Groupe
Pierre & Vacances
CenterParcs

First-half results for the year ending 30 September 2014

Paris, 27 May 2014

GROWTH IN FIRST-HALF 2013/2014 RESULTS
DESPITE DISADVANTAGEOUS CALENDAR EFFECT

I. Main events

Global refinancing of the Group

During the first half of the year, the Group renewed its syndicated loan with banking partners for an amount of €185 million, and issued ORNANE[1] bonds for €115 million.

Setting up these new loans, which are due to mature in 2019, has extended the average maturity of debt and strengthened the Group's financial leeway, thereby underpinning the deployment of the WIN2016 plan.

Signing of financing agreements for the first tranche of Villages Nature

On 25 May 2014, the Group, Euro Disney SCA and Les Villages Nature de Val d'Europe SAS announced announced the signing of financing agreements for the initial stage of Phase 1 construction on Villages Nature, backed by institutional investors, plus minority financing from the two groups. With the signing of these agreements, construction can begin on the initial stage of the development, which is targeted to open to the public in 2016.
For this initial stage of construction, the investments related to Villages Nature's recreational facilities are made by a group of institutional investors. The accommodation units, a combination of cottages and apartments, are mainly sold in bulk to a real estate company to be subsequently sold to individual investors. Some 200 units have already been marketed to individuals by the Pierre & Vacances-Center Parcs Group.

The initial stage of Phase 1 of Villages Nature will involve the construction of 916 cottages and apartments.

Development of 5th French Center Parcs in the Vienne region

On 15 November 2013, the Group and its public/private partners laid the foundation stone for the Domaine du Bois aux Daims, which is due to open in spring 2015. The specific nature of the village lies in its animal-themed concept housing domestic and semi-wild animals.

[1] Net share settled bonds convertible into new shares and/or exchangeable for existing shares: French *Obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes*

Development project for two midsize Center Parcs in France

On 28 March 2014, the Group announced a project to develop two Center Parcs, each with 400 cottages, in the Jura and Saône-et-Loire regions, representing an investment of €170 million before tax by Domain. The facilities are to be financed by a mainly department and regional semi-public company. The cottages are to be sold to individual and institutional investors.

The two villages are due to open in summer 2018.

II. H1 2013/2014 turnover and earnings (1 October 2013 to 31 March 2014)

A. Turnover

Euro millions	2013/2014	*Reported change*	2012/2013 like-for-like (1)	Like-for-like change
TOURISM	464.9	+1.2%	456.3	+1.9%
o/w accommodation turnover	*307.9*	*+0.3%*	*302.4*	*+1.8%*
- Pierre & Vacances Tourisme Europe	240.7	-2,2%	243.7	-1.2% (2)
- Center Parcs Europe	224.1	+5.1%	212.6	+5.4%
PROPERTY DEVELOPMENT	97.0	+57.1%	61.7	+57.1%
Total H1	**561.8**	**+7.8%**	**518.0**	**+8.5%**

(1) On a like-for-like basis, turnover has primarily been adjusted for calendar effects (impact of shift in school holidays from second to third quarter of the year).

(2) Of which -3% due to a reduction in the network operated in the first half of the year.

First half 2013/2014 Group tourism turnover rose 1.9% to €464.9 million, after adjusting for the impact of the shift in the Easter school holidays from the second to the third quarter of the year (negative impact on first half offset by a transfer effect to April).
Growth was driven by the initial progress made in the operating initiatives launched under the framework of the WIN2016 plan, despite the disadvantageous context of a hike in VAT in France from 7% to 10% in Q2 and the net decline in the assets operated[2].

Pierre & Vacances Tourisme Europe posted healthy performances in mountain resorts, with an average occupancy rate of 85%, as well as in city residences. In these destinations, accommodation turnover rose by 3.6% (adjusted for negative supply effects) and 2.2%, respectively.
Center Parcs benefited from robust business in France and the Netherlands (growth in accommodation turnover of 4.1% and 2.2% respectively) as well as in Germany, with the operation of the new village at Bostalsee.

Property development turnover rose 57.1% to €97.0 million (including €24.1m for Center Parcs in the Vienne region). Property reservation turnover with individual investors totalled €139.1 million, similar to the level recorded in the year-earlier period (€120.4 million).

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[2] Impact of withdrawal from loss-making sites in 2012/2013 and non-renewal of leases (PV and Maeva), net of operating of new residences (primarily Bostalsee and Adagio).

B. Earnings

	H1 2013/14	H1 2012/13 proforma [1]	Evolution
Turnover	561.8	521.0	+7,8%
Operating profit (loss) from ordinary activities	-93.7	-98.0	+4,4%
Financial expenses	-8.6	-8.9	
Taxes	4.8	3.2	
Operating profit (loss)	-97.5	-103.7	+6,0%
Other income and expense net of tax	-10.3	-22.2	
OCEANE buy back	*-4.2*	*0*	
Other	*-6.1*	*-22.2*	
Share of net income (loss) of equity-accounted investments	-0.1	0.0	
Net income (loss)	**-107.9** [2]	**-125.9**	**+14.3%**
of which			
Attributable to the owners of the Company	*-107.9*	*-125.9*	
Non-controlling interests	*0.0*	*0.0*	

(1) impact of application of revised IAS 19 standard relative to retirement benefits: -€0.1 million on H1 2012/2013 current operating profit.
(2) excluding changes in fair value of the share attribution right for the ORNANE bond (charge of -€1.6 million stemming from rise in the share price since ORNANE issue from €28 to €30).

Note: the seasonal nature of the tourism activities in the first half of the year and the linear method of booking charges causes a structural operating loss during the period.

Improvement in current operating result of 4.4%:

- The first-half current operating result in the tourism businesses improved from €101.0 million in H1 2012/2013 to €98.7 million despite the negative impact of the shift in the Easter school holidays from H1 to H2 of the year (estimated at -€5 million).
  The first half benefited especially from savings, net of inflation, during the period (annualisation of the 2012/2013 plan and reduction in rental costs), in line with the full-year targets announced.
- Operating profit on property business stood at €5.0 million, representing a margin of more than 5% on turnover, higher than the level seen in H1 2012/2013.

Other income and expense net of tax included the following non-recurring items:

- €4.2 million in costs associated with the buy-back in February 2014 of 96.5% of the amount of OCEANE bonds initially issued in February 2011 (representing €116.4 million).
- €2.8 million in restructuring costs.
- €1.5 million in costs to close loss-making sites.

The net loss was €109.5 million, after taking into account the change in the fair value of the share attribution right for the ORNANE bonds (charge of €1.6 million stemming from the increase in the share price since the issue of the ORNANE bond from €28 to €30.

III. Outlook

Tourism reservations

Tourism reservations to date for Q3 2013/2014 are higher than they were in the year-earlier period. Reservations benefited in particular from the impact of a shift in the Easter school holidays from the second quarter to the third quarter.

Turnover levels for the core summer season are linked to the rising trend for last-minute bookings.

Property development

Q3 2013/2014 property development turnover should be significantly higher than the level seen in Q3 2012/2013 in view of the property development schedule.

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