

PIERRE & VACANCES

With the acquisition of the MidOcean stake in Center Parcs Continental Europe, Pierre & Vacances became the exclusive owner of the entity

On September 26th 2003, Pierre & Vacances acquired the stake held by MidOcean in Center Parcs Continental Europe, having first disposed of the freehold of eight villages.

The Group thus reinforces its European leadership in leisure residences with a turnover of €1.1 billion.

A strategic acquisition

Center Parcs Continental Europe manages fifteen 3- and 4-star holiday villages located in the Netherlands, France, Belgium and Germany. These villages are open all year round and are principally focused on short stays (week-end and mid-week breaks), with a range of "à la carte" hotel-style services and leisure activities.

The average occupancy rate for the period Oct. 2001/Sept. 2002 stood at 87% with a total of 3.3 million customers.

Turnover for the Oct. 2001/Sept. 2002 financial year amounted to €525.6 million, while operating income stood at €74.6 million.

As the Pierre & Vacances Group has been running Center Parcs Continental Europe since March 2001, this acquisition does not incur any operational risk.

The acquisition is priced at €303 million (of which €270 million for MidOcean).

Goodwill on the acquisition is estimated at €180 million.

Disposal of freeholds on 8 villages

Prior to this transaction, and in accordance with the Group's policy of not owning the freehold of the property assets under its management, Center Parcs Continental Europe sold the eight Center Parcs villages on which it owned the freehold.

The freehold disposal of the 7 villages was finalised on September 26th 2003 with Nomura International plc for a total amount of €440 million (€415 million net of costs and tax).

This disposal enabled the Group namely to pay off all debt carried by Center Parcs Continental Europe.

In addition, Pierre & Vacances has concluded a binding agreement with a consortium led by the Dutch company Zeeland Investments Beheer to dispose of the Eemhof site freehold (located in the Netherlands) for a price of €90 million (€80 million net of commissions and tax). This sale should be done by the end of October 2003.

A positive financial impact for the Pierre & Vacances Group

The combination of the acquisition and disposals will produce a positive impact on the Group's results.

On the 2002/2003 financial year, it would have increased by 33% the earnings per share before amortisation of goodwill, and by 15% after goodwill amortisation, with an estimated consolidated turnover of €1.1 billion.

After those disposals (including the sale of Eemhof freehold by end of October) and recognising the debt linked to the acquisition of residences for property development renovation programs (riverside building in Paris, portfolio acquired from GMF/MACIF), the Group's debt-to-equity ratio restated on September 30th 2003 comes out at 1.0 (of which 0.5 relates to corporate debt and 0.5 to property development bridging loans).

This ratio should improve sharply over the next two years thanks to the free cash generated by the Tourism business and the disposal of renovated residences.

Strong growth prospects for Pierre & Vacances Group

The full consolidation of Center Parcs Continental Europe will enable the Group to harness further synergies.

Moreover, Pierre & Vacances will apply its property development know-how (sales and project management) to the building of new Center Parcs villages in France and Continental Europe.

The Group will also pursue its development based both on organic growth, bolstered by new tax incentives to promote investment in new and existing tourist property, and on an ongoing policy of selective acquisitions.

Information:

Group Finance Department

Patricia Damerval and Angéline Palus – Tel. +33 (0)1 58 21 54 72 – Fax +33 (0)1 58 21 54 10

infofin@pierre-vacances.fr

Group Communication Department

Valérie Cretin and Valérie Lauthier – Tel. +33 (0)1 58 21 54 61 – Fax +33 (0)1 58 21 55 93

communication@pierre-vacances.fr