Paris, 31 May 2007

# H1 2006/2007 results and current operating profit target for FY 2006/2007

- **Attributable net income climbed €17.1 million in the first half of FY 2006/2007**
- **The Group is targeting a growth of current operating profit to €105 million on a like-for-like basis for full-year 2006/2007**

## I. H1 2006/2007 TURNOVER AND EARNINGS (1 October 2006 to 31 March 2007)

### 1. Consolidated turnover up 21% on like-for-like at €748.1 million

#### 1.1 Flat tourism turnover at €419.4 million

On a like-for-like basis, and adjusted for the beneficial calendar effect of the Easter holidays in Germany (these having fallen in Q2 2006/2007), revenues from tourism slipped 0.6% year-on-year during the first half of 2006/2007, with:

- a 0.7% increase in accommodation turnover at the Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes division. The healthy performances clocked up in seaside destinations (+12.6%), city residences (+4.0%) and the French West Indies (+12.7%) helped make up for the 4.7% slide in revenues from mountain resorts (withdrawal from a number of unprofitable sites and lack of snowfall in January);
- a 1.2% decline in accommodation turnover at Center Parcs Europe. Business with Dutch and French customers increased, whereas that with German and Belgian customers declined. Note that the division picked up in Q2.

#### 1.2 Property development turnover up 67% at €328.7m

Renovations accounted for 55% and new properties 45% of this division's turnover, which compares to 59% and 41%, respectively, in the first half of 2005/2006.

The main contributors to H1 turnover were:
- New properties: the Center Parcs Domaine du Lac d'Ailette, the extension of the Domaine des Bois-Francs village, and the Eguisheim, Le Crotoy, Branville, Montrouge, Bonmont (Spain) and Audierne residences;
- Renovations: the Paris Tour Eiffel, Val d'Isère, Méribel, Avoriaz, Courchevel, La Plagne and Alpe d'Huez residences.

### 2. H1 2006/2007 earnings

| (in € million) | H1 2006/2007 | H1 2005/2006 (1) |
|---|---|---|
| Turnover | 748.1 | 611.3 |
| **Current operating income** | **-11.3** | **-22.4** |
| Financial income | -1.2 | -4.0 |
| Corporate income tax (2) | 3.3 | 6.4 |
| Equity associates | 0.0 | 0.1 |
| Minority interests | 0.0 | -0.1 |
| **Attributable current net income (2)** | **-9.2** | **-20.0** |
| Other operating expenses and earnings net of tax (2) | 1.4 | -4.9 |
| **Attributable net income** | **-7.8** | **-24.9** |

*(1) pro-forma 2005/2006 figures adjusted for €8.8 million in advertising costs recognised as an expense when incurred (€4.0 million for Pierre & Vacances and €4.8 million for Center Parcs)*

*(2) Other operating expenses and earnings are shown net of tax. These also include one-off tax items (tax savings, update of group's fiscal position) reclassified from accounting tax.*

Note that the seasonal nature of revenue trends at the Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes division, and, to a lesser extent, Center Parcs Europe, has the structural effect of pushing the tourism division's operating earnings into the red in H1. This is because the winter season generates lower revenues than the summer season, while the group books its fixed costs (especially rents) in a linear manner.

### 2.1 Current operating income of -€11.3 million, an improvement of €11.1 million

- The tourism division turned in a -€48.2 million operating income, compared with -€45.7 million a year earlier:

  - the Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes division incurred a -€33.4 million current operating income in H1, which compares to -€32.3 million in the H1 2005/2006 on a pro-forma basis. The slight increase in accommodation turnover, combined with the €1.5 million in cost savings generated, almost covered the rise in expenses due to inflation and rental indexation.

  - Center Parcs Europe made a stable contribution to current operating profit (-€13.4 million). The €5 million in cost savings offset the slight decline in turnover during the period and inflation-driven changes in costs.

  - The cost of preparing the opening of the Center Parcs Domaine du Lac d'Ailette came to €1.4 million.

- The property development arm contributed a €36.9 million profit (yielding an operating margin of 11%), which is €13.6 million more than in the first half of 2005/2006.

### 2.2 Attributable net income of -€9.2 million (a €10.8 million improvement)

The improvement in financial income (from -€4.0 million to -€1.2 million) reflected the decrease of group debt. All in all, attributable current net income (i.e. attributable net income before other operating expenses and earnings net of tax) worked out at -€9.2 million, an improvement of €10.8 million.

### 2.3 Attributable net income up €17.1 million to -€7.8 million

Other operating expenses and earnings net of tax came in at +€1.4 million. Most of this figure corresponded to the capital gain on the divestment of the group's 25% stake in the Domaine Skiable de Valmorel, the Valmorel ski-lift company.
Note that the other operating expenses and earnings net of tax line were negative to the tune of €4.9 million in H1 2005/2006. This was primarily due to the restructuring charges incurred on the cost-cutting drive undertaken the tourism division.

## II. CURRENT OPERATING PROFIT TARGET FOR FY 2006/2007 (1 October 2006 to 30 September 2007)

Given the trend in tourism reservations so far for the second half (up 5% for Center Parcs Europe and stable for Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes) and the property development trend forecast over the same period, the Group is aiming for growth in current operating profit to € 105 million (excluding exceptional expenses for opening the Center Parcs Domaine du Lac d'Ailette and the contribution of companies acquired: Sunparks and Les Senioriales).

**For further information please contact:**

| Group Finance Department | **Press and Public Relations** |
|---|---|
| Patricia Damerval / Claire Plais<br>+33 (0) 1 58 21 53 72<br>infofin@pierre-vacances.fr | Valérie Lauthier<br>+33 (0) 1 58 21 54 61<br>vlauthier@pierre-vacances.fr |