Groupe
Pierre & Vacances
CenterParcs

Press Release

Paris, 30 May 2012

This press release presents the consolidated financial statements established under IFRS accounting rules, audited, and closed by the Pierre & Vacances SA Board of Directors on 25 May 2012

H1 2011/2012 earnings for the year ending 30 September 2012

In a backdrop of ongoing economic crisis in Europe:

- H1 turnover confirmed the Group's resistance
- The transformation plan is being rolled out
- Wide-scale international developments are now in the operating phase

➊ Main events in H1 2011/2012

- Launch of Adagio City Aparthotel in Brazil:

In February 2012, Adagio City Aparthotel and Accor Latin America signed a Master Franchise contract to set up the Adagio and Adagio Access brands in Brazil with the aim of operating around 40 city residences.

The development of the Adagio brand in Brazil is to involve both the conversion of a number of Accor group hotels and the construction of five aparthotels.

The contract is a significant international development opportunity for the Adagio brand and also provides it an opening in the rapidly expanding Latin American markets.

- Extension of Censi-Bouvard tax incentives until 2014:

The Amendment to the French Finance Law for 2012, voted in on 29 February, extended the Censi-Bouvard tax incentives applicable to the residences-services segment including tourism residences, until the end of 2014 (allowing a tax credit of 11% for housing acquired before 1 January 2015, for which the building permit was filed for before 1 January 2012 and belonging to a property complex in which at least one unit was acquired before the 30 June 2012).

- Renovation of Center Parcs Domaine des Hauts de Bruyères (Sologne):

On 22 November 2011, the Group acquired 350 cottages at the Domaine des Hauts de Bruyères from Eurosic as part of a renovation operation: 182 cottages were renovated during Q1 and the other 168 are to be renovated by the end of fiscal year 2012.

❷ H1 2011/2012 turnover and earnings (1 October 2011 to 31 March 2012)

- **Consolidated turnover of €669.1 million,** up 0.8% like-for-like[1]

Euro millions	**2011/2012**	**2010/2011 like-for-like**	**Like-for-like change**	**2010/2011 Reported**
Tourism	**449.9**	**451.1**	**-0.3%**	**440.3**
- Pierre & Vacances Tourisme Europe	237.0	236.2	0.3%	222.6
- Center Parcs Europe	212.9	214.9	-0.9%	217.7
Property Development	**219.2**	**212.9**	**2.9%**	**212.9**
Total H1	**669.1**	**664.0**	**0.8%**	**653.2**

H1 2011/2012 Group tourism turnover totalled €449.9 million and was stable relative to the year-earlier period:

- Pierre & Vacances Tourisme Europe contributed €237 million to turnover. Performances by the city residences (more than 5% growth in turnover excluding new residences), the seaside destinations and the French West Indies made up for the decline in turnover at mountain resorts (reduced capacity and negative impact of higher VAT which was only partly passed onto selling prices). Net average letting rates rose by 1.7%.
- Center Parcs Europe contributed €212.9 million to turnover. The decline in Q1 turnover due to Dutch clients was only partly offset by growth in Q2 turnover which was driven by healthy performances at the Dutch and German villages (turnover at the French villages was temporarily affected by the renovation works underway). Net average letting rates rose by almost 3% during the period.

Property development turnover rose by 2.9% to €219.2 million in H1 2011/2012 and was driven primarily by the renovation works at Center Parcs des Hauts de Bruyères (€67.6 million), the extensions of Avoriaz (€42.6 million) and the Domaine des Trois Forêts (€23.0 million), as well as the Seniorales residences (€40 million).

- **H1 2011/2012 earnings**

Euro millions	**H1 2011/2012**	**H1 2010/2011**
Turnover	**669.1**	**653.2**
- Tourism	449.9	440.3
- Property development	219.2	212.9
Current operating loss	**-99.3**	**-83.4**
- Tourism	-103.6	-95.5
- Property development	4.3	12,1
Financial expenses	-9.9	-8.4
Taxes	29.6	24.0
Attributable undelying net loss [2]	**-79.6**	**-67.8**
Other operating income / expenses net of tax [3]	-2.1	-6.9
Attributable net loss	**-81.7**	**-74.7**

[1] On a like-for-like basis, turnover has mainly been adjusted for the impact as of 1 July 2011, of the acquisition from Lamy of 31 Citéa residence businesses (representing +€17.7 million in H1 2010/2011).

[2] The attributable underlying net loss corresponds to the underlying operating loss, financial items and underlying taxes excluding exceptional items which have been reclassified under other operating income/expense.

[3] Other operating income/expense net of tax includes earnings items that are not considered as underlying earnings given their non-recurring nature (tax savings, update of Group tax position, restructuring costs etc.).

Current operating loss

The seasonal nature of the tourism businesses (around 40% of full-year turnover in H1), combined with the linear accounting method for expenses, structurally creates an operating loss during H1.

The operating loss in the tourism business stood at €103.6 million compared with -€95.5 million in H1 2010/2011 due to changes in costs caused by inflation (-€8 million) while turnover remained stable.

The savings made over the period on the back of lease renewal terms and the Group's organisation, were offset by costs for rolling out new front-office tools (reservation system in particular) as well as the rising momentum of developments in Spain and the new Adagio Access residences.

The contribution from property development totalled €4.3 million compared with €12.1 million in the year-earlier period. The decline stemmed from €10 million in additional costs for extension work at Avoriaz, thereby narrowing the margin generated on the programme.

In all, the current operating loss totalled €99.3 million.

Attributable net loss

Financial expenses totalled €9.9 million vs. €8.4 million in H1 2010/2011 and were mainly due to interest expenses on the OCEANE bonds issued in January 2011 for €115 million.

Other operating income/expense net of tax mainly included €2.3 million in residual costs for restructuring associated with the Group's reorganisation.

In all, the attributable net loss totalled €81.7 million.

❸ Outlook for 2011/2012

- Tourism:

  Business in April and May rose by almost 4% compared to the year-earlier period, mainly thanks to last minute bookings.

  In view of this increasing trend for late bookings and the French electoral schedule, the Group has focused the majority of sales and marketing actions for the summer holidays on May, June and July.
  These actions should have a positive fall-out in the peak season.

- Property development: Turnover for full-year 2011/2012 should total around €300 million.

❹ Further development

The main development programmes underway, both in France (especially Center Parcs in the Vienne region and Villages Nature), and outside France (Center Parcs in Germany and Adagio in the main European cities), are entering the operating and marketing phase.

Financing for these developments is now diversified both in and outside France (property marketing to individual investors, block sales to institutional investors, property investment funds or trusts, public-private partnerships), as are their management methods (lease, management mandate or franchise).

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