

PIERRE & VACANCES

Interim results from October 1st 2002 to March 31st 2003

First-half results on line with the target of € 36 million in full-year net income before extraordinary items

- **Target: Full-year Group's attributable net income up 11% to €42 million,**
- **First-half consolidated turnover: €346.5 million, up 16,9% like-for-like basis (+9.7% on historical basis)**
- **First-half Group net income: -€5.8 million (versus -€ 12.6 million in first half 2001/2002)**

ACTIVITY HELD FIRM IN THE FIRST HALF OF 2002/2003

➤ **16.9% increase in turnover, on a like-for-like basis**

Turnover for the first half of the current financial year amounted to €346.5 million, compared with €315.9 million over the first six months of the previous financial year.

- ***Turnover from Tourism: € 273.6 million, up 2.7% on a like-for-like basis***

On a like-for-like basis, the growth in turnover from Tourism activities by 2.7% results from the weighted average of:

- A growth in accommodation turnover of 4.9%;
- A steadiness in turnover from other activities.

- ***Turnover from Property Development: +143.5 % on a like-for-like basis***

It stands at €72.9 million, compared with €30.0 million over the first half of the financial year 2001/2002.

Overall, 718 apartments were delivered over the period (versus 293 in the first half of 2000/2001), essentially located in the Paris area (Val d'Europe), at the seaside (Cannes, Issambres and Mandelieu) and mountain resorts (Valmeinier and Ax les Thermes), and in Italy (Calarossa).

➤ **Group net income: –€5.8 million**

in €million	1st half 2002/2003	1st half 2001/2002	Change
Turnover	346.5	315.9	9.7%
Operating income	-6.8	-18.9	63.9%
Financial income	-6.7	-8.0	16.6%
Goodwill amortization	-3.2	-2.8	-13.7%
Tax	4.8	10.9	-55.7%
Associates and minorities	-0.3	0.6	NS
Net income before extraordinary items	-12.2	-18.2	33.1%
Extraordinary items (net of tax)	6.4	5.6	14.0%
Net attributable income	-5.8	-12.6	54.0%

The seasonal nature of Pierre & Vacances' tourist operations results in a structural half-year deficit: turnover generated in the first half of the year (which in France, for the most part, comprises revenue from mountain resorts) accounts for only 40% of full-year turnover, while fixed operating expenses (including rent) are spread equally throughout the year.

This seasonal effect resulted in an operating loss of -€6.8 million, compared with -€18.9 million in the first half of 2001/2002.

Tourism activities contribute to -€12.4 million (compared with -€20.9 million over the first half of 2001/2002), of which €11.2 million from Center Parcs (versus €5.6 million over the first half 2001/2002) and -€23.6 million from Pierre & Vacances, Maeva and MGM (versus -€26.5 million over the first half 2001/2002).

Property development activities, with an operating income of €5.6 million, improve their margin from 6.9% in the first half of 2001/2002 to 7.7% over the same period this year.

Financial income amounted to -€6.7 million over the period (-€8.0 million in 2001/2002), essentially corresponding to holding costs on Center Parcs properties.

After goodwill amortization and tax, net income before extraordinary items improved by 33.1%, to -€12.2 million.

The exceptional income (€6.4 million) essentially results from the tax outcome linked to the Tourisme France division reorganisation.

The net attributable income amounted to -€5.8 million, compared with -€12.6 million in the first half of 2001/2002.

OUTLOOK FOR THE SECOND HALF ALLOWS, UP TO NOW, TO CONFIRM THE ANNUAL TARGET OF NET RESULT BEFORE EXTRAORDINARY ITEMS

Given the slowdown registered during the war in Iraq, the strengthening of the late booking trend, the gap in certain foreign markets and the Atlantic coast (Prestige), current forecast show a 2002/2003 tourism accommodation turnover close to last year's, on a like-for-like basis.

Given this outlook, the already implemented cost reduction policy is now strengthened, in France and abroad.

Thanks to this action, and the good performance of property development, the Group confirm the full-year target announced during the presentation of results for 2001/2002: **A net income before extraordinary items of €36 million, up by 12% from the previous year, driven by the operating income growth.**

The Group's attributable net income should reach €42 million.

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