

First half results for the financial year ending 30 September 2015

Paris, 27 May 2015

SHARP GROWTH IN NET RESULT (+21%¹) DURING FIRST HALF OF THE YEAR

I. First half 2014/2015 turnover and results (1 October 2014 - 31 March 2015)

Accounting rule IFRS 11 "Partnerships" applicable to the Group as of 2014/2015, has prompted the consolidation of joint companies (mainly the Adagio and Villages Nature partnerships) according to the equity method and no longer by proportional consolidation.

For its operating reporting, the Group continues to integrate joint ventures according to the proportional consolidation method, considering that this presentation better reflects measurement of performance.

The income statement items and sales indicators discussed hereafter stem from operating reporting. Tables showing the reconciliation with the IFRS income statements are set out paragraph III.

A. Turnover up 16%

| Euro millions | 2014/2015 | 2013/2014 | Evolutions |
|-------------------------------------|--------------|--------------|---------------|
| TOURISM | 476.2 | 464.9 | +2.4% |
| o/w accommodation turnover | 311.2 | 307.9 | +1.1% (*) |
| - Pierre & Vacances Tourisme Europe | 243.8 | 240.7 | +1.3% |
| - Center Parcs Europe | 232.4 | 224.1 | +3.7% |
| PROPERTY DEVELOPMENT | 174.5 | 97.0 | +79.9% |
| Total H1 | 650.7 | 561.8 | +15.8% |

(*) Growth of +3.1% excluding stock effects

The Group's first half 2014/2015 tourism turnover stood at €476.2 million, up 2.4% relative to the first half 2013/2014, despite a net reduction in the portfolio operated² (overall impact of -2% on accommodation turnover).

- Adjusted for stock effects, **Pierre & Vacances Tourisme Europe** posted higher turnover for all of its destinations (+2.9% in accommodation turnover, including +4.0% for the mountain sites, +2.6% for the city residences and +1.2% for the seaside destinations).
- **Center Parcs Europe** enjoyed robust growth in business at the Dutch, Belgian and German Domains with turnover growth of more than 6%, clearly offsetting the temporary slowdown affecting the French Domains in Q2 (due especially to renovation works at the Center Parcs des Hauts de Bruyères), before the recovery noted in April and May.
- Note finally the 5.1% increase in supplementary income, reflecting both the successful roll-out of new services at Pierre & Vacances and Center Parcs, as well as healthy performances in the development of marketing mandates, especially in Spain.

¹ The income statement items discussed in this press release stem from operating reporting, with the presentation of joint companies on a proportional consolidation basis

² Impact of withdrawal from loss-making sites (Adagio Access sites in particular) and non-renewal of leases

Property development turnover rose 79.9% to €174.5 million, mainly driven by the contribution from Center Parcs in the Vienne (€96 million), Pierre & Vacances Premium in Flaine (€11 million) and the Center Parcs Bostalsee (€12 million), as well as Les Senioriales (€25 million).

On 15 May 2015, turnover from property reservations with individual investors totalled €145.9 million, corresponding to around 100 units a month, a similar pace to that noted in the year-earlier period.

B. Strong improvement in results

Note: the seasonal nature of the tourism businesses in the first half of the year and the linear booking of expenses leads to a structural operating loss during the period.

| Euro millions | H1 2014/2015 | H1 2013/2014 proforma ⁽¹⁾ | Evolutions |
|--|--------------|---|---------------|
| TURNOVER | 650.7 | 561.8 | +15.8% |
| CURRENT OPERATING RESULT | -79.3 | -95.8 | +17.2% |
| <i>Tourism</i> | -90.0 | -100.7 | |
| <i>Property Development</i> | 10.7 | 4.9 | |
| Financial expenses | -9.3 | -8.6 | |
| Taxes | 4.4 | 5.1 | |
| CURRENT NET RESULT | -84.2 | -99.2 | +15.1% |
| Other income and expenses net of tax | -3.1 | -10.6 | |
| <i>OCEANE redemption</i> | 0.0 | -4.2 | |
| <i>Other</i> | -3.1 | -6.4 | |
| Equity associates | 0.1 | -0.1 | |
| NET RESULT ⁽²⁾ | -87.2 | -109.9 | +20.7% |
| o.w. attributable to owners of the Company | -87.3 | -109.9 | |
| o.w. non controlling interests | 0.1 | 0.0 | |

(1) adjusted for the impact of the application of the IFRIC 21 interpretation "taxes levied by a government authority" relative to the booking of liabilities for rights or taxes due: -€2.1m on current operating result and -€1.9m on net result in H1 2013/2014

(2) excluding change in the fair value of the ORNANE share allocation right (+€0.1m in H1 2014/2015 vs. -€1.6m in H1 2013/2014).

Considerable improvement in current operating result (+17.2%):

- Current operating result in the tourism businesses totalled -€90 million, compared with -€100.7m in the year-earlier period, benefiting especially from turnover growth, as well as the decline in rental expenses following lease renewals (impact of €8 million during the first half, in line with the full-year target of €12 million). These gains clearly helped offset expenses prompted by inflation (estimated at around €5 million).
- Operating profit from the property businesses totalled €10.7 million, in line with turnover growth.

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

- €1.5 million in restructuring costs,
- €1.4 million in closure costs under the framework of the Group's ongoing withdrawal from loss-making sites.

The net result was -€87.2 million (excluding change in the fair value of the ORNANE share allocation right), representing a sharp improvement relative to H1 2013/2014 (+20.7%).

C. Decline in net bank debt³

The Group generated a significantly lower cash requirement⁴ compared to that seen in the first half of 2013/2014 reflecting net bank debt down €30m relative to the year-earlier period (€236.8 million on 31 March 2015 vs. €266.6 million on 31 March 2014).

This positive change stemmed primarily from:

- The cash resource generated in H1 2014/2015 by changes in working capital requirements, especially associated with the property development business and in particular at the Center Parcs Domaine du Bois aux Daims (Vienne-France) and Bostalsee (Germany).
- An improvement in cash flow, prompted by better operating performances.

II. Outlook – second half turnover

Tourism reservations

Reservations to date for Q3 2014/2015 are higher than in the year-earlier period with:

- For Pierre & Vacances Tourisme Europe, excluding stock effects⁵, higher growth in reserved turnover than in the two previous quarters, driven by both seaside and mountain destinations. The bank holiday weekends in May have prompted high turnover growth while last minute reservations are expected for June.
- For Center Parcs Europe, a recovery in reservations to date at the French Domains after sluggish business in Q2, and slight growth in reservations for the Domains in the Netherlands, Belgium and Germany. The increase in reserved turnover for the quarter is driven by the bank holiday weekends in May, offsetting the decline in turnover to date for June.

Over the summer period, reservations to date have increased for the core peak season (mid-July/August).

Property development

Property development turnover for Q3 2014/2015 is expected to be lower than the Q3 2013/2014 level, in line with the expected phasing of property programmes.

³ Net debt excluding rental commitments at Center Parcs de l'Ailette

⁴ Cash requirements generated during H1 2014/2015 stemmed primarily from the seasonal nature of activities in the tourism division prompting the Group to book structurally negative cash flow during the first half.

⁵ Negative impact of the stock effect on accommodation turnover estimated at -5%

III. Reconciliation table - IFRS income statement

| <i>Euro millions</i> | H1 2014/2015 operating reporting | IFRS 11 adjustments | H1 2014/2015 IFRS |
|--------------------------------------|--|------------------------|----------------------|
| TURNOVER | 650.7 | -19.0 | 631.7 |
| CURRENT OPERATING RESULT | -79.3 | -0.8 | -80.1 |
| <i>Tourism</i> | -90.0 | -0.2 | -90.2 |
| <i>Property Development</i> | 10.7 | -0.6 | 10.1 |
| Financial expenses | -9.3 | 0.1 | -9.2 |
| Taxes | 4.4 | 0.4 | 4.8 |
| CURRENT NET RESULT | -84.2 | -0.3 | -84.5 |
| Other income and expenses net of tax | -3.1 | -0.0 | -3.1 |
| <i>OCEANE redemption</i> | 0.0 | 0.0 | 0.0 |
| <i>Other</i> | -3.1 | -0.0 | -3.1 |
| Equity associates | 0.1 | 0.3 | 0.4 |
| NET RESULT ⁽¹⁾ | -87.2 | 0.0 | -87.2 |

(1) excluding change in the fair value of the ORNANE share allocation right

| <i>Euro millions</i> | H1 2013/2014 proforma (*) | IFRS 11 adjustments | H1 2013/2014 IFRS |
|--------------------------------------|------------------------------|------------------------|----------------------|
| TURNOVER | 561.8 | -8.0 | 553.8 |
| CURRENT OPERATING RESULT | -95.8 | 0.5 | -95.3 |
| <i>Tourism</i> | -100.7 | 0.4 | -100.3 |
| <i>Property Development</i> | 4.9 | 0.1 | 5.0 |
| Financial expenses | -8.6 | 0.1 | -8.5 |
| Taxes | 5.1 | 0.6 | 5.7 |
| CURRENT NET RESULT | -99.2 | 1.1 | -98.1 |
| Other income and expenses net of tax | -10.6 | 0.1 | -10.5 |
| <i>OCEANE redemption</i> | -4.2 | 0.0 | -4.2 |
| <i>Other</i> | -6.4 | 0.1 | -6.3 |
| Equity associates | -0.1 | -1.2 | -1.3 |
| NET RESULT ⁽¹⁾ | -109.9 | 0.0 | -109.9 |

(1) excluding change in the fair value of the ORNANE share allocation right

(*) adjusted for the impact of IFRIC 21

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