

PIERRE & VACANCES

First half results (from October 1st 2003 to March 31st 2004)

- Group turnover in the first half of 2003/2004: €496.6 million, +3.1% in a like-for-like basis and +43.3% in real terms
- Net attributable income for the first half of 2003/2004: a profit of €2.9 million (versus a loss of €5.8 million in the first half of the 2002/2003 financial year)

I. ACTIVITY AND RESULTS FOR THE FIRST HALF OF 2003/2004

1. Consolidated turnover: €496.6 million, +3.1% like-for-like

- Turnover from tourism activities: €405.2 million, -0.8% like-for-like

The change was attributable to the stability of turnover from accommodation (-0.2% on a like-for-like basis) and the slight decrease (-1.5% like-for-like) of supplementary incomes which doesn't affect the Group's results.

- Turnover from property development: €91.4 million, +25.3%

962 apartments were delivered over the period (versus 718 in the first six months of 2002/2003), including 188 new apartments and 774 renovated units.

2. Net attributable income: profit of €2.9 million versus a loss of €5.8 million in the first half of 2002/2003

Group operating income for the first six months came out at €+9.0 million, compared with a loss of €6.8 million in the first half of the previous year. The improvement (€+15.8 million) was driven by growth in property development (€+9.8 million) and by the increase in the contribution from tourism activities (€+6.0 million).

As a result of the seasonal nature of the Pierre & Vacances/Maeva/Résidences MGM division, first half operating income from tourism activities is negative. Turnover in the winter season is structurally lower than one booked for the summer season, whereas fixed operating expenses (including rent) are spread out equally throughout the year. This seasonal phenomenon has been reduced by the full integration in the first half of 2003/2004 of Center Parcs Europe (compared with the proportionate consolidation of a 50% stake in the same period of 2002/2003), which is less exposed to seasonality.

Operating income from tourism activities amounted to €-6.4 million, compared with €-12.4 million in the first half of 2002/2003. It breaks down as follows:

- €+12.8 million for Center Parcs Europe (compared with €+11.2 million in the first half of 2002/2003), linked to its full integration, as opposed to the proportionate consolidation of a 50% stake in the first half of 2002/2003, and in the other hand to the impact of the sale of the freehold (land and buildings) of eight villages in September and October 2003 (amortisation expenses were replaced with higher rental charges, impact of € -11.2 million).
- €-19.2 million for the Pierre & Vacances/Maeva/Résidences MGM division, representing an increase of €4.4 million above to the €-23.6 million registered in the first six months of 2002/2003, while turnover from accommodation remained stable.

Operating income from the property development business reached €+15.4 million for the first half of the 2003/2004 financial year, compared with €+5.6 million in the same period of 2002/2003. This strong growth was primarily driven by robust business in property renovation, which represented 76% of the division's overall activity (against 28% in the first half of 2002/2003).

Financial income stood at €-6.1 million for the period, compared with €-6.7 million in the first half of 2002/2003. This figure includes interest payments on the debt contracted to finance the acquisition of 100% of Center Parcs Europe.

Goodwill amortisation rose to €6.6 million for the period, compared with €3.2 million in the first half of 2002/2003, primarily as a result of the full takeover of Center Parcs Europe in September 2003.

The Group's net income before extraordinary items amounted to €-2.9 million, compared with €-12.2 million in the first half of the previous year.

Extraordinary items (€+5.8 million compared with €+6.4 million in the first half of 2002/2003) were mainly linked to the update of the Group's differed tax position.

Net attributable income came out at €+2.9 million, compared with €-5.8 million in the first half of 2002/2003.

in millions of euros	First Half 2003/2004	First Half 2002/2003
Turnover	496.6	346.5
Operating income	9.0	-6.8
Financial income	-6.1	-6.7
Amortisation of goodwill	-6.6	-3.2
Corporate income tax	0.8	4.8
Share in results of companies accounted for by the equity method and Minority interests	-0.0	-0.3
Net income before extraordinary items	-2.9	-12.2
Extraordinary items (net of tax)	5.8	6.4
Net attributable income	2.9	-5.8

II. A PERSPECTIVE OF NET INCOME BEFORE EXTRAORDINARY ITEMS OF €45 MILLION FOR THE 2003/2004 FINANCIAL YEAR, A RISE OF 12% COMPARED WITH 2002/2003.

As a result of slow bookings from foreign customers (mainly from the UK and the Netherlands) in France and especially in the Mediterranean coast (fears of another heat wave), we are expecting a decrease of around 2%, on a like-for-like basis, of the accommodation turnover for the first nine months of 2003/2004, compared with the figures for the same period last year.

Despite these unfavourable economic trends, the Group is expecting that net attributable income before extraordinary items for 2003/2004 will reach an amount of around €45 million, representing an increase of 12% on the 2002/2003 financial year.

In addition to the good performances of Center Parcs Europe for the current financial year, its full integration within the Pierre & Vacances Group is a real success:

- reduction of the seasonality of the Group's Tourism division;
- new growth perspectives (openings and extensions of villages);
- implementation of revenue synergies that will enable to increase the distribution of Pierre & Vacances products in Northern Europe.

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