



FY 2007/2008 current operating income target

- **2007/2008 current operating income target of €95-100 million**, similar to the previous year's level. Healthy performances in the tourism businesses made up for the majority of the temporary decline in property development due to a cautious acquisitions policy (and not to a slowdown in property development reservations).
- **Reinforcement of property businesses** with the completion of major projects, representing potential turnover of €1 billion, in addition to operations currently underway.

H1 2007/2008 TURNOVER AND EARNINGS (1 October 2007 to 31 March 2008)

1. Consolidated turnover: €613.8 million

Tourism turnover

On a like-for-like basis H1 2007/2008 tourism turnover rose by 13.3% to €500.7 million.

Turnover at **Pierre & Vacances Europe**¹ rose by 15.7% to €220.5 million with robust business in all destinations.

Turnover at **Center Parcs Europe**² rose by 11.5% on a like-for-like basis, to €280.2 million, including turnover of €14.3 million from Sunparks, which has been consolidated since 1 April 2007.

Property development turnover

Turnover from **property development** stood at €113.1 million vs. €328.7 million in the year-earlier period. The difference stemmed from a decline in the property offering due to a cautious acquisitions policy.

¹ Pierre & Vacances Europe covers the Pierre & Vacances, Adagio City Aparthotel, Maeva, Résidences MGM and Hôtels Latitudes brands

² Center Parcs Europe covers the Center Parcs and Sunparks brands

2. H1 2007/2008 earnings

euro millions	H1 2007/2008	H1 2006/2007
Turnover	613.8	748.1
Current operating income	-38.3	-11.3
Financial items	-4.6	-1.2
Taxes (1)	13.4	3.3
Attributable current net income (1)	-29.5	-9.2
Other operating income/expense net of tax (1)	7.2	1.4
Attributable net income	-22.3	-7.8

(1) Other operating income/expense is presented net of tax and also includes non-recurring items associated with tax (tax savings, update of Group fiscal position) which are reclassified from accounting tax.

The €134.3 million decline in turnover stemmed from the €215.6 million fall in property development turnover, offset partly by growth in the tourism businesses.

The €27.0 million drop in current operating income corresponded to the decline in property development earnings.

2.1 Current operating loss of €38.3 million

Note that the seasonal nature of revenue trends in the Pierre & Vacances Europe division, and to a lesser extent, Center Parcs Europe, has the structural effect of pushing tourism operating profit into the red in H1 due to lower turnover in the winter season than that generated in the summer season, whereas fixed costs (especially rents) are booked in a linear manner.

The contribution from the **tourism businesses** was stable at -€48.8 million:

- The **Pierre & Vacances Europe** brands (excluding new residences) incurred a current operating loss of €33.0 million vs. -€33.4 million in H1 2006/2007. Turnover growth helped offset the rise in costs prompted by inflation, the indexation of rents and the full year cost of strengthening sales offices outside France. The rising momentum of new residences, for which the majority of turnover is generated in the summer season, took a temporary toll on H1 earnings (-€3 million).
- **Center Parcs** showed a current operating loss of €8.1 million vs. -€14.8 million in H1 2006/2007, with the improvement driven by turnover growth.
- **Sunparks** was affected by the more seasonal nature of its business given that two villages are located at seaside resorts. As such, its current operating loss stood at €4.7 million.

Current operating income in the **property development** business totalled €10.5 million vs. €36.9 million in the year-earlier period. This difference is explained by the decline in the division turnover due to the cut in stocks available for marketing.

2.2 Attributable net loss: -€22.3 million

Financial expenses rose from €1.2 million to €4.6 million in H1 2007/2008 primarily due to interest expense on the financing of facilities at the Center Parcs Domaine du Lac d'Ailette.

Other operating income/expense net of tax totalled €7.2 million and corresponded primarily to non-recurring tax savings.

TARGET FOR 2007/2008 CURRENT OPERATING INCOME

Given the trend in tourism reservations so far for the second half of 2007/2008 (up 10% for Center Parcs Europe and 4% for Pierre & Vacances Europe), as well as prospective turnover in property development, the Group is targeting current operating income of between €95 million and €100 million.

Healthy performances in the tourism businesses should therefore help offset the majority of the decline in property business due to the temporary shortfall in property stocks.

Reservations for property programmes currently being marketed are continuing at a high pace.

REINFORCEMENT OF PROPERTY BUSINESSES

Without taking account of the numerous land and property projects currently being considered and the development in Morocco, the major projects currently being finalised are set to bolster the Group's property offering. These primarily concern:

- **Center Parcs at Moselle** (extension of 450 cottages);
- **Center Parcs in Isère** (1,000 cottages);
- The extension of **Avoriaz** (570 Résidences MGM, Pierre & Vacances and Maeva apartments);
- **Deauville, Presqu'île de la Touques** (120 Résidences MGM apartments) ;
- **Villages Nature**, in partnership with Eurodisney (first phase of 1,100 homes and apartments in a lakeland environment).

These projects represent potential additional turnover of €1 billion over the next four years.

These new developments are set to be gradually rounded out by the materialisation of projects currently under study and are set to both boost performances in the property division and increase the tourism offering with innovative products, thereby meeting market expectations.

For further information:

<u>Investor relations</u>	<u>Press and public relations</u>
Sophie Machino +33 (0) 1 58 21 53 72 infofin@pierre-vacances.fr	Valérie Lauthier +33 (0) 1 58 21 54 61 vlauthier@pierre-vacances.fr