Paris, May 26 2011

Groupe Pierre & Vacances CenterParcs

Note: this press release presents consolidated earnings established under IFRS and closed by the Board of Directors of Pierre & Vacances SA on May 24 2011.

## Half Year Results 2010/2011

- **H1 2010/2011 like-for-like turnover up 14.1%**[1]
- **The transformation plan is under way**
- **Growth in tourism reservations for the summer season**

## POST-CLOSING SIGNIFICANT EVENT

**Adagio acquires Citéa and becomes the European no.1 in urban Tourism Residences**

The Group has signed with Lamy (Nexity Group) an agreement to purchase from Lamy:

- 50% of Citéa, mandated administrator of 49 2* urban Tourism Residences on behalf of Pierre & Vacances, Lamy and other interests. Which will bring the participation of Pierre & Vacances - Center Parcs in Citéa to 100% ;
- the branch of activity operating the 31 urban Tourism Residences managed by Citéa

Secondly, the Pierre & Vacances - Center Parcs Group will sell 100% of Citéa to Adagio.

By the end of this operation, Adagio will manage 84 urban Tourism Residences, thus becoming the European market leader in urban Tourism Residences, with almost 10 000 apartments generating a business volume of around 160 million Euros.

Adagio's development plan consolidated with Citéa is principally focused in Europe (France, Germany, UK), as well as Russia and the Middle East. By 2015, Adagio will manage almost 130 residences and have a business volume of 330 million Euros.

[1] *Like-for-like turnover has been adjusted for the impact of:*
*- The outsourcing of catering activities at the Center Parcs villages (i.e. €54.9 million in H1 2009/10). These partnerships have no impact on margins, which are paid back to the group as commissions by the services providers.*
*- For Center Parcs, the shift in the Easter holidays from March in 2010 to April in 2011 for most of German customers.*

## H1 2010/2011 TURNOVER AND EARNINGS (1 October 2010 to 31 March 2011

| *Euro millions* | 2010/2011 | 2009/2010 Like-for-like | Like-for-like | 2009/2010 | Current structure |
|---|---|---|---|---|---|
| **Tourism** | **440.3** | **421.6** | **+4.4%** | **478.5** | **-8.0%** |
| - Pierre & Vacances Tourisme Europe | 222.6 | 221.4 | +0.5% | 221.4 | +0.5% |
| - Center Parcs Europe | 217.7 | 200.2 | +8.7% | 257.1 | -15.3% |
| **Property Development** | **212.9** | **150.7** | **+41.3%** | **150.7** | **+41.3%** |
| **Total H1 2010/2011** | **653.2** | **572.3** | **+14.1%** | **629.2** | **+3.8%** |

### 1. A consolidated turnover of €653.2 million, up 14.1% like-for-like

✓ **H1 2010/2011 tourism turnover totaled €440.3 million** (of which €222.6 million for Pierre & Vacances Tourisme Europe and €217.7 million for Center Parcs Europe), **up 4.4% like-for-like**.

This growth essentially stems:

- for Center Parcs Europe, from the Domaine des Trois Forêts, which, in its first year of opening, recorded occupancy rates exceeding 75% on average over the semester,
- for Pierre & Vacances Tourisme Europe, from city residences, which performances (turnover growth of more than 10%, excluding new residences) offset the effect of the decline in the mountain offering (disposal of Hotels Latitudes and decline in the apartment portfolio) ;

✓ **H1 2010/2011 property development turnover rose by 41.3%** from €150.7 million in the year-earlier period to €212.9 million.

H1 turnover was primarily driven by property renovation programmes at the Center Parcs Bois Francs and Hauts de Bruyères villages for €100.2 million. The remainder was notably generated by the new residences (Avoriaz, Caen, Pont Royal, Branville…) as well as by the Senioriales resorts (Montélimar, Equemauville, Gonfaron, Agde, Lucé...).

### 2. H1 2010/2011 earnings

| *Euro millions* | H1 2010/2011 | H1 2009/2010 |
|---|---|---|
| **Turnover** | **653.2** | **629.2** |
| - Tourism | 440.3 | 478.5 |
| - Property Development | 212.9 | 150.7 |
| **Current operating earnings** | **-83.4** | **-73.3** |
| **- Tourism** | **-95.5*** | **-84.6** |
| **- Property Development** | **12.1** | **11.3** |
| Financial expenses | -8.4 | -6.7 |
| Taxes | 24.0 | 22.4 |
| **Attributable current net earnings[2]** | **-67.8** | **-57.6** |
| Other operating income/expense net of tax[3] | -6.9 | -0.3 |
| **Attributable net earnings** | **-74.7** | **-57.9** |

* of which -66,0 M€ for Pierre & Vacances Tourisme Europe and -29,5 M€ for Center Parcs Europe

[2] Attributable current net earnings correspond to current operating earnings, financial expenses and underlying taxes excluding exceptional items, which are reclassified as other operating income and expenses.

[3] Other operating income and expenses net of tax include earnings items, which due to their non-recurring nature are not considered as part of current earnings (tax savings, update of Group tax position, restructuring costs…).

### 2.1 Current operating earnings

The seasonal nature of revenue trends in the Tourism division (about 40% of annual turnover) and costs booked in a linear manner (50%) have the structural effect of pushing tourism operating earnings into the red over the period.

In addition, this first semester has been impacted by costs generated in a transitory period by the transformation plan underway.

- ✓ **The contribution from the Tourism business** totaled - €95.5 million (of which - €66.0 million for Pierre & Vacances Tourisme Europe and - €29.5 million for Center Parcs Europe) :
  - H1 current operating result beneficiates from the positive evolution of the contribution of the Domaine des Trois Forêts. This positive effect is temporarily offset over the semester by the impact of the disposal of the Latitudes hotels, which contributed positively over the winter period (and are breakeven over the whole fiscal year),
  - Moreover, the operating result is affected, beyond the evolution of inflation charges (- € 6 million), by the effect of the implementation of the transformation plan, which, while being underway, leads to temporary additional costs, notably due to the setting up of new IT facilities (- €4 million). Savings on rents are in line with the targets (+ €2 million),
  - To be also noted the effect of an unfavorable arbitral award of a litigation related to the delay in delivery of the Domaine du Lac d'Ailette in 2007 (- €2 million on the tourism result) ;

- ✓ **The contribution of property development** reached €12.1 million, versus €11.3 million over H1 2009/2010. This evolution stems essentially from the growth in turnover. Property operations made over H1 2010/11 (renovation of the Center Parcs Bois Francs and Hauts de Bruyères, Avoriaz…) showed a margin of approximately 6%.

**In total, current operating earnings** totaled - €83.4 million.

### 2.2 Attributable net earnings

**Financial expenses** totaled €8.4 million, versus an expense of €6.7 million over H1 2009/2010. This evolution is mainly due to interests charges on the new financing made by the Group since the 2$^{nd}$ semester of 2009/10 to strengthen its liquidity and extend the maturity of its debt:

- Refinancing of the corporate debt in June 2010 (new loan of €100 million refinancing the existing loan of €37 million) ;
- Issue of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) in January 2011 for an amount of €115 million.

**Other operating income and expenses net of tax** mainly include the overall restructuring costs estimated to date of the closure of Center Parcs Europe headquarter in Rotterdam, i.e. €7 million net.

**In total, attributable net earnings** totaled - €74.7 million.

## TRANSFORMATION PLAN

The transformation plan implemented by the Group since the beginning of the year is underway:

- the closure of the headquarter in Rotterdam and the merge of the organizations, which started during summer 2010, will be finalized at July 1, 2011,
- numerous actions launched over the first semester (cross selling, promotion of the PV brand in the BNG, optimization of distribution channels…) should have positive effects from the second semester onwards;
- almost all IT projects of convergence have been launched, with a maturity of 12 to 36 months (choice of the ERP, CRM project launched, common web platform, new Pierre & Vacances website of online reservations…) ;
- the purchase policy (development of a unique and smaller base of referenced suppliers) is implemented (€3.5 million of gains secured) ;
- the lease renewal policy with reduction in rents is on track, in line with the plan (€ 4.5 million of gains secured for FY 2010/2011).

The extent of the actions launched over the first semester pursuant to the plan illustrates the importance of the transformation in which the Group is involved, and enables to confirm the objectives by 2013: an additional tourism turnover of € 100 million and a reduction in costs by €65 million (including €15 million of reduction in rents).

## SUMMER 2011 OUTLOOK

To date, tourism reservations for the summer season and those last weeks trends lead to anticipate an increase of the turnover over the second semester 2010/2011.

For Pierre & Vacances Tourisme Europe, reservations to date are in advance compared to the year-earlier period, with, for the seaside destination:

- an advance in the beginning of the season (from April 1 to June 30),
- a slight withdrawal in the core summer period (July – August), due to the commercial policy of reducing early booking offers for the high summer season, thus allowing a good level in average letting rates over this period, factor of growth in the final turnover.

For Center Parcs Europe, reservations are in advance compared to the year-earlier period (excluding Domaine des Trois Forêts).

FY 20010/2011 property development turnover should keep a significant growth rate compared to FY 2009/2010.


### For further information :

| **Investor relations and strategic opérations** | **Press Relations** |
|---|---|
| Emeline Lauté<br>+33 (0) 1 58 21 54 76<br>elaute@fr.groupepvcp.com | Valérie Lauthier<br>+33 (0) 1 58 21 54 61<br>vlauthier@fr.groupepvcp.com |