Results for the year ending 30 September 2014

Paris, 3 December 2014

Note: this press release presents consolidated results established under IFRS accounting rules, currently being audited, and closed by the Pierre et Vacances SA' Board of Directors on 2 December 2014.

- **Growth in turnover (+8.8%(1))**, benefiting from strong property development business and resilient tourism activities
- **Underlying operating profit multiplied by 4.5**
- **Strategic plan in an operating acceleration phase**

1] Full year 2013/2014 turnover and results (1 October 2013 – 30 September 2014)

1.1. Like-for-like turnover growth of 8.8%[1]

Euro millions	2013/2014	2012/2013 like-for-like (1)	Like-for-like change	2012/2013 reported	Reported change
Tourism	**1 141.1**	**1 131.3**	**+0.9%**	1 137.0	+0.4%
- Pierre & Vacances Tourisme Europe	590.4	598.6	-1.4%	598.6	-1.4%
- Center Parcs Europe	550.7	532.6	+3.4%	538.4	+2.3%
o/w accommodation turnover	***763.0***	***753.9***	***+1.2%***	*753.4*	+1.2%
- Pierre & Vacances Tourisme Europe	*405.9*	*407.0*	*-0.3%*	*407.0*	-0.3%
- Center Parcs Europe	*357.1*	*346.9*	*+3.0%*	*346.4*	+3.0%
Property development	**274.4**	**169.7**	**+61.7%**	169.7	+61.7%
Total FY 2013/14	**1 415.4**	**1 301.0**	**+8.8%**	1 306.7	+8.3%

➢ **Over 2013/2014, turnover from the tourism businesses rose by almost 1% to €1,141.1 million, with the Group again proving the resilient nature of its tourism businesses and the appeal of its offering.**

Accommodation turnover rose by 1.2% (+1.6% adjusted for supply effects), driven by growth in the number of nights sold (+2.3%), with net average letting rates dropping by 1.1%, due to an increase in VAT in France since 1 January 2014.

Occupancy rates rose in both divisions (Pierre & Vacances Tourisme Europe and Center Parcs Europe) to 70% vs. 67% in 2012/2013.

The share of international clients increased to represent 55% of the Group's accommodation turnover in 2013/2014 compared with 53% in 2012/2013.

[1] After reclassifications for standardisation

- Pierre & Vacances Tourisme Europe generated turnover of €590.4 million, including €405.9 million in accommodation turnover, virtually stable relative to the year-earlier period and up 2.5% excluding supply effects[2].

  On a same-structure basis, turnover grew in all destinations (seaside, mountain and city). Growth in the share of foreign clients to account for 40.5% of turnover in the division compared with 38.5% in 2012/2013 offset the decline in the share of French clients.

- Center Parcs Europe generated turnover of €550.7 million, including €357.1 million in accommodation turnover, up 3%.

  Growth in turnover stemmed from the domains in Germany (+2.4% excluding Bostalsee) and the Netherlands (+2.9%), with turnover at the French domains dropping by 1.3% primarily due to the decline in net average letting rates (impact of higher VAT).

➢ **Over 2013/2014, turnover from the property development activities rose by 61.7% to €274.4 million compared with €169.7 million in 2012/2013.**

This strong growth was driven especially by the contribution from the Center Parcs in the Vienne region (€101 million) and Bostalsee (€20 million), Villages Nature (€15 million), Deauville (€14 million) and the Senioriales programmes (€60 million).

Property reservations recorded to date with individual investors continued at a robust pace in a strained property environment. These stood at €234 million and €291 million including reservations with institutional investors (block sales of cottages at the Center Parcs in the Vienne).

1.2. Sharp growth in full-year earnings

	2012/2013 Proforma (*)	2013/2014	Evolution
Turnover	1 306.7	1 415.4	+8%
Underlying operating profit	2.7	12.2	+352%
Tourism	*-12.3*	*-6.9*	*+44%*
Property Development	*14.9*	*19.1*	*+28%*
Financial expenses	-16.2	-18.3	
Underlying net profit (loss) before taxes	-13.5	-6.2	+54%
Taxes	-0.9	-7.2	
Underlying net profit (loss)	-14.4	-13.4	+7%
Other operating income/expense net of tax	-33.1	-13.5	
OCEANE buy back		*-4.2*	
Other operating income/expense net of tax	*-33.1*	*-9.3*	
Share of net income of equity-accounted investments	0.1	0.0	
Net profit (loss)	**-47.5**	**-26.9**	**+43%**
Change in the fair value of ORNANE	0.0	3.6	
Net profit (loss) after the change in fair value of ORNANE	-47.5	-23.3	+51%
Attributable to the owners of the Company	*-47.6*	*-23.4*	
Non-controlling interests	*0.1*	*0.1*	

**impact of application of revised IAS19 accounting standard relative to pension liabilities: +€0.1m in underlying operating profit and net profit in 2012/2013*

2 reduction in number of appartments marketed (loss of leases, site withdrawals etc..)

1.2.1. Underlying operating profit multiplied by 4.5

- The €6.9m underlying operating loss in the tourism businesses represented a 44% improvement on the year-earlier period.

  Underlying operating results benefited in particular from growth in turnover (+€5 million) with margins affected by surcharges prompted by shorter holiday durations (-€2.5 million), savings on structural costs (+€9 million) as well as a reduction in rental amounts during lease renewals (+€10 million, in line with forecasts).

  Gains more than offset higher expenses caused by inflation (estimated at €12 million), the cost of the roll-out of DIOSI[3] and increased maintenance costs (€4 million).

- Underlying operating profit from the property development business totalled €19.1 million, up 28% relative to the year-earlier period.

  This generated a margin of 7% on turnover, in line with estimates.

In all, underlying operating profit rose sharply from €2.7 million in 2012/2013 to €12.2 million.

1.2.2. A huge improvement in net result (+43%)

- Other income and expenses net of tax primarily included the following non-recurring items:
  - €4.2 million in costs associated with the redemption in February 2014, of 96.5% of the number of OCEANE bonds initially issued in February 2011 (i.e. €116.4 million),
  - €5 million in restructuring costs,
  - €2 million in closure costs under the framework of the Group's ongoing withdrawal from loss-making sites (representing a net negative contribution of almost -€2.5 million in 2013/2014).
- After taking into account the change in fair value of the ORNANE share allocation right (a €3.6 million gain), the 2013/2014 Group net loss worked out to €23.3 million, a significant improvement relative to the previous year (-€47.5 million).

[3] *Department of Operating Innovation and Information Systems (Direction de l'Innovation Opérationnelle et des Systèmes d'information), responsible for transforming the Group's processes and operating methods*

1.3. A solid balance sheet

Euro millions	09/30/14	09/30/13 proforma
Net bank debt(1)	166.0	173.5
Group equity	373.2	396.7
Ratio of net bank debt to group equity (gearing)	44%	44%

(1) net financial debt adjusted for rental commitments for facilities at the Center Parcs Ailette

On 30 September 2014, the ratio of net bank debt to attributable Group equity totalled 44%, the same level as in the year-earlier period.

Group net debt was lower than in the previous year, after benefiting from:

- A cash resource generated over the year by changes in working capital requirements, primarily for funds cashed on property programmes sold, thereby helping to cover some of the equity advances invested during previous years.
- Growth in cash flow prompted by an improvement in operating performances and a plunge in restructuring costs.

2] Outlook

2.1. Growth in tourism reservations to date for Q1 2014/2015

Reservations to date in Q1 2014/2015 are higher than the level seen last year:

- for Pierre & Vacances Tourisme Europe, after growth in the off-peak season at seaside resorts (+5%), reservations for the winter season are benefiting from healthy performances by premium residences in mountain areas and an increase in net average letting rates.

- for Center Parcs Europe, reservations are higher (> +4%) in all countries, including France, driven by better occupancy rates.

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2.2. Strategic plan in the operating acceleration phase

Over the past two years, the Group has strengthened its operating organisation, by improving its operating methods and procedures and developing a digital and client-based marketing and communication strategy.

The WIN strategic plan is now in an operating acceleration phase.

In order to shake up growth in the tourism businesses, Martine Balouka-Vallette[4], who joined the Group in 2002 and is recognised for her know-how in the management sector, has been nominated CEO for Tourism Pierre & Vacances and Center Parcs.

In 2014/2015, the main sources of leverage to turnover growth are set to stem from strengthening the tourism offering, developing differentiated and personalised digital customer relations and the efficiency of distribution methods. The Group also aims to intensify its lease renewal policy while, for certain residences, activating triennial maturities and proposing management mandates. As such, rental costs should fall by €67m between 2012/2013 and 2018/2019.

All of these actions should pave the way for a return to operating profitability in the tourism businesses as of 2014/2015 with a view to delivering underlying operating margin of 5% in 2016/2017.

At the same time, the Group is continuing its property development with sizeable projects for the brands that contribute to generating property margins and tourism operations: Center Parcs, Villages Nature, Adagio, Pierre & Vacances Premium. One of the major development focuses is international development, primarily in the Netherlands, Belgium and Germany with unit sales of renovated Center Parcs domains, and Spain.

Potential in the identified property activities stands at almost €2bn.

With no major deterioration in the European economic backdrop, the Group is now likely to reach its **underlying operating profit/turnover target of 5-6% by 2017**.

Information on 2013/2014 full-year results include the present press release and the presentation available on the Group's website: www.groupepvcp.com

For further information:

Investor Relations and Strategic Operations
Emeline Lauté
+33 (0) 1 58 21 54 76
infofin@fr.groupepvcp.com

Press Relations
Valérie Lauthier
+33 (0) 1 58 21 54 61
valerie.lauthier@fr.groupepvcp.com

[4] *Martine Balouka-Vallette has spent her entire career in the tourism sector, occupying positions of responsibility within hotel and tourism residence groups as well as consulting companies. She successfully carried out missions for the Pierre & Vacances and Maeva management team over seven years, before initiating the Group's businesses in Morocco. In 2012, she took over management of Adagio, which under her impetus, has expanded considerably especially outside France and has significantly increased its performances.*