

PIERRE & VACANCES

Pierre & Vacances becomes sole shareholder in Center Parcs Continental Europe

In line with its development strategy in the short-distance tourism sector in Western Europe and its previous financial communication, Pierre & Vacances signed an agreement with MidOcean on August 20th 2003 to acquire the latter's 50% stake in Center Parcs Continental Europe for a price of €270 million.

Pierre & Vacances – which has held 50% of the capital in Center Parcs Continental Europe since March 2001 – thus acquires exclusive control of the entity.

Center Parcs Continental Europe manages 15 holiday villages located in the Netherlands, France, Belgium and Germany. It generated a turnover of €525.6 million and an operating income of €74.6 million over the 2001/2002 financial year.

MidOcean retains the full capital in Center Parcs UK, which manages the villages based in the United Kingdom.

This acquisition, the structure of which is in the process of being finalised, is subject to the approval of the competent national competition authorities.

This acquisition will be financed in part through a bank loan underwritten by BNP Paribas, Crédit Lyonnais and Natexis Banques Populaires, and in part through the Group's free cash.

At the same time, and in accordance with the Pierre & Vacances Group's policy of not owning the freehold on the property assets under its management, Center Parcs Continental Europe has signed a firm agreement with Nomura International plc to sell seven of the eight villages on which the Group owns the freehold for a total amount of €440 million.

In addition, Pierre & Vacances has concluded an agreement with a consortium led by the Dutch company Zeeland Investments Beheer to transfer the freehold on the Eemhof site in the Netherlands for a price of €90 million.

Center Parcs Continental Europe will continue to operate these eight villages.

The precise terms and conditions of the acquisition of the 50% stake in Center Parcs Continental Europe and the subsequent disposal of the freeholds will be communicated upon effective realisation of the various transactions, which are scheduled for September (MidOcean and Nomura deals) and during the course of the fourth quarter (transfer of the Eemhof site).

These transactions, which have no impact on the Group's debt levels, will have an accretive effect on Pierre & Vacances' earnings per share.

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