Center Parcs des Hauts de Bruyères (€67.6 million), the extension of Avoriaz (€42.6 million) and that of the Domaine des Trois Forêts (€23.0 million), as well as the contribution from Les Seniorales (€40.0 million).

H1 2011/2012 earnings

Euro millions	H1 2011/2012	H1 2010/2011
Turnover	**669.1**	**653.2**
- Tourism	449.9	440.3
- Property development	219.2	212.9
Current operating loss	**-99.3**	**-83.4**
- Tourism	-103.6	-95.5
- Property development	4.3	12,1
Financial expenses	-9.9	-8.4
Taxes	29.6	24.0
Attributable undelying net loss [1]	**-79.6**	**-67.8**
Other operating income / expenses net of tax [2]	-2.1	-6.9
Attributable net loss	**-81.7**	**-74.7**

[1] The attributable underlying net loss corresponds to the underlying operating loss, financial items and underlying taxes excluding exceptional items which have been reclassified under other operating income/expense.

[2] Oher operating income/expense net of tax includes earnings items that are not considered as underlying earnings given their non-recurring nature (tax savings, update of Group tax position, restructuring costs etc.).

Current operating loss

The seasonal nature of the tourism businesses (around 40% of full-year turnover in H1), combined with the linear accounting method for expenses, structurally creates an operating loss during H1.

The operating loss in the tourism business stood at €103.6 million compared with -€95.5 million in H1 2010/2011 due to changes in costs caused by inflation (-€8 million) while turnover remained stable.

The savings made over the period on the back of lease renewal terms and the Group's organisation, were offset by costs for rolling out new front-office tools (reservation system in particular) as well as the rising momentum of developments in Spain and the new Adagio Access residences.

The contribution from property development totalled €4.3 million compared with €12.1 million in the year-earlier period. The decline stemmed from €10 million in additional costs for extension work at Avoriaz, thereby narrowing the margin generated on the programme.

In all, the current operating loss totalled €99.3 million.

Attributable net loss

Financial expenses totalled €9.9 million vs. €8.4 million in H1 2010/2011 and were mainly due to interest expenses on the OCEANE bonds issued in January 2011 for €115 million.

Other operating income/expense net of tax mainly included €2.3 million in residual costs for restructuring associated with the Group's reorganisation.

In all, the attributable net loss totalled €81.7 million.

2.2 Investments and financial structure

• Main cash flows

Cash flow requirements generated over the first semester 2011/2012 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.

In H1 2010/2011, the issue of OCEANE, carried out on January 25, 2011 for an amount of €115 million, enabled to absorb this recurring cash flow requirement

• Summary statement of cash flows

Euro millions	H1 2011/2012	H1 2010/2011
Cash flows after interest and tax	-92.7	-75.5
Change in working capital requirements	-12.8	-4.8
Cash flow from operating activities	**-105.5**	**-80.3**
Investments	-17.3	-16.2
Asset disposal	2.7	4.6
Net cash allocated to assets due to be sold off	-0.3	7.5
Cash flow from investment activities	**-14.9**	**-4.1**
Acquisitions of treasury shares	-4.6	0.0
Dividends paid	-6.0	-6.1
Change in loans and other borrowings	-11.1	97.0
Cash flow from financing activities	**-21.7**	**90.9**
Increase (decrease) in cash and cash equivalents	**-142.1**	**6.5**

Operating of the group's tourism and property development businesses in H1 2011/2012 generated cash flow requirements of €105.5 million.

The decrease in **cash flows** was €17.2 million, resulting primarily from the decrease in EBITDA (-€14.5 million).

Financing requirements generated in H1 2011/2012 by changes in **working capital requirements** (-€12.8 million) stemmed mainly from:

- An increase in stocks of property programmes for €74.7 million (renovation of the Center Parcs Hauts de Bruyères and Bois Francs, Center Parcs sites under development in Germany, Avoriaz programme…)
- Partly offset by the increase in payments arising from capital fund campaigns as work progressed, primarily on the Avoriaz programmes and the extension of the Center Parcs in Moselle.

Net cash flows allocated to investments totalled -€14.9 million and primarily concerned net investments of €14.2 million carried out within tourim business operations:

- Investment of €7.7 million to improve the product-mix of all Center Parcs Europe villages (€2.9 million for the Dutch villages, €1.8 million for the German villages, €1.8 million for the Belgian villages and €1.1 million for the French villages),

  Moreover, over the same period, the Group carried out, on behalf of the Blackstone Group, renovation work related to the upgrading of 7 villages held by Blackstone in the Netherlands, Germany and Belgium. These renovations (representing a global amount of €30 million), will be finalised before summer 2012.

- €6.5 million of investment on residences and villages operated under Pierre & Vacances Tourisme Europe brands, principally for the development of new leisure activities on the Villages Clubs (slides, playgrounds, mini-golf …).

Note that an investment of €1.5 million was made over H1 2011/2012 for IT assets by partner sale and leaseback companies and made available to the Group *via* lease contracts.

The €11.1 decrease in sundry loans and other borrowings (excluding bank overdrafts) at 31 March 2012, compared with 30 September 2011, was mainly due to:

- The €10 million half-year amortization of the « Corporate » debt refinanced by the Group in June 2010;
- The reimbursement of a €9 million loan subscribed on November 2009, intended to finance the Group's general requirements

partially offset by the €8.7 million increase of the property bridging loans (renovation programmes on the Domaine des Hauts de Bruyères and Les Senioriales).

Moreover, the Group **strengthened its participation in the capital** by acquiring shares on the stockmarket for €4.6 million.

• Change in the structure of the statement of financial position

Given the management principles adopted by the Pierre & Vacances-Center Parcs Group in its tourism and property development businesses, the following points should be noted regarding the contribution of these two businesses to the consolidated statement of financial position.

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

- furniture for apartments sold unfurnished to individual investors;
- infrastructure facilities for the residences;
- leisure facilities for holiday villages (swimming pools, sports and leisure facilities, children's clubs, etc.);
- commercial premises (restaurants, bars, conference rooms, etc.).

Ownership of these assets is a guarantee of the Group's longterm management of the sites concerned. It should be noted, however, that leases signed with institutional investors at Center Parcs are triple net: investment spending on central facilities and cottages is paid for by the Group.

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

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

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

- the capital required to fund each new residence is equivalent to around 10% of the cost price before VAT;
- bridging loans are set up for each transaction, and maximum use is made of these facilities before the notarised deeds of sale are signed;
- the relative size of working capital requirement items on the statement of financial position (accounts receivable, work in progress, deferred income and prepayments) is significant. Sales signed with a notary and not yet recognised in earnings are booked to the statement of financial position as current liabilities. At the same time, expenses incurred on these same transactions are booked as work in progress. Marketing costs are booked as prepaid expenses. Revenue and margins on property development programmes are booked in the income statement under the percentage-of-completion method. The percentage of completion is calculated by multiplying the percentage of construction progress by the percentage of revenue from property sales signed at a notary's office. In contrast, stocks of completed properties and land are kept low by the Group's pre-selling strategy (properties sold off-plan for delivery on completion) as well as its policy of marketing properties before construction work is started and to not acquire land before final planning permission has been obtained.

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

The property renovation programme generates a temporary deterioration in working capital requirements. In this business, the Group acquires existing two/three-sun rated residences in prime locations, generally from institutional investors, with the aim of renovating and upgrading them to a three/ four-sun rating and selling them on to ndividual investors under its traditional sales formulae. The fact that the Group owns the land and property during the residence renovation period increases its property portfolio and hence, temporarily increases working capital requirements until the properties are delivered to individual investors.

• Simplified statement of financial position

Euro millions	31/03/2012	30/09/2011	Change
Goodwill	155.3	155.3	0.0
Net fixed assets	492.8	500.2	-7.4
Investments	**648.1**	**655.5**	**-7.4**
Shareholders' equity	401.9	493.7	-91.8
Provisions for risks and charges	36.8	38.5	-1.7
Net financial debt	232.9	102.6	130.3
Other	-23.5	20.7	-44.2
Resources	**648.1**	**655.5**	**-7.4**

The main **goodwill items** broke down as follows :

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

The €7.4 million reduction in **net tangible and intangible assets** was mainly due to:

- net depreciation, amortisation and impairment loss in the period (€21.2 million);
- deduction of net investments made for tourism business operations for €14.2 million.

Net tangible and intangible assets at 31 March 2012 comprise principally:

- intangible assets for €115.3 million; this amount is mainly the net amount of the Center Parcs brand for €85.9 million;
- €352.3 million for property, plant and equipment ; this includes for the most part assets used in the operation and marketing of villages under the Center Parcs and Sunparks brands for a net amount of €265.7 million and villages and residences from the Pierre & Vacances Tourisme Europe brands for a net amount of €85.0 million;
- €24.9 million in non-current financial assets.

The amount of **equity attributable to owners of the Company** totalled €401.9 million at 31 March 2012 (compared with €493.7 million at 30 September 2011), after taking into account:

- loss over the period of -€81.7 million,
- a dividend payout of -€6.0 million,
- the acquisition of treasury shares over the period for €4.6 million,
- a €0.5 million net increase in other comprehensive income due to IFRS accounting of stock options.

Provisions for risks and charges totalled €36.8 million at 31 Mars 2012. The €1.7 million decrease over the period stemmed mainly from net reversals (€1.9 million) of provisions for renovation.

At 31 March 2012, provisions for risks and charges broke down as follows:

- provisions for renovation : €19.0 million
- provisions for pensions : €13.1 million
- provisions for restructuring : €1.4 million
- provisions for various risks : €3.3 million

Net debt reported by the Group at 31 March 2012 broke down as follows:

Euro millions	31/03/2012	30/09/2011	Change
Gross debt	323.3	335.1	-11.8
Cash and cash equivalents (net of credit balances)	-90.4	-232.5	142.1
Net debt	**232.9**	**102.6**	**130.3**

The increase in gross debt is analysed in paragraph « Main cash flows » presented above.

Net debt reported by the Group at 31 March 2012 (€232.9 million) corresponded mainly to:

- the OCÉANE bond issue for a net amount of €110.6 million;
- the principal amount outstanding (€70.0 million) on the corporate loan initially contracted by the Group for €100 million in June 2010;
- the amount of financial liabilities prompted by adjustments for sale and lease-back contracts for €117.9 million, including €112.2 million for the central facilities at Center Parcs Domaine du Lac d'Ailette;
- the bridging loans contracted by the Group to finance property programmes destined to be sold off for €15.6 million (concerns the renovation programmes of Les Hauts des Bruyères and Les Senioriales at 31 March 2012);
- net bank overdrafts of €5.2 million;
- net of available cash.

2.3 Outlook for 2011/2012

Tourism:

Business in April and May rose by almost 4% compared to the year-earlier period, mainly thanks to last minute bookings.

In view of this increasing trend for late bookings and the French electoral schedule, the Group has focused the majority of sales and marketing actions for the summer holidays on May, June and July.

These actions should have a positive fall-out in the peak season.

Property development:

Turnover for full-year 2011/2012 should total around €300 million.

2.4 Further development

The main development programmes underway, both in France (especially Center Parcs in the Vienne region and Villages Nature), and outside France (Center Parcs in Germany and Adagio in the main European cities), are entering the operating and marketing phase.

Financing for these developments is now diversified both in and outside France (property marketing to individual investors, block sales to institutional investors, property investment funds or trusts, public-private partnerships), as are their management methods (lease, management mandate or franchise).

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012

➊ Half-year condensed consolidated financial statements

1.1 Consolidated income statement

(In € thousands)

	Note	H1 2011/2012	H1 2010/2011
Revenue	19	669,066	653,193
Purchases and external services	20	-567,154	-542,764
Employee expenses	21	-161,327	-155,555
Depreciation, amortization and impairment	22	-28,032	-24,348
Other operating income from ordinary activities	23	7,068	3,351
Other operating expenses from ordinary activities	23	-18,892	-17,256
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**3**	**-99,271**	**-83,379**
Other operating income	3/24	306	1,522
Other operating expenses	3/24	-3,390	-11,558
OPERATING PROFIT (LOSS)	**3**	**-102,355**	**-93,415**
Financial income	25	1,137	888
Financial expenses	25	-11,003	-9,305
NET FINANCIAL INCOME (EXPENSES)		**-9,866**	**-8,417**
Income tax	26	30,639	27,147
Share of net income (loss) of equity-accounted investments		-71	-28
NET PROFIT (LOSS)		**-81,653**	**-74,713**
Of which: - Attributable to the owners of the Company		-81,649	-74,712
- Non-controlling interests		-4	-1
Basic earnings per share, attributable to owners of the Company (in €)	27	-9.48	-8.58
Diluted earnings per share, attributable to owners of the Company (in €)	27	-9.48	-8.58

1.2 Consolidated statement of comprehensive income

(In € thousands)

	Note	H1 2011/2012	H1 2010/2011
NET PROFIT (LOSS)		**-81,653**	**-74,713**
Translation adjustments		12	37
Effective portion of gains and losses on hedging financial instruments		-263	1,167
Deferred tax		95	-402
Other comprehensive income, net of tax		**-156**	**802**
TOTAL COMPREHENSIVE INCOME		**-81,809**	**-73,911**
Of which: - attributable to owners of the Company		-81,805	-73,910
- non-controlling interests		-4	-1

1.3 Consolidated statement of financial position

(In € thousands)

ASSETS	Note	31/03/2012	30/09/2011
Goodwill	4	155,273	155,285
Intangible assets	5	115,329	114,371
Property, plant and equipment	6	352,343	359,374
Equity-accounted investments		183	253
Available-for-sale financial assets		1,655	1,705
Other non-current financial assets	7	23,273	24,478
Deferred tax assets	26	97,736	64,156
NON-CURRENT ASSETS	**3**	**745,792**	**719,622**
Inventories and work in progress	8/9	239,272	161,586
Trade receivables	10	246,263	309,499
Other current assets	11	257,223	228,672
Current financial assets	11	21,268	18,663
Cash and cash equivalents	12	95,630	237,061
CURRENT ASSETS	**3**	**859,656**	**955,481**
Non-current assets and disposal groups held for sale		307	-
TOTAL ASSETS	**3**	**1,605,755**	**1,675,103**

EQUITY AND LIABILITIES		31/03/2012	30/09/2011
Issuel capital		88,216	88,216
Share premium		8,637	8,637
Treasury shares		-10,708	-6,158
Accumulated other comprehensive income (loss)		-305	-149
Reserves		397,758	392,688
Net profit (loss)		-81,649	10,499
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**13**	**401,949**	**493,733**
Non-controlling interests		0	4
SHAREHOLDERS' EQUITY		**401,949**	**493,737**
Long-term borrowings	15	287,088	294,679
Non-current provisions	14	26,062	27,597
Deferred tax liabilities		13,765	13,765
Other non-current liabilities	18	3,483	4,502
NON-CURRENT LIABILITIES	**3**	**330,398**	**340,543**
Short-term borrowings	15	40,832	44,683
Current provisions	14	10,710	10,861
Trade payables	17	293,246	259,308
Other current liabilities	18	507,729	498,951
Current financial liabilities	18	20,891	27,020
CURRENT LIABILITIES	**3**	**873,408**	**840,823**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,605,755**	**1,675,103**

1.4 Consolidated statement of cash flows

(In € thousands)	Note	H1 2011/2012	H1 2010/2011
Operating activities			
Consolidated profit (loss)		**-81,653**	**-74,713**
Depreciation, amortisation and impairment of non-current assets		20,189	25,994
Expenses on grant of share options		532	331
Gains (losses) on disposals of assets		-306	-1,522
Share of net income (loss) of equity-accounted investments		71	28
Net borrowing costs	25	9,192	8,183
Tax expense (including deferred taxes)	26	-30,639	-27,147
Operating cash flows before change in working capital requirements		**-82,614**	**-68,846**
Net borrowing costs: net interest paid		-10,125	-7,507
Taxes paid		14	849
Cash flows after interest and tax		**-92,725**	**-75,504**
Change in working capital requirements (including in employee benefits liability)			
Inventories and work in progress		-77,756	-16,626
Other working capital items		64,942	11,832
NET CASH FLOWS FROM OPERATING ACTIVITIES (I)		**-105,539**	**-80,298**
Investing activities			
Acquisitions of property, plant and equipment, and intangible assets	5/6	-16,409	-15,617
Payments to acquire non-current financial assets		-898	-541
Acquisitions of business goodwill		-	-
Acquisitions of subsidiaries (net of cash acquired)		-	-
Subtotal of disbursements		**-17,307**	**-16,158**
Proceeds from disposals of property, plant and equipment, and intangible assets		639	2,755
Proceeds from disposals of financial assets		2,108	1,615
Proceeds from disposals of business goodwill		-	200
Divestments of subsidiaries (net of cash paid)		-	-
Subtotal of receipts		**2,747**	**4,570**
Cash flows on assets and disposal groups held for sale		-307	7,446
NET CASH FLOWS FROM INVESTING ACTIVITIES (II)		**-14,867**	**-4,142**
Financing activities			
Capital increases in cash by the Company	13	-	-
Acquisitions and disposals of treasury shares	13	-4,550	-20
Dividends paid to owners of the Company		-5,961	-6,124
Proceeds from new loans and other borrowings		-	-
Repayments of loans and other borrowings		11,019	115,687
Other cash flows from financing activities		-22,178	-18,602
Capital increases in cash by the Company		1	27
NET CASH FLOWS FROM FINANCING ACTIVITIES (III)		**-21,669**	**90,968**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (IV = I + II + III)		**-142,075**	**6,528**
Cash and cash equivalents at beginning of year (V)	12	232,506	156,038
Cash and cash equivalents at end of year (VI = IV + V)	12	90,431	162,566

1.5 Consolidated statement of changes in equity

(In € thousands)	Number of shares	Share capital	Share premium	Treasury shares	Translation adjustment	Fair value reserves of hedging financial instruments	Reserves	Consolidated profit (loss)	Equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
Balance at 30 September 2010	**8,821,551**	**88,216**	**8,637**	**-8,779**	**38**	**-142**	**391,593**	**7,275**	**486,838**	**7**	**486,845**
Other comprehensive income	-	-	-	-	37	765	-	-	802	-	802
Profit (loss)	-	-	-	-	-	-	-	-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 paid	-	-	-	-	-	-	-6,124	-	-6,124	-	-6,124
Change in treasury shares held	-	-	-	3,890	-	-	-3,854	-	36	-	36
Charges due to share-based payments	-	-	-	-	-	-	331	-	331	-	331
Issue of OCÉANE compound financial instruments	-	-	-	-	-	-	2,631	-	2,631	-	2,631
Other movements	-	-	-	-	-	-	-	-	0		0
Allocation of profit for the year	-	-	-	-	-	-	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**
Other comprehensive income	-	-	-	-	-18	-829	-	-	-847	-	-847
Profit (loss)	-	-	-	-	-	-	-	85,211	85,211	-1	85,211
Total comprehensive income		**0**	**0**	**0**	**-18**	**-829**	**0**	**85,211**	**84,364**	**-1**	**84,363**
Capital increase	-	-	-	-	-	-	-	-	0	-	0
Dividends paid	-	-	-	-	-	-	-	-	0	-	0
Change in treasury shares held	-	-	-	-1,269	-	-	21	-	-1,248	-	-1,248
Charges due to share-based payments	-	-	-	-	-	-	782	-	782	-	782
Issue of OCÉANE compound financial instruments	-	-	-	-	-	-	-	-	0	-	0
Other movements	-	-	-	-	-	-	33	-	33	-1	32
Allocation of profit for the year	-	-	-	-	-	-	-	-	0	-	0
Balance at 30 September 2011	**8,821,551**	**88,216**	**8,637**	**-6,158**	**57**	**-206**	**392,688**	**10,499**	**493,733**	**4**	**493,737**
Other comprehensive income	-	-	-	-	12	-168	-	-	-156	**-**	**-156**
Profit (loss)	-	-	-	-	-	-	-	-81,649	-81,649	-4	**-81,653**
Total comprehensive income		**0**	**0**	**0**	**12**	**-168**	**0**	**-81,649**	**-81,805**	**-4**	**-81,809**
Capital increase	-	-	-	-	-	-	-	-	0	**-**	**0**
Dividends paid	-	-	-	-	-	-	-5,961	-	-5,961	**-**	**-5,961**
Change in treasury shares held	-	-	-	-4,550	-	-	0	-	-4,550	**-**	**-4,550**
Charges due to share-based payments	-	-	-	-	-	-	532	-	532	**-**	**532**
Issue of OCÉANE compound financial instruments	-	-	-	-	-	-	-	-	0	**-**	**0**
Other movements	-	-	-	-	-	-	-	-	0	**-**	**0**
Allocation of profit for the year	-	-	-	-	-	-	10,499	-10,499	0	**-**	**0**
Balance at 31 March 2012	**8,821,551**	**88,216**	**8,637**	**-10,708**	**69**	**-374**	**397,758**	**-81,649**	**401,949**	**0**	**401,949**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

❷ Notes to the condensed consolidated financial statements

Preamble

Pierre & Vacances is a French Public Limited Company (Société Anonyme), governed by a Board of Directors and listed on Euronext Paris.

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

The Board of Directors approved the condensed consolidated financial statements for the half-year ended 31 March 2012 on 25 May 2012.

Note 1 – Accounting principles

1.1 – General Framework

Pursuant to European regulation EC 1606/2002 of 19 July 2002, the half-year condensed consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union on 31 March 2012 (these standards are available at http://ec.europa.eu/internal_market/accounting/ias_en.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 2010/2011 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 2010/2011 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 accounting standards

The new standards and interpretations used in the financial statements, which must be applied for the first time in the financial year beginning 1 October 2011, have not had any material impact on the Group's consolidated financial statements for the 1st half of 2011/2012.

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

- amendment to IFRIC 14, relating to prepayments of minimum financing requirements (applicable to financial years beginning on or after 1 January 2011);
- amendment to revised IAS 24 "Related party disclosures", concerning partial exemption for government-related entities and a new definition of a related party (applicable to financial years beginning on or after 1 January 2011);
- amendment to IFRS 7, concerning disclosures related to transfers of financial assets (applicable to financial years beginning on or after 1 July 2011);
- "Improvements to IFRS" (May 2010).

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

- amendment to IAS 12 “Recovery of underlying assets” (applicable to financial years beginning on or after 1 January 2012);
- IFRS 10 relating to consolidated financial statements (applicable to financial years beginning on or after 1 January 2013);
- IFRS 11 “Joint arrangements” (applicable to financial years beginning on or after 1 January 2013);
- Revised IAS 19 “Employee benefits” (applicable to financial years beginning on or after 1 January 2013);
- IFRS 12 relating to disclosures of interests in other entities (applicable to financial years beginning on or after 1 January 2013);
- IFRS 13 concerning fair value measurement (applicable to financial years beginning on or after 1 January 2013);
- IFRS 9 “Financial instruments: classification and measurement”, replacing the various rules under IAS 39 on the measurement and impairment of financial instruments (applicable to financial years beginning on or after 1 January 2013);
- amendment to IAS 28 “Investments in associates and joint ventures” (applicable to financial years beginning on or after 1 January 2013);
- amendment to IAS 1 “Presentation of other comprehensive income” (applicable to financial years beginning on or after 1 January 2013);
- amendment to IAS 27, relating to separate financial statements (applicable to financial years beginning on or after 1 January 2013);

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

Revised IAS 19 will require immediate recognition of actuarial gains and losses on post-employment benefits in other comprehensive income, eliminate the recognition of the return on plan assets in the income statement based on an expected rate of return (the same rate of return on first-class bonds must be used as that used for the accretion of the liability), discontinue the spreading of non-vested past service costs, improve disclosures by refocusing them on the characteristics of the plans and the associated risks.

It also redefines the principles of the accounting conditions for severance payments, which must be recognised when the entity is no longer able to withdraw its offer or when a restructuring liability under IAS 37 must be recognised.

The Group is assessing the impact of these changes.

The new IFRS 10, IFRS 11 and amended IAS 28 will discontinue proportional consolidation as a consolidation method. Accounting for partnerships will be exclusively based on the nature and substance of the contractual rights and obligations, independently from the legal form of the agreements.

The Pierre & Vacances-Center Parcs Group is reviewing its contractual agreements with the companies that are proportionally consolidated, in particular with Adagio companies.

1.3 – Change in accounting policy: Segment information

The implementation of the Group’s transformation plan, which aimed to merge the organisations of Pierre & Vacances Tourisme Europe and Center Parcs Europe, prompted the Group to review the application of IFRS 8 “Operating segments” and change the presentation of its segment information.

1.4 Use of accounting estimates

The preparation of consolidated financial statements in accordance with international accounting principles requires Group management to use a number of estimates and assumptions that have an effect on the assets and liabilities and on the expenses and income in the income statement, as well as on any assets and liabilities mentioned in the notes. In particular, this involves determining the recoverable amount of goodwill, intangible assets with indefinite useful lives, assumptions on the recoverability of tax losses and classification of lease agreements as finance leases or operating leases. These estimates are made on a going concern basis and are drafted according to the information available when they were made. It is possible that the actual amounts are subsequently found to be different from the estimates and assumptions made in preparing the financial statements presented.

Note 2 – Half-year significant events and scope of consolidation

2.1 – Highlights for H1 2011/2012

Launch of Adagio City Aparthotel in Brazil

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

The development of the Adagio brand in Brazil is to involve both the conversion of a number of Accor group hotels and the construction of five aparthotels.

The contract is a significant international development opportunity for the Adagio brand and also provides it an opening in the rapidly expanding Latin American markets.

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

On 22 November 2011, the Group acquired 350 cottages at the Domaine des Hauts de Bruyères from Eurosic as part of a renovation operation: 182 cottages were renovated during Q1 and the other 168 are to be renovated by the end of fiscal year 2012.

2.2 – Main changes in the scope of consolidation for the 1st half of 2011/2012:

No change in scope of consolidation occurred in the first half of 2011/2012.

The Group continued its policy of rationalising and simplifying operating and legal organisations by creating new companies or making internal changes of scope (mergers and liquidations of companies through asset mergers).

Main changes in the scope of consolidation for 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.

SEGMENT INFORMATION

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

The group develops its activities via two complementary businesses:

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

- the Tourism segment named "Tourisme Europe", which integrates in a single operating division the operating of residences, villages and hotels marketed under the brand names Pierre & Vacances, Maeva, Adagio, Center Parcs, Sunparks and Hôtels Latitudes and located in Europe (mainly in France, the Netherlands, Germany, Belgium, Italy and Spain).

  The partnerships concluded in March 2010 with Elior and Albron for the management of catering and food trade at the villages marketed under the Center Parcs and Sunparks brand names, continued during H1 2011/2012 for the Belgian, French and German parks. This outsourcing has no impact on margins, which are paid back to the Group as royalties by the service providers.

Within each business and within each business segment, there is a country-based organisation that runs the businesses from day to day. Revenue and total non-current assets in France, where the registered office of the parent company is located, amount to €524,477 thousand and €369,772 thousand respectively.

Inter-segment revenue is generated under normal market conditions. No single customer represents a significant share of the revenue of the Pierre & Vacances-Center Parcs Group.

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

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

Note 3 – Operating segment information

(in € thousands)	H1 2011/2012 TOURISM	PROPERTY DEVELOPMENT	Unassigned	TOTAL
Revenue	456,103	219,754	-	675,857
Intra-business group revenue	-6,233	-558	-	-6,791
External revenue	**449,870**	**219,196**	**0**	**669,066**
Operating profit (loss) from operational activities	**-103,574**	**4,303**	**-**	**-99,271**
Other operating income and expenses	-2,131	-953	-	-3,084
Operating profit (loss)	**-105,705**	**3,350**	**0**	**-102,355**
Depreciation and amortization	**-22,001**	**-100**	**-**	**-22,101**
Impairment losses	**-**	**-**	**-**	**0**
Property, plant and equipment, and intangible assets	**14,869**	**292**	**1,248**	**16,409**
Non-current assets	598,108	22,448	125,236	745,792
Current assets	277,328	463,568	118,760	859,656
Total assets	**875,436**	**486,016**	**244,303**	**1,605,755**
Non-current liabilities	26,543	765	303,090	330,398
Current liabilities	533,388	261,331	78,689	873,408
Total liabilities excluding equity	**559,931**	**262,096**	**381,779**	**1,203,806**

(in € thousands)	H1 2010/2011 TOURISM	PROPERTY DEVELOPMENT	Unassigned	TOTAL
Revenue	446,658	213,946	-	660,604
Intra-business group revenue	-6,396	-1,015	-	-7,411
External revenue	**440,262**	**212,931**	**0**	**653,193**
Operating profit (loss) from operational activities	**-95,445**	**12,066**	**-**	**-83,379**
Other operating income and expenses	-9,271	-765		-10,036
Operating profit (loss)	**-104,716**	**11,301**	**0**	**-93,415**
Depreciation and amortization	-21,303	-91	-	**-21,394**
Impairment losses	-	-	-	**0**
Property, plant and equipment, and intangible assets	15,193	162	262	**15,617**
Non-current assets	607,087	22,468	110,820	740,375
Current assets	283,993	512,166	195,701	991,860
Total assets	**891,681**	**534,634**	**306,521**	**1,732,836**
Non-current liabilities	25,092	570	319,223	344,885
Current liabilities	527,651	362,138	88,354	978,143
Total liabilities excluding equity	**552,743**	**362,708**	**407,577**	**1,323,028**

ANALYSIS OF MAIN STATEMENT OF FINANCIAL POSITION ITEMS

Note 4 – Goodwill

During the 1st half of 2011/2012, 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 2010/2011, this test will be carried out automatically on 30 September 2012.

(in € thousands)	31/03/2012	30/09/2011
Tourisme Europe	135,646	135,658
Les Senioriales	17,828	17,828
Pierre & Vacances Promotion Immobilière	1,463	1,463
Pierre & Vacances Développement España	336	336
Total net value	**155,273**	**155,285**

Note 5 – Intangible fixed assets

(in € thousands)	Brands	Other intangible fixed assets	Total Intangible fixed assets
At 1 October 2011			
Gross amount	105,877	35,331	141,208
Accumulated depreciation, amortisation and impairment losses	-3,734	-23,103	-26,837
Net amount	**102,143**	**12,228**	**114,371**
Changes			
Acquisitions	-	2,245	2,245
Net disposals and write-off	-	-24	-24
Business combinations	-	-	-
Amortisation	-	-1,306	-1,306
Impairment	-	-	-
Reclassifications	-	43	43
Total changes for the period	**0**	**958**	**958**
At 31 March 2012			
Gross amount	105,877	37,259	143,136
Accumulated depreciation, amortisation and impairment losses	-3,734	- 24,073	-27,807
Net amount	**102,143**	**13,186**	**115,329**

Note 6 – Property, plant and equipment

(in € thousands)	Land	Buildings	Fixtures and fittings	Other property, plant and equipment, and assets in progress	Total Property, plant and equipment
At 1 October 2011					
Gross amount	17,511	204,588	286,982	143,024	652,105
Accumulated depreciation, amortisation and impairment losses	-931	-50,219	-144,605	-96,976	-292,731
Net amount	**16,580**	**154,369**	**142,377**	**46,048**	**359,374**
Changes					
Acquisitions	147	1,056	860	12,101	14,164
Net disposals and write-off	-16	-38	-5	-169	-228
Business combinations	-	-	-	-	0
Amortisation	-	-3,110	-12,459	-5,270	-20,839
Impairment	-	-	-	-	0
Reclassifications	7	189	7,319	-7,643	-128
Total changes for the period	**138**	**-1,903**	**-4,285**	**-981**	**-7,031**
At 31 March 2012					
Gross amount	17,649	205,708	295,129	146,455	664,941
Accumulated depreciation, amortisation and impairment losses	-931	-53,242	-157,037	-101,388	-312,598
Net amount	**16,718**	**152,466**	**138,092**	**45,067**	**352,343**

Property, plant and equipment items, with a total net carrying amount of €352,343 thousand at 31 March 2012, essentially include the assets used in the operations or marketing of:

- **the Center Parcs and Sunparks villages**, with a net amount of €265,717 thousand, mainly consisting of furniture and general fittings needed for operating the villages.

The main changes over the period arose from:

- investments of €7,745 thousand for improving the product mix of all Center Parcs villages, including €2,933 thousand for the Dutch villages, €1,141 thousand for the French villages, €1,758 thousand for the German villages and €1,820 thousand for the Belgian villages,
- depreciation for the period of €12,822 thousand;

- **Pierre & Vacances Tourisme Europe residences and villages**, for a net amount of €84,925 thousand. Property, plant and equipment mainly comprise general services, fittings and equipment needed for operating the sites.

During the first half 2011/2012, the operating companies invested €6,173 thousand, notably to modernise existing sites (development of new leisure activities on the Villages Club) and to open new sites.

Depreciation for the period stood at €7,748 thousand.

Finance leases:

Property, plant and equipment include assets held on lease financing, the net value of which stood at €133,926 thousand at 31 March 2012, with €104,475 thousand of this corresponding to construction and €27,131 thousand for fixtures and fittings.
This amount mainly included:

- the central facilities of the Domaine Center Parcs du Lac d'Ailette village for €131,980 thousand;
- the overhaul of the television sets in the residences operated by Pierre & Vacances Tourisme Europe for €1,946 thousand.

Corresponding long-term debt is €117,913 thousand at 31 March 2012, including €112,178 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)	31/03/2012	30/09/2011
Gross accrued interest income	14	14
Impairment losses	-	-
Net accrued interest income	**14**	**14**
Gross loans and other financial assets	23,582	24,787
Impairment losses	-323	-323
Net loans and other financial assets	**23,259**	**24,464**
Total	**23,273**	**24,478**

"Loans and other financial assets", whose net carrying amount at 31 March 2012 was €23,582 thousand, consist primarily of guarantee deposits in the amount of €20,254 thousand paid to property owners/lessors and suppliers. These deposits are distributed mainly between residences and villages of Pierre & Vacances Tourisme Europe (€5,732 thousand) and villages of Center Parcs Europe (€14,522 thousand);

Note 8 – Inventories and work in progress

(in € thousands)	31/03/2012	30/09/2011
Work in progress	176,332	105,771
Finished goods	57,672	50,106
Gross property development programmes	**234,004**	**155,877**
Provisions	-3,798	-2,304
Net property development programmes	**230,206**	**153,573**
Other inventories	9,066	8,013
Total	**239,272**	**161,586**

The increase reported during the H1 2011/2012 in the net balance of inventories of finished goods and work in progress (€77,686 thousand) mainly reflects the change in the contribution of the property development programmes (€78,127 thousand).

The breakdown of the contribution of each of the property development programmes to the gross amount of the inventories is shown in Note 9.

Note 9 – Contribution of property devlopment programmes to the gross amount of inventories

(in € thousands)	30/09/11	Increases	Reductions	31/03/12
Manilva	30,538	-	-217	30,321
Chaumont Cottages	4,712	87,144	-61,973	29,883
Roybon	26,278	2,162	-1,868	26,572
Avoriaz	7,271	57,905	-45,325	19,851
Bois des Harcholins	13,358	23,548	-22,597	14,309
Center Parcs Bostalsee	4,164	8,468	-	12,632
Bois de la Mothe Chandenier	6,082	4,982	-	11,064
Biarritz	115	16,611	-7,236	9,490
Center Parcs Allgäu	6,809	656	-	7,465
Maroc	6,138	394	-	6,532
Presqu'île de la Touques	4,834	1,475	-	6,309
Les Villages Nature de Val d'Europe	3,514	1,903	-	5,417
Bois Francs Rénovation	657	9,031	-4,827	4,861
Calarossa	4,189	-	-	4,189
Les Arcs 1950 - spa	0	3,138	-	3,138
Flaine Montsoleil Centre	2,583	412	-	2,995
Les Senioriales en ville - Marseille	649	3,715	-1,635	2,729
Les Senioriales - Soulac	1,373	2,324	-1,479	2,218
Les Senioriales - Juvignac	498	2,923	-1,322	2,099
Les Senioriales - Bassan	580	2,855	-1,490	1,945
Les Senioriales - Saint Laurent de la Prée	404	1,326	-	1,730
Center Parcs Eemhof	1,446	582	-344	1,684
Les Senioriales - Montagnac	865	2,156	-1,555	1,466
Les Senioriales en ville - Saint Avertin	1,308	2,168	-2,115	1,361
Les Senioriales - Rambouillet	1,673	2,938	-3,299	1,312
Les Senioriales - Jonquières	1,653	29	-386	1,296
Les Senioriales - Paradou	2,604	24	-1,447	1,181
Les Senioriales - St Julien des Landes	1,376	2,182	-2,450	1,108
St Cast Le Guildo	824	263	-	1,087
Les Senioriales - Lacanau	908	1,920	-1,843	985
Les Senioriales - La Celle	402	244	-	646
Les Senioriales - Ruoms	770	18	-211	577
Colmar	293	280	-	573
Chaumont Equipement	93	475	-	568
Les Senioriales - Pont Aven	431	119	-	550
Les Senioriales - Lombez	1,141	37	-670	508
Les Senioriales - Saint Gatien	160	332	-	492
Belle-Dune Village	1,848	1,812	-3,264	396
Les Senioriales - Cavillargues	156	187	-	343
Les Senioriales en Ville - Luce	576	2,144	-2,415	305
Les Senioriales - Montélimar	971	1,940	-2,624	287
Les Senioriales - Côte d'Azur	525	13	-304	234
Plagne Lauze	2,008	-	-1,905	103
Courseulles sur mer	0	6,250	-6,250	0
Danestal	0	3,191	-3,191	0
Tréboul	0	2,519	-2,519	0
Other Property development programmes	9,100	14,258	-12,165	11,193
Sub-total Property Development	**155,877**	**277,053**	**-198,926**	**234,004**

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

- **increases** for the period arising essentially from:

- €63,572 thousand for purchases and renovation of residences and cottages for resale under the Pierre & Vacances sales formula, with lease attached. These transactions mainly relate to:
  - the cottages of Domaine Center Parcs des Hauts de Bruyères. As part of the renovation operation of the village, the Group acquired 350 cottages for an amount of €53,572 thousand,
  - a residence in Biarritz, whose acquisitions have increased the gross amount of inventories, by €10,000 thousand,

- acquisitions of land for new construction programmes totalling €9,016 thousand. This amount relates, in particular, to the land acquired for Les Seniorales programmes for €8,016 thousand,

- work done during the period on the new construction or renovation programmes thus creating an increase in gross inventory of €204,465 thousand.

  The main programmes concerned are Avoriaz (€57,905 thousand), Center Parcs du Domaine des Hauts de Bruyères (€33,572 thousand), Center Parcs du Domaine du Bois Harcholins (€23,548 thousand), Center Parcs du Domaine des Bois Francs (€9,041thouand), Domaine Center Parcs – Bostalsee (€8,468 thousand), Courseulles sur Mer (€6,250 thousand), Les Seniorales en ville – Marseille (€3,138 thousand), and Les Seniorales – Rambouillet (€2,938 thousand);

- **reductions** relating to recognition of deferred income from new construction or renovation programmes totalling €198,926 thousand. These reductions are found in the following programmes : Center Parcs du Domaine des Hauts de Bruyères (-€61,973 thousand), Avoriaz (-€45,325 thousand), Center Parcs du Domaine du bois Harcholins (-€22,597 thousand), Biarritz (-€7,236 thousand), Courseulles sur Mer (-€6,250 thousand), Center Parcs du Domaine des Bois Francs (-€4,827 thousand), and Les Senioriales – Rambouillet (-€3,299 thousand).

Note 10 – Trade receivables

(in € thousands)	31/03/2012	30/09/2011
Property Development	168,306	213,870
Tourism	81,482	97,170
Services	3,683	5,801
Gross Trade Receivables	**253,471**	**316,841**
Property Development	-1,132	-1,315
Tourism	-6,033	-5,961
Services	-43	-66
Provisions	**-7,208**	**-7,342**
Total	**246,263**	**309,499**

The **€63,236** thousand decrease in the net value of trade receivables stemmed mainly from the property development business, whose net balance of trade receivables decreased by €45,381 thousand.

This decrease mainly stemmed from payments received as work progressed, mainly on the programmes for Avoriaz and Center Parcs du Domaine du Bois des Harcholins.

Note 11 – Other current assets

11.1 – Other current assets

(in € thousands)	31/03/2012	30/09/2011
Advances and prepayments to suppliers	11,629	6 666
Prepaid taxes and duties	111,318	95,439
Other receivables	61,223	60,958
Gross amount	**184,170**	**163,063**
Provisions	-432	-1,008
Net other receivables	**183,738**	**162,055**
Prepaid expenses, marketing and advertising – Tourism	166	372
Prepaid expenses, marketing and advertising – Property development	18,040	27,261
Prepaid rent expense	31,002	23,890
Other prepaid expenses	24,277	15,094
Prepaid expenses	**73,485**	**66,617**
Total Other current assets	**257,223**	**228,672**

The €28,551 thousand increase in **« Other current assets »** mainly stemmed from:

- a €15,879 thousand increase in "Prepaid taxes and duties", notably stemming from a rise in VAT receivables in the property development business related to new developments ;
- a €9,183 thousand increase in « Other prepaid expenses », resulting from seaside renovation work undertaken by Pierre & Vacances Tourisme Europe and not completed on 31 March 2012;

11.2 – Current financial assets

(in € thousands)	31/03/2012	30/09/2011
Current accounts	11,427	8,220
Loans under the "Ownership & Holidays" programme	9,841	10,443
Total	**21,268**	**18,663**

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

Note 12 – Net cash

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

(In € thousands)	31/03/2012	30/09/2011
Cash	69,838	67,036
Cash equivalents (SICAV and deposits)	25,792	170,025
Credit bank balances	-5,199	-4,555
Net cash	**90,431**	**232,506**

Adagio entity's net cash, jointly controlled with Accor, amounts to €3,572 thousand at 31 March 2012.

Note 13 – Group shareholders' equity

Issued capital and share premium:

Share capital at 31 March 2012 was €88,215,510, 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 2011/2012 are detailed in the table below:

	31/03/2012	30/09/2011
Number of shares at 1 October	**8,821,551**	**8,821,551**
Number of shares issued during the period (prorata temporis)		
Pierre et Vacances share options exercised	-	-
Pierre et Vacances shares held by Pierre et Vacances SA and deducted from consolidated equity	-204,248	-93,611
Weighted average number of shares outstanding	**8,617,303**	**8,727,940**
Dilutive effect		
Pierre et Vacances share options granted	-	2,475
Pierre et Vacances bonus shares granted	-	24,864
Weighted average number of diluted shares	**8,617,303**	**8,755,279**

Treasury shares:

The Pierre & Vacances – Center Parcs Group acquired treasury shares over the period for €4.550 thousand.
At 31 March 2012, the Group holds 303,657 of its own shares shares for a total value of €10,708 thousand.

Dividends paid:

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

Breaching of thresholds:

Financière de l'Échiquier, acting on behalf of managed funds, declared having breached upwards, on 16 November 2011, the threshold of 5% of Pierre et Vacances SA voting rights, holding, on behalf of the said funds, 667,047 shares as of that date and representing an equivalent number of voting rights, namely 7.56% of the capital and 5.22% of voting rights.

Note 14 – Provisions

(in € thousands)	31/03/2012	30/09/2011
Provisions for renovations	14,224	16,184
Provisions for retirement and other post-employment benefits	11,101	10,682
Provisions for legal proceedings	737	731
Provisions for restructuring	-	-
Other provisions	-	-
Non-current provisions	**26,062**	**27,597**
Provisions for renovations	4,747	4,662
Provisions for retirement and other post-employment benefits	1,973	2,148
Provisions for legal proceedings	2,574	2,413
Provisions for restructuring	1,416	746
Other provisions	-	892
Current provisions	**10,710**	**10,861**
Total	**36,772**	**38,458**

The €1,686 thousand decrease in provisions in H1 2011/2012 was mainly due to provisions for renovations.

Provisions for retirement and other post-employment benefits on 31 March 2012 were based on the estimate calculated on 30 September 2011

Note 15 – Financial liabilities

Breakdown by type and operating segment:

(in € thousands)	31/03/2012	30/09/2011
<u>**Long-term borrowings**</u>		
Bank borrowings	*51,469*	61,307
. Tourism	*51,469*	*61,307*
. Property Development		
Bond issued	110,601	110,026
. Tourism	*110,601*	*110,026*
Bridging loans	8,496	4,856
. Property Development	*8,496*	*4,856*
Finance leases	113,794	115,762
. Tourism	*113,794*	*115,762*
Other financial liabilities	2,728	2,728
. Tourism	*1,575*	*1,575*
. Property Development	*1,153*	*1,153*
Subtotal long-term borrowings	***287,088***	***294,679***
. of which Tourism	***277,439***	***288,670***
. of which Property Development	***9,649***	***6,009***
<u>**Short-term borrowings**</u>		
Bank borrowings	24,348	33,868
. Tourism	*22,434*	*31,954*
. Property Development	*1,914*	*1,914*
Bridging loans	7,093	2,007
. Property Development	*7,093*	*2,007*
Finance leases	4,119	4,096
. Tourism	*4,119*	*4,096*
Other financial liabilities	73	157
. Tourism	*36*	*135*
. Property Development	*37*	*22*
Bank credit balances	5,199	4,555
. Tourism	*4,961*	*3,897*
. Property Development	*238*	*658*
Subtotal short-term borrowings	***40,832***	***44,683***
. of which Tourism	***31,550***	***40,082***
. of which Property Development	***9,282***	***4,601***
Total	**327,920**	**339,362**
. of which Tourism	***308,989***	***328,752***
. of which Property Development	***18,931***	***10,610***

The change in bank loans at 31 March 2012 corresponded to:

<u>For tourism business</u>:

- the half-year amortisation of the « Corporate » debt, taken out by the group partly for its external growth, which was refinanced in June 2010. At 31 March 2012, the loan outstanding is €70,000 thousand (half-year repayment of the principal of €10,000 thousand.).

- the €115,000,000 OCÉANE-type bond issued on 2 February 2011, maturing on 1 October 2015 and convertible at any time into new shares or exchangeable for existing shares, one share for each OCÉANE. These bonds have an annual coupon rate of 4%. At 31 March 2012, the liability component amounted to €110,601 thousand.

- the reimbursement of a €9,000 thousand loan subscribed on November 2009, intended to finance the Group's general requirements.

<u>For property development business</u>:

- changes in bridging loans (+€8,726 thousand) intended to finance the renovation operation of the cottages of Center Parcs du Domaine des Hauts de Bruyère (€4,292 thousand) and the property development programmes Les Senioriales, of which:

  – €1,447 thousand to finance Les Senioriales en Ville – Marseille Saint Loup,
  – €1,143 thousand to finance Les Senioriales – Bassan,
  – €1,128 thousand to finance the construction of Les Senioriales – Juvignac.

Furthermore, the Pierre & Vacances-Center Parcs Group has the benefit of three confirmed credit lines, these breaking down as follows:

- €5 million maturing in October 2012;
- €15 million maturing in January 2014;
- €12 million maturing September 2012;
- €10 million.

There was no drawdown against the credit lines at 31 March 2012.

Analysis of the financial liabilities related to finance leases:

(in € thousands)	31/03/2012	30/09/2011
Le Domaine du Lac d'Ailette	(*)112,178	112,999
PV CP Résidences Exploitation	(**) 5,735	6,859
Total	**117,913**	**119,858**

(*) : the underlying net asset (€131,980 thousand at 31 March 2012) is recorded in Property, plant and equipment.
(**) : the underlying net asset (€1,946 thousand at 31 March 2012) is recorded in Property, plant and equipment.

Breakdown by maturity:

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

Maturities	Balance (in € thousands) at	
	31/03/2012	30/09/2011
Year N+ 1	40,832	44,683
Year N+ 2	33,665	28,763
Year N+ 3	133,855	24,916
Year N+ 4	12,324	132,739
Year N+ 5	2,242	2,246
Year > N+ 5	105,002(*)	106,015
Total	**327,920**	**339,362**

(*) : including €102,274 thousand for finance leases.

Collateral:

(in € thousands)	30/09/2011	30/09/2011
Guarantees and pledges	184,227	183,995
Mortgages	-	-
Total	**184,227**	**183,995**

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

- a first call guarantee of €181,352 thousand that can be amortised, granted to the institution that provided finance lease for the facilities at Domaine du Lac de l'Ailette;

- collateral of €2,875 thousand pledged to secure the bridging loan for the Les Senioriales en Ville – Marseille Saint Loup property development programme.

Note 16 – Hedging financial instruments

The derivative financial instruments contracted by the Pierre & Vacances-Center Parcs Group at 31 March 2012 are intended exclusively for the management of interest rate risk. They are deemed to be derivatives designated as cash flow hedging instruments. Interest rate risk is generally managed relative to the Group's net financial liabilities in order to protect it against a possible rise in interest rates. To this end, the Group entered into swap agreements with leading banks.

At 31 March 2012, the notional amounts and market values of these swap contracts intended to hedge the variable rate borrowings were as follows:

Interest rate received	Interest rate paid	Notional amount at 31/03/2012 *(in € thousands)*	Market value of hedging instruments *(in € thousands)*	Start date	Maturity date
6-month Euribor	1,7425 %	35,000	-295	28 Dec. 2010	28 Dec. 2013
6-month Euribor	1,7325 %	35,000	-289	28 Dec. 2010	28 Dec. 2013
TOTAL		**70,000**	**-584**		

The market value of the hedging financial instruments was -€584 thousand at 31 March 2012, compared with -€321 thousand at 30 September 2011.

Note 17 – Trade payables

(in € thousands)	31/03/2012	30/09/2011
Tourism	191,349	199,253
Property development	94,193	52,174
Services	7,704	7,881
Total	**293,246**	**259,308**

"Trade payables" rose by €33,938 thousand, mainly due to the property development business. This increase came from programmes under development or renovation at 31 March 2012 (Domain Center Parcs des Hauts de Bruyères, Domain Center Parcs du Bois des Harcholins).

Note 18 – Other current and non-current liabilities

18.1 – Other current and non-current liabilities

(in € thousands)	31/03/2012	30/09/2011
Advances and deposits on orders in progress	114,646	69,794
VAT and other tax liabilities	65,479	70,922
Employee and social security liabilities	64,775	71,255
Borrowings related to acquisition of non-current assets	14	11
Lease liabilities	5,485	6,580
Other liabilities	101,327	104,022
Other operating liabilities	**351,726**	**322,584**
Property sales and support funds	136,460	172,143
Other deferred income	23,026	8,726
Deferred income	**159,486**	**180,869**
Total Other Liabilities	**511,212**	**503,453**
Other current liabilities	507,729	498,951
Other non-current liabilities	3,483	4,502

The **€7,759 thousand** increase in other liabilities is linked to:

- Tourism: a €44,852 thousand increase in « Advances and deposits on orders in progress » corresponding to payments received from customers on reservation of their holidays.

- Property Development: a €35,683 thousand decrease in "deferred income on property sales" resulting notably from deliveries made in H1 2011/2012 for which the deed of in the presence of a notary had been signed on previous years (Avoriaz, Domain Center Parcs du Bois des Harcholins).

18.2 – Current financial liabilities

(in € thousands)	31/03/2012	30/09/2011
Current accounts	20,307	26,699
Hedging financial instruments	584	321
	20,891	**27,020**

"Current financial liabilities" essentially represent current accounts payable to related parties, in particular to S.I.T.I., the parent company (€5,553 thousand), and to co-contractors.

ANALYSIS OF THE MAIN PROFIT AND LOSS ITEMS

Note 19 – Revenue

(in € thousands)	H1 2011/2012	H1 2010/2011 Like-for-like (*)	H1 2010/2011 reported
Tourism	449,870	451,087	440,263
Pierre & Vacances Tourisme Europe (1)	*236,951*	*236,202*	*222,558*
Center Parcs Europe (2)	*212,919*	*214,885*	*217,705*
Property Development	219,196	212,930	212,930
Total	**669,066**	**664,018**	**653,193**

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

* On a like-for-like basis, turnover has been adjusted for the impact of:

- *For Pierre & Vacances Tourisme Europe (PVTE):*
  - As of 1 July 2011, the acquisition from Lamy of the businesses of 31 Citéa residences (+€17.7m in H1 2010/11),
  - The reclassification under "other operating income" of rebilled charges incurred under the framework of external mandates (€4.0m in H1 2010/11).

- *For Center Parcs Europe (CPE):*
  - The outsourcing of catering activities at the Center Parcs villages (€2.8m in H1 2010/11);

Revenue by country:

(in € thousands)	H1 2011/2012	H1 2010/2011
France	305,680	294,094
The Netherlands	82,915	84,767
Germany	26,645	26,559
Belgium	31,144	32,331
Italy	1,816	1,848
Spain	1,670	664
Tourism	**449,870**	**440,263**
France	218,797	212,750
Spain	305	-
Italy	94	180
Morocco	-	-
Property Development	**219,196**	**212,930**
TOTAL	**669,066**	**653,193**

Revenue in France, where the registered office is located, amounted at €524,477 thousand.

Note 20 – Purchases and external services

(in € thousands)	H1 2011/2012	H1 2010/2011
Cost of goods sold – Tourism	-17,525	-17,400
Cost of inventories sold – Property development	-141,581	-139,435
Rent and other co-ownership expenses	-220,175	-207,185
Subcontracted services (laundry, catering, cleaning	-18,904	-14,958
Advertising and fees	-89,870	-78,086
Other	-79,099	-85,700
Total	**-567,154**	**-542,764**

The €24,390 thousand increase in "Purchases and external services" was primarily driven by the acquisition from Lamy of the businesses of 31 Citéa residences as of 1 July 2011.

Note 21 – Employee expenses

(in € thousands)	H1 2011/2012	H1 2010/2011
Salaries and wages	-121,459	-116,587
Social security contributions	-39,401	-38,535
Defined-contribution and defined-benefit plan expenses	41	-175
Share-based payments	-508	-258
Total	**-161,327**	**-155,555**

Note 22 – Depreciation, amortisation and impairment

(in € thousands)	H1 2011/2012	H1 2010/2011
Depreciation and amortisation	-22,101	-21,394
Impairment losses	-5,931	-2,954
Total	**-28,032**	**-24,348**

Note 23 – Other operating income and expenses from ordinary activities

(in € thousands)	H1 2011/2012	H1 2010/2011
Taxes and duties	-9,002	-4,973
Other operating expenses from ordinary activities	-9,890	-12,283
Other operating income from ordinary activities	7,068	3,351
Total	**-11,824**	**-13,905**

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

The change in "Other operating income from ordinary activities" mainly comes from the reclassification of reinvoiced external management company expenses, reported under "Revenues" in H1 2010/2011 (see Note 19 - Revenue). The H1 2010/2011 reinvoiced expenses amounted to €4,036 thousand.

Note 24 – Other operating income and expenses

(in € thousands)	H1 2011/2012	H1 2010/2011
Gains (losses) on disposals	306	1,522
Restructuring costs net of provision reversals	-3,390	-11,558
Total	**-3,084**	**-10,036**

"Other operating income and expenses" in H1 2011/2012 mainly included restructuring costs net of corresponding provisions for restructuring costs relating to the finalisation of the Group's transformation plan.

"Other operating income and expenses" in H12010/2011 primarily consisted of:

- The profit resulting from the disposal of the Latitudes « Beach Hôtel Trouville » ;
- restructuring costs net of corresponding provisions for restructuring costs relating to the implementation of the Group's transformation plan, notably the costs of closing down the Rotterdam site.

Note 25 – Net financial expenses

(in € thousands)	H1 2011/2012	H1 2010/2011
Gross borrowing costs	-9,744	-8,251
Income from cash and cash equivalents	552	68
Net borrowing costs	**-9,192**	**-8,183**
Income from loans	450	723
Other financial income	135	97
Other financial expenses	-1,259	-1,054
Net other financial expenses	**-674**	**-234**
Total	**-9,866**	**-8,417**
Total financial expenses	*-11,003*	*-9,305*
Total financial income	*1,137*	*888*

Net financial expenses totalled €9.866 thousand vs. €8.417 thousand in H1 2010/2011. This €1,449 thousand change was mainly due to interest expenses on the OCEANE bonds issued in January 2011 for €115 million.

Note 26 – Income tax and deferred taxes

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

The tax saving relating to H1 2011/2012 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 2011/2012 shows a tax saving of €29,631 thousand;

- on the other hand, tax relating to one-off transactions in the period amounting to €1,008 thousand in the 1st half of 2011/2012.

The tax saving booked for the 1st half of 2010/2011 was €27,147 thousand.

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

Note 27 – Earnings per share

Average number of shares:

	H1 2011/2012	H1 2010/2011
Number of shares outstanding at 1 October	8,821,551	8,821,551
Number of shares issued during the period	0	0
Number of shares outstanding at the end of the period	**8,821,551**	**8,821,551**
Weighted average number of shares	8,617,303	8,716,310
Weighted average number of shares after dilution	8,617,303	8,768,918

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

Number of bonus shares (AGA), share subscription options (OSA) and share purchase options (OAA) granted by the Board of Directors:	**Type**	**Exercise price (in €)**	**H1 2011/2012**	**H1 2010/2011**
on 11/04/2003 and outstanding	OSA	44.00	-	5,000
on 03/11/2003 and outstanding	OSA	63.83	-	-
on 07/09/2004 and outstanding	OSA	66.09	-	-
on 26/09/2005 and outstanding	OSA	59.89	-	-
on 26/09/2005 and outstanding	OAA	59.89	-	-
on 21/07/2006 and outstanding	OAA	80.12	-	-
on 09/01/2007 and outstanding	OAA	87.40	-	-
on 08/01/2008 and outstanding	OAA	86.10	-	-
on 12/01/2009 and outstanding	OAA	39.35	-	5,000
on 12/01/09 and vested on FY 2010/2011	AGA	0.00	-	42,732
on 12/01/09 and vested on FY 2010/2011	AGA	0.00	-	2,127
on 12/01/09 and vested on FY 2010/2011	AGA	0.00	-	4,858
on 03/03/11 and outstanding	OAA	63.93	-	-
			0	**59,717**

At 31 March 2012, no equity instrument was included in the calculation of the weighted number of shares after dilution, the fair value of Pierre & Vacances SA share being inferior to the exercise price of equity instruments outstanding.

Earnings per share:

	H1 2011/2012	H1 2010/2011
Net profit (loss) attributable to owners of the Company (in € thousands)	-81,649	-74,712
Weighted basic earning per share attributable to owners of the Company (in €)	-9.48	-8.58
Weighted diluted earning per share, attributable to owners of the Company (in €)	-9.48 (*)	-8.58 (*)

(*): 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 FINANCIAL INFORMATION

Note 28 – Off-statement of financial position commitments

The collateral granted by the Group to secure its bank loans and reciprocal commitments are detailed respectively in Note 15 - “Financial liabilities” and Note 16 - “Hedging financial instruments”. They are therefore not included in the table below:

(in € thousands)	31/03/2012	30/09/2011
Guarantees and pledges	20,463	24,306
Rent commitments	2,694,635	2,663,888
Commitments given	**2,715,098**	**2,688,194**
Guarantees and pledges	44,598	39,302
Completion guarantees	74,300	24,864
Commitments received	**118,898**	**64,166**

Commitments given:

In H1 2011/2012, the €26,904 thousand increase in commitments given stemmed from the €30,747 thousand increase in rent commitments.

When the land and buildings of the residences, hotels and villages operated by the Pierre & Vacances-Center Parcs Group’s tourism operating companies are sold, a lease is signed with the new owners. At 31 March 2012, the rent remaining to be paid by the Group over the residual term of these leases amounted to €2,695 million. The present value of these rental commitments, discounted at a rate of 6.0%, is €1,946 million. The change in these commitments stemmed primarily from the new leases concluded following the deliveries of property programmes in the semester, notably Avoriaz.

Commitments received:

Guarantees and pledges mainly include commitments given by banks on behalf of the property development and tourism companies. These commitments enable the latter to obtain the relevant licences to conduct their property management, business and property trading and travel agency activities so that they can carry out their regulated business. At 31 March 2012, these commitments totalled €41,132 thousand.

Completion guarantees are issued by banks with respect to property development transactions. The changes in completion guarantees at 31 March 2012 resulted from:

- new guarantees issued during the semester for a total amount of €59,540 thousand. The main programmes concerned are Belle-Dune Village (€12,254 thousand), Chaumont cottages (€9,017 thousand), Les Senioriales en ville – Marseille Saint Loup (€7,789 thousand), Les Senioriales – Juvignac (€7,263 thousand), Les Senioriales en ville – Saint Avertin (€6,974 thousand), le Havre (€6,928 thousand);

- a total fall of €10,104 thousand arising from the expiry or resetting of several guarantees during the semester relating mainly to les Senioriales – Saint Julien des Landes (-€3,118 thousand), Plagne Lauze (-€1,710 thousand), and Courseulles sur Mer (-€1,176 thousand).

Note 29 – Transactions with related parties

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

- Executive Management and directors ;
- the parent company of Pierre & Vacances (Société d'Investissement Touristique et Immobilier) and its subsidiaries which are not included in the Group's scope of consolidation;
- the joint ventures, which are consolidated using the proportional method: Les Villages Nature de Val d'Europe, Villages Nature Management, Montrouge Développement, Nuit & Jour Projections, Part House, Adagio Group entities, NLD, Caen Meslin, Nantes Russeil and SDRT Immo (a property development company owned by Pierre & Vacances Maroc);
- Société de Développement de Résidences Touristiques, 15%-owned by Pierre et Vacances Maroc and, consequently, consolidated using the equity method.

The main transactions with related parties include:

- invoicing for lease payments and administrative personnel;
- purchase of support and advisory services as part of management agreements;
- lease agreements for the apartments operated by the subsidiary PV-CP Résidences Exploitation.

These transactions are conducted under normal market conditions.

The transactions with related parties are detailed below:

(in € thousands)	H1 2011/2012	H1 2010/2011
Revenue	1,833	1,769
Purchases and external services	-10,289	-8,436
Other operating income and expenses	1,299	1,404
Net financial income	200	259

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

(in € thousands)	31/03/2012	30/09/2011
Trade receivables	5,900	4,787
Other current assets	26,700	27,231
Trade payables	9,251	2,839
Other current liabilities	16,204	28,112

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

(in € thousands)	31/03/2012	30/09/2011
Guarantees and pledges	1,740	1,633
Rent commitments	16,706	17,319
Commitments given	**18,446**	**18,952**
Guarantees and pledges	870	817
Completion guarantees	0	0
Commitments received	**870**	**817**

Note 30 – Information on joint-ventures

At 31 March 2012, the companies over which the Group exercised joint control and which were consolidated using the proportional method were as follows:

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

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

Statement of financial position highlights:

(in € thousands)	31/03/2012	30/09/2011
Non-current assets	5,761	6,192
Current assets	31,311	19,240
Total assets	**37,072**	**25,432**
Non-current liabilities	363	1,319
Current liabilities	43,055	28,179
Total liabilities excluding equity	**43,419**	**29,498**

Statement of earnings highlights:

(in € thousands)	H1 2011/2012	H1 2010/2011
Revenue	6,621	14,330
Operating profit (loss) from ordinary activities	-40	497
Net profit (loss)	-309	229

Note 31 – Significant events after the reporting date

On 12 April 2012, the Group sold the business goodwill of the Latitudes hotel in Valescure to the "SNC Compagnie Hôtelière Saint Raphaël Valescure" for €650 thousand, thus finalising its strategy to withdraw from hotel activities.

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 et Vacances SA, for the period from 1 October 2011 to 31 March 2012; 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.

1. 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.

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.

Without qualifying our opinion, we draw your attention to the matter set out in Note 1.3 to the condensed consolidated financial statements, which describes the change in the accounting principles and methods for the definition of operating segments following the merger of the organisations of Pierre et Vacances Tourisme Europe and Center Parcs Europe, in accordance with IFRS 8 « Operating segment ».

2. 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 Paris–La Défense, 30 May 2012

The Statutory Auditors

A.A.C.E. ILE-DE-France
French Member of Grant Thornton International
Michel Riguelle

ERNST & YOUNG et Autres
Marie-Henriette Joud

STATEMENT BY THE PERSON ASSUMING RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

I hereby confirm, to my knowledge, that the condensed financial statements for the half-year period ended have been prepared in accordance with applicable accounting standards and give a true picture of the assets, the financial position and the income of the Company and all of the undertakings consolidated, and that the half-year management report (attached, see pages 3 to 11) includes an accurate presentation of the main 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, 30 May 2012

Sven Boinet

Chief Executive Officer