

**Net attributable income before extraordinary items of € 33 million for the
2004/2005 financial year**

- **The Pierre & Vacances Group generated net attributable income before extraordinary items of € 33 million, up 10% on the latest forecast.**
- **The property business remained buoyant, ensuring, in addition to property gains, the development and upgrade of the tourism portfolio.**
- **The Group stepped up its programme to improve operating performance and to cut costs.**

RESULTS FOR 2004/2005 (from October 1st 2004 to September 30th 2005)

1) Turnover of € 1,176.2 million, up 1.2% like-for-like.

- The tourism activities generated turnover of € 951.9 million, compared with € 960.8 million like-for-like in 2003/2004:
 - Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes contributed € 447.8 million to turnover, representing 2.4% like-for-like growth on the previous year: the rebound in business in the Mediterranean region (+7%) and the development of direct sales (+4%) more than offset the decline in foreign customers.
 - Center Parcs Europe generated turnover of € 504.1 million, down 3.7% like-for-like. The decline in Dutch customers with the difficult economic environment in the Netherlands was only partly offset by the growth in French customers.
- The property business recorded further growth of 11.3% over the year: turnover totalled € 224.3 million compared with € 201.6 million in 2003/2004. It is worth noting the substantial contribution from the renovation business, which represented 75% of the year's property turnover.

2) Net attributable income before extraordinary items of € 33.0 million

- Group operating income amounted to € 72.5 million as against € 100.8 million in 2003/2004. The contribution of tourism activities stood at € 41.0 million (of which € 28.5 million for Center Parcs Europe and € 12.5 million for Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes). The property development activities grew, with operating income amounting to € 31.5 million.
- Financial income stood at € -8.0 million, versus € -10.6 million in 2003/2004, as a result of the € 48.1 million reduction in Group net debt.
- Goodwill amortisation totalled € 7.9 million, remaining unchanged on 2003/2004.

Net attributable income before extraordinary items came out positive at € 33.0 million.

3) Net attributable income amounted to € 34.3 million

- Net extraordinary items amounted to € 1.3 million which included:
 - a € 5.4 million tax savings for Center Parcs Europe linked to a change in Dutch legislation,
 - € 4.1 million in restructuring expenses net of taxes for Center Parcs Europe, resulting from the streamlining of support functions.

4) Strengthening of the financial structure

The cash flow generated by the Group and the disposal of renovated assets **further strengthen the Group's financial structure**: the net debt-to-equity ratio is now **41%**, compared with 60% in 2003/2004. The reduction in Group debt should continue thanks notably to the disposal of assets being built or renovated, representing € 239 million in stocks on the balance sheet at September 30th, 2005.

5) Dividend

A dividend payment of € 1.50 will be proposed, for a total payout of € 13.2 million, which corresponds to 40% of net income before extraordinary items.

<i>In €m</i>	Year 2004/2005	Year 2003/2004
Turnover	1,176.2	(*) 1,135.3
Operating income	72.5	100.8
Financial income	-8.0	-10.6
Earnings before tax and extraordinary items	64.5	90.2
Income from companies accounted for by the equity m	0.2	0.1
Goodwill amortisation	-7.9	-8.1
Corporate income tax	-23.5	-29.7
Minority interests	-0.3	-0.5
Net attributable income before extraordinary items	33.0	52.0
Extraordinary items (net of tax)	1.3	7.5
Net attributable income	34.3	59.5
Net debt	139.2	187.3
Shareholders' equity	336.7	314.2
Net debt-to-equity ratio	41%	60%

(*) € 1,162.4 million with same accounting methods and perimeter

OUTLOOK

The Pierre & Vacances Group has implemented **a programme to improve its operating performance and cut costs**.

- The improvement in the **operating performance of the tourism activities** will result from turnover growth and a lower break even point.

The **turnover growth drivers** mainly include:

- the optimisation of distribution, the development of online sales and the increase in direct sales in France and abroad;
- the review of the pricing strategy and promotional mix: simplification of price grids, lower prices over certain periods for Center Parcs in the Netherlands to increase occupancy rates, early booking incentives, etc.;

- the step-up of sales and marketing initiatives on target markets: senior citizens, business customers, short stays for PV/Maeva/Résidences MGM/Hôtels Latitudes, long stays for Center Parcs Europe, Central Europe and Scandinavia;
- the upgrade of the Pierre & Vacances offer thanks to the renovation of properties and the development of new residences.

The **cost-cutting strategy** initiated in 2004 at Center Parcs Europe and in 2005 at Pierre & Vacances will generate significant gains in coming years through the purchasing policy and productivity gains in sales functions and resources, operations (optimisation of opening periods, maintenance and holiday planning, energy saving initiatives, etc.) and in corporate departments (logistics, finance, human resources and IT).

- The property division will maintain a buoyant level of activity with the high level of reservations in 2004/2005 (€ 450 million), the ongoing renovation strategy (acquisition of new residences representing around 850 apartments at year end) and the projects underway ensuring high property margins over the next few years.

**In 2005/2006, sales and marketing initiatives should be followed by a growth in turnover.
The savings estimated at € 7 million at Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes and at € 15 million at Center Parcs Europe, will offset the increase in fixed costs linked to inflation.**

For further information

Group Finance Division

Patricia Damerval and Claire Plais – Tel.: +33 (0)1 58 21 53 72 – Fax: +33 (0)1 58 21 54 10

Infopin@pierre-vacances.fr

Press and Public Relations Department

Valérie Cretin and Valérie Lauthier – Tel.: +33 (0)1 58 21 51 81/54 61 – Fax: +33 (0)1 58 21 55 93

Communication@pierre-vacances.fr