

## **MGM / PIERRE & VACANCES / LAGRANGE**

### **Acquisition of MGM residences by Pierre & Vacances and Lagrange**

On December 18th, Maurice Giraud, owner of the MGM Group, signed a memorandum of agreement with Pierre & Vacances and Lagrange concerning the disposal of the management activity of MGM's tourism residences . The MGM Group is refocusing on its core business, namely property development in seaside and mountain resorts, with over 200,000 m<sup>2</sup> of land available for development in its portfolio.

The acquisition relates to the management of 1,174 apartments located in 12 mountain resorts (Les Arcs, La Plagne, Tignes, Val d'Isère, Les Menuires, Les Carroz, Méribel, Les Saisies, Chamonix, Les Houches, Argentières, Pralognan) and 2 seaside resorts (Deauville and Sainte-Maxime).

The MGM residences are all in the four-star category and offer large accommodation units (75% of which are apartments of more than three rooms) with first-class facilities (heated swimming pool, fitness centre/Turkish bath/sauna).

Customers of MGM residences are 100% European individuals, to which the stays are sold directly for 48%, and via tour operators for 52 %.

The occupancy rate stood at 89% for the 2001/2002 winter season.

#### **About the Pierre & Vacances Group**

The Pierre & Vacances Group is taking over 11 residences (10 in mountain resorts and 1 in a seaside), representing 939 apartments.

The turnover from these properties is estimated at €13.2 million for 2001/2002, with an EBITDA of €1.9 million.

The purchase price is €18.1 million, a valuation of 6 times the 2002/2003 EBITDA target . Goodwill (€14.0 million) will be amortised over 20 years.

This acquisition will enable the Pierre & Vacances Group to complement its offer in a particularly buoyant sector.

#### **About the Lagrange Group**

The Lagrange Group, which already owns the Soderev brand, is consolidating its position on the luxury residence segment by acquiring 3 sites (2 in the Alps, Argentières and Les Saisies, and one in the Var at Sainte-Maxime). The Group's distribution/tour operator structure will retain a privileged role in the marketing of the 14 MGM residences.

With over 35,000 beds under management in France, the Lagrange Group is reinforcing its position as a major player on the French tourist residence market.

**For further information, please contact:**

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