



**Interim results
and target for full-year 2005/2006 current operating income**

- Target for 27% growth in full-year 2005/2006 current operating income to around €95 million.
- Interim earnings reflecting seasonal nature of business, amplified by the fact that the Easter holidays and weekend fell in the 3rd quarter and not in the 2nd quarter this financial year.

I. FIRST-HALF 2005/2006 TURNOVER AND EARNINGS (1st October 2005 – 31st March 2006)

1. Consolidated turnover: €611.3 million

1.1 Tourism turnover: €415.0 million

On a like-for-like basis and adjusted for the shift in the Easter holidays and weekend from the 2nd quarter to the 3rd quarter, first-half 2005/2006 tourism turnover was virtually stable (+0.1%) compared with the year-earlier period and broke down as follows:

- A 4.4% increase in accommodation turnover in the Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes division. Note the robust performance in the mountain resort segment (+2.5% compared with an excellent winter season in 2004/2005) and by the Pierre & Vacances City residences (+15%).
- A 2.2% decline in accommodation turnover at Center Parcs Europe, primarily due to exceptional construction work (extension of Bois Francs especially). Adjusted for this impact, accommodation turnover was virtually stable (-0.6%).

1.2 Property development turnover: €196.3 million, up 63.7%

Renovation accounted for 59% of turnover and new properties 41% (compared with respectively 76% and 24% in the first-half 2004/2005).

2. Attributable current net result of -€14.0 million

The seasonal nature of the Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes division and to a lesser extent, of Center Parcs Europe, means that tourism operating result is structurally in the red in the first-half year due to weaker turnover in the winter season than in the summer season, whereas fixed costs (especially rents) are booked on a linear basis over the entire financial year. The fact that the Easter holidays and weekend fell in the 3rd quarter this financial year and not in the 2nd quarter (particularly concerning UK, German and Belgian tourists), amplified this seasonal effect.

2.1 Current operating result: -€13.6 million

- The tourism activities produced a current operating result of -€36.9 million:
 - The Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes division turned in a current operating result of -€28.4 million, which was a €5.7 million improvement on the 2004/2005 level, thanks to growth in accommodation turnover and the postponement of certain maintenance and refurbishment works until the second-half. Savings in the division stood at €3.5 million in the first-half, representing half of the €7 million forecast for full-year 2005/2006.
 - Center Parcs Europe turned in a current operating result of -€8.5 million and the change compared with the first-half 2004/2005 was primarily due to the fact that the Easter holidays and weekend fell in the 3rd quarter 2005/2006 instead of in the 2nd quarter (business made up for in April), and that exceptional works reduced operating capacity. The €5 million in cost savings achieved represented a third of the forecast level for the full-year (€15 million), in line with the Group's expectations and helping to offset the rise in half-year costs prompted by inflation and the indexation of rents.
- Current operating profit in the property development division rose €4.3 million versus the first-half 2004/2005 to €23.3 million (equating to an operating margin of 12%).

2.2 Attributable current net result: -€14.0 million

After taking into account financial expenses of €4.0 million, mainly due to interest expenses on debt contracted as part of the 100% acquisition of Center Parcs Europe, the attributable current net result (i.e. attributable net result before other operating income and expense net of tax) totalled -€14.0 million.

2.3 Attributable net result: -€18.9 million

Other operating income and expense net of tax stood at -€4.9 million and primarily included restructuring costs for the implementation of savings programmes in the tourism segment in 2005/2006 and 2006/2007. After factoring in these items, the attributable net result stood at -€18.9 million.

€million	IFRS	
	H1 2005/06	H1 2004/05
Turnover	611.3	533.8
Current operating result	-13.6	-12.3
Financial expenses	-4.0	-5.1
Corporate income tax (*)	3.6	4.9
Results of equity affiliates	0.1	0.2
Minority interests	-0.1	-0.1
Attributable current net result (*)	-14.0	-12.4
Other operating income and expense net of tax (*)	-4.9	2.1
Attributable net result	-18.9	-10.3

(*) Other operating income and expense are presented net of tax. They also include non-recurring tax elements (tax savings, update in the Group's tax position), reclassified from corporate income tax.

II. TARGET FOR 2005/2006 CURRENT OPERATING INCOME (1st October 2005 – 30th September 2006)

In view of:

- 1) growth in year-to-date tourism bookings (excluding the shift in the Easter holidays and weekend) in both Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes (+6%) and Center Parcs Europe (+4%),
- 2) robust property development activities,
- 3) the materialisation of the savings programme planned for the year,

the Group is aiming to generate current operating profit of €95 million over the full-year 2005/2006, equating to growth of 27% versus the 2004/2005 level of €74.8 million under IFRS accounting rules.

For further information

Group Finance Department

Patricia Damerval and Claire Plais – Tel. (00-33) 1 58 21 53 72 – Fax (00 33) 1 58 21 54 10

Infofin@pierre-vacances.fr

Public and Press Relations

Valérie Cretin and Valérie Lauthier – Tel. (00 33) 1 58 21 51 81/54 61 – Fax (00 33) 1 58 21 55 93

Communication@pierre-vacances.fr