

FULL-YEAR 2013/2014 RESULTS

4 December 2014



1 Overview of key Group items



2 Growth in 2013/2014 results



3 Tourism: outlook



4 Property development: widescale European projects



5 Conclusion

1 Overview of key items



Sound fundamentals

- European no. 1 in local tourism in 300 sites in Europe
- Brands with strong reputations: Pierre & Vacances, Center Parcs and Adagio
- A diversified tourism offering between the brands
- An integrated business model (tourism and property development)
- An asset-light model of growth in the tourism network
- Long-term partnerships with benchmark players in the hotel/leisure sector: Accor (Adagio) and Disney (Villages Nature)

Growth in turnover and earnings in 2013/2014

- **Resilient organic growth** despite a disadvantageous backdrop (group sales: +9%)
- **Sharp improvement in earnings:** underlying OP: X4.5,

A solid balance sheet

- Renewal and prolongation of syndicated loan for €185m vs. €130m maturing in 2019 (vs. 2015)
- Issue of ORNANE bonds at 3.5% maturing in 2019 and acquisition of 96.5% of OCEANE bond, 4% maturing in 2015

The WIN strategic plan in an operating acceleration phase

- **Leverage to turnover growth:** shaking up the product offering, developing differentiated and personalised digital customer relations, efficiency of distribution methods.
- **Further cost cutting and strengthening lease renewal policy**
- **Sizeable European property projects**, in target brands/markets

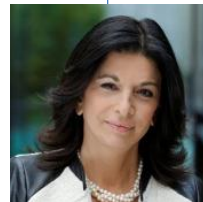
A simplified management structure

Group General Management Committee:



Gérard BREMOND

Chairman and CEO



Martine BALOUKA-VALETTE

*CEO Tourism
Pierre & Vacances-Center Parcs*



Patricia DAMERVAL

*Deputy CEO
(Finance, Development, Audit,
Asset Management)*



Thierry HELLIN

*Deputy CEO
(Development, Legal, HR, Sustainable
Development, Purchases, General
Services)*

2 2013/2014 full-year results



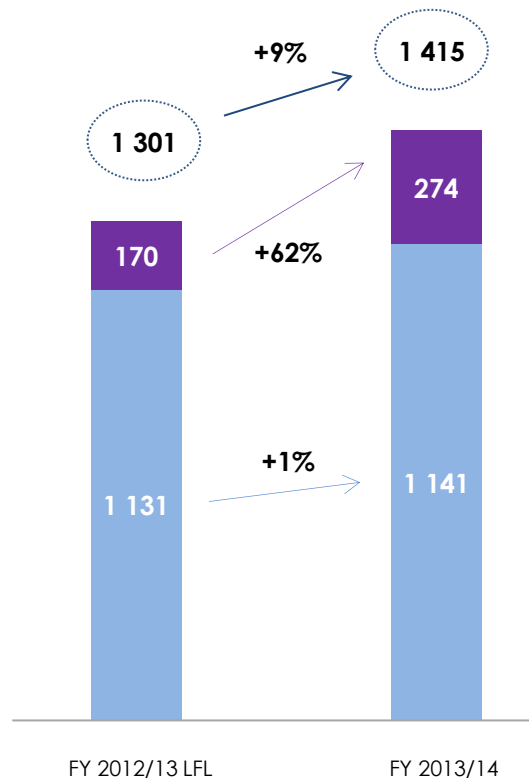
Group
turnover
+9%

Turnover(1/2):

Resilient tourism business

Strong property development business

Euro millions



PROPERTY

TOURISM

TOURISM

Accommodation turnover: +1.2% (+1.6% excl. supply effects), outperforming a deteriorated market¹:

- Growth in occupancy rates from 67% to 70% (+5.7%).
- A slight decline in net average letting rates excl. tax: -1.1%, but +0.5% excl. VAT effect.

¹ 4% decline in tourism frequency in France over the summer

PROPERTY DEVELOPMENT

Main contributing developments:

	2013/14	2012/13
- CP Vienne:	€101m	€19m
- Bostalsee:	€20m	€18m
- Villages Nature:	€15m	
- Deauville:	€14m	

Property reservations:

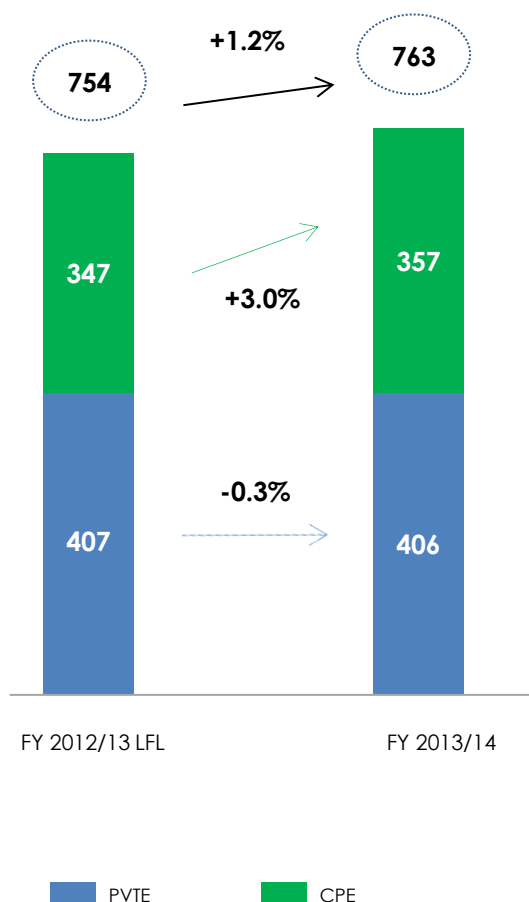
- €234m with individuals
- €291m including institutional investors

Accommo-
dation
turnover
+1.2%

Turnover(2/2): Resilient tourism business Strong property development business

Focus on accommodation turnover

Euro millions



Center Parcs Europe:

+3.0%, +0.6% excluding supply (Bostalsee)

- Growth in occupancy rates from 71% to 72%
- Decline in net average letting rates excl. tax (-2%) partly due to hike in VAT in France
- Growth in domains in Germany (+2.4% excl. Bostalsee) and the Netherlands (+2.9%); decline in French villages (-1.3% due to VAT impact)

Pierre & Vacances Tourism Europe:

-0.3%, but +2.5% excl. supply effects (lease losses, withdrawal from loss-making residences..).

- Surge in occupancy rates from 64% to 69%
- Virtual stability in net average letting rates (-0.6%), despite the increase in VAT in France
- Positive performance excl. supply effects in all destinations (seaside, mountain and cities)
- Rising share of foreign clients (40.5% of sales vs. 38.5% in 2012/13), shorter holiday durations in France.

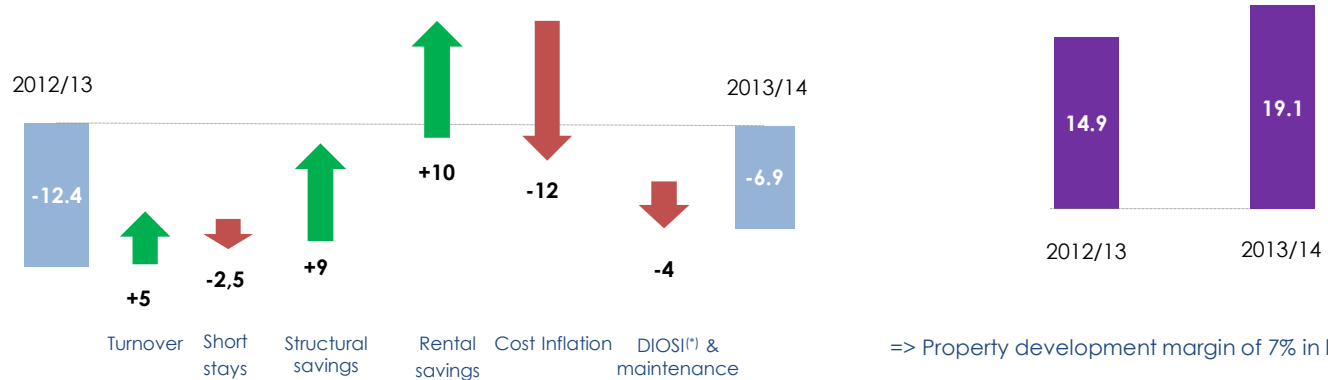
Underlying
operational
profit
x 4.5

EBITDA
+13%

Growth in underlying operating profit (1/2)

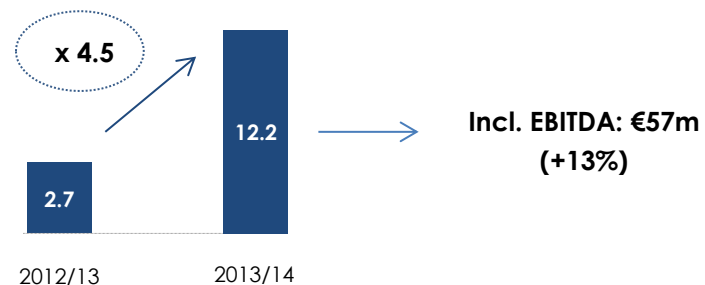
TOURISM – underlying op. profit : +44%

PROPERTY – underlying op. profit: +28%

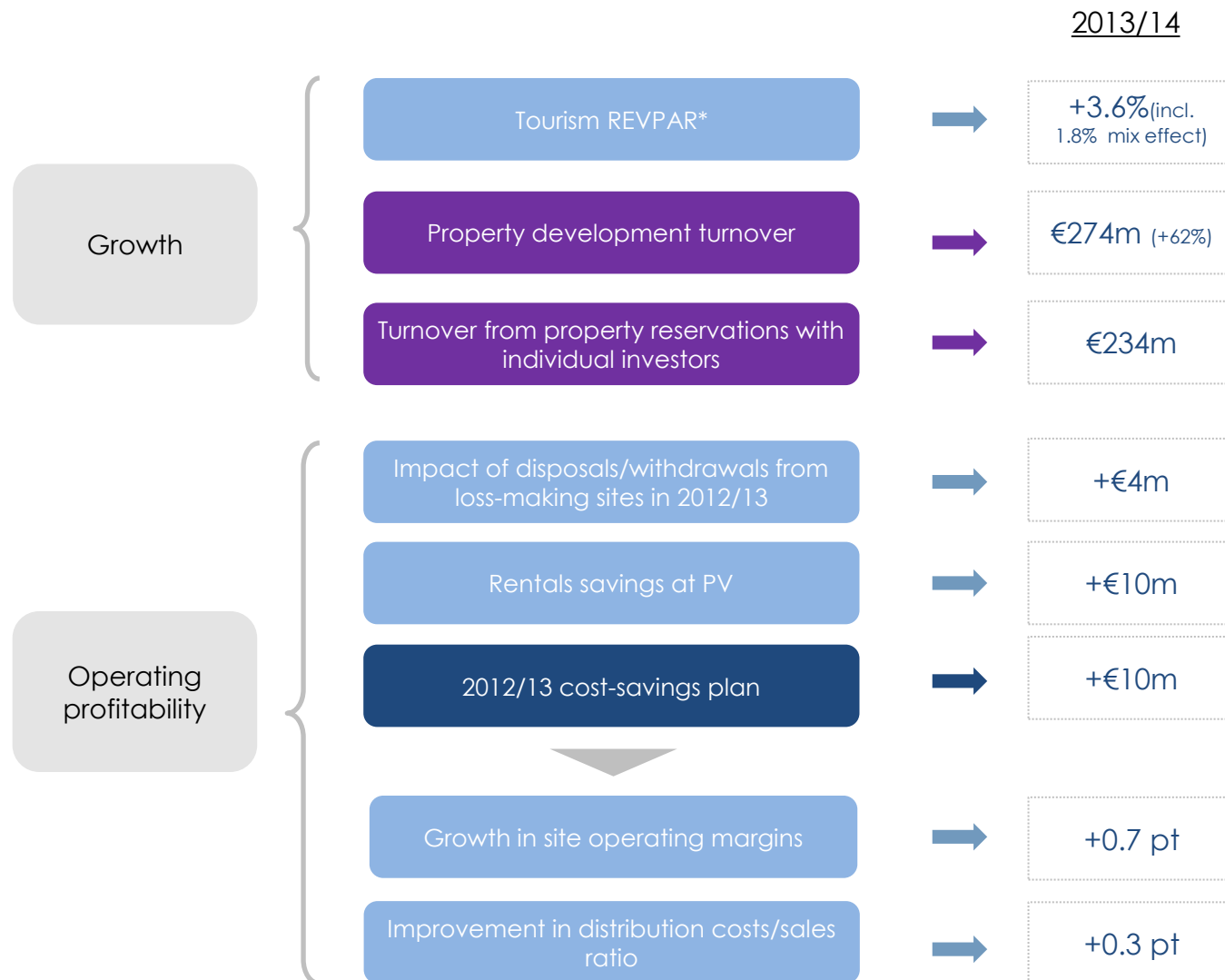


(*) Department of Operational Innovation and Information Systems (Direction de l'Innovation Opérationnelle et des Systèmes d'information), responsible for transforming the Group's operating procedures and methods

GROUP UNDERLYING OPERATING PROFIT



Growth in underlying operating profit (2/2)



Pre-tax
underlying
profit
+54%

Net earnings
+43%

A huge improvement in net earnings

Euro millions

	2012/2013 Proforma (*)	2013/2014	Evolution
Turnover	1306.7	1 415.4	+8%
Underlying operating profit	2.7	12.2	+352%
Financial expenses	-16.2	-18.3	
Underlying net profit (loss) before taxes	-13.5	-6.2	+54%
Taxes	-0.9	-7.2	
Underlying net profit (loss)	-14.4	-13.4	+7%
Other operating income / expense net of tax	-33.1	-13.5	
OCEANE buy back		-4.2	
Other operating income / expense net of tax	-33.1	-9.3 ⁽¹⁾	
Net profit (loss)	-47.5	-26.9 ⁽²⁾	+43%
Change in the fair value of ORNANE	0.0	3.6	
Net profit (loss) after the change in fair value of ORNANE	-47.5	-23.3	+51%

(*) impact of application of revised IAS 19 accounting rule concerning retirement compensation: +€0.1m on 2012/13 underlying OP and net profit

(1) o/w:

- €5m in restructuring costs
- €2m in costs for closing loss-making sites (representing a net negative contribution of almost -€2.5 million in 2013/2014).

(2) excl. Change in fair value of share allocation rights for ORNANE bonds

A solid
balance
sheet

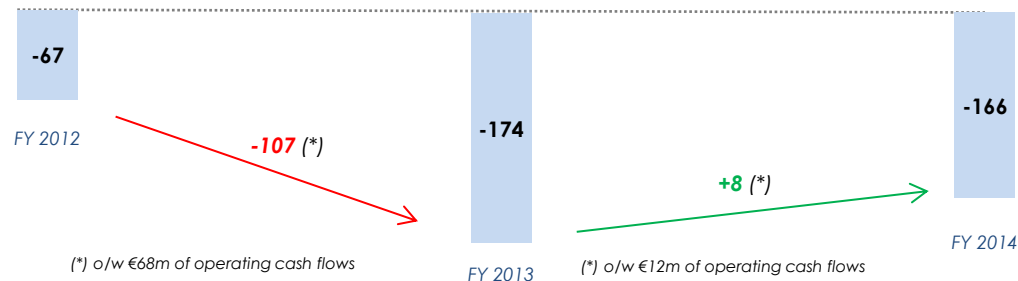
Strengthening the Group's liquidity

■ Roll-out of new financing sources and extension of average debt duration

- Renewal and prolongation of syndicated loan for €185m (vs. €130m) maturing in 2019 (vs. 2015).
- Issue of ORNANE bonds, 3.5%, maturing in 2019 and redemption of 96.5% of the OCEANE bonds, 4%, maturing in 2015)

■ Lower net debt

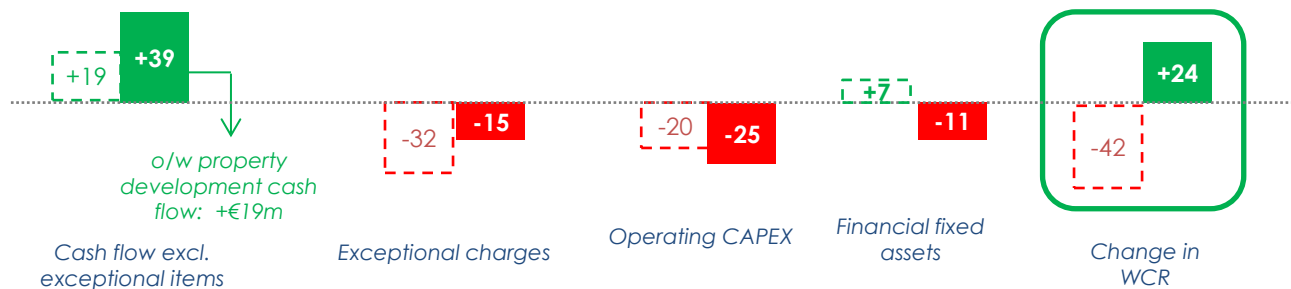
Change in net debt, excluding consolidated rental commitments (Lac d'Ailette domain):



■ ... thanks to cash flow and better WCR in property development:

■ ■ Operating cash flows between 30.09.13 and 30.09.14

□ □ Operating cash flows between 30.09.12 et le 30.09.13



Pierre & Vacances Tourisme Europe

- Growth in off-peak season in seaside destinations (September/October holidays, Bank holidays of 1 and 11 November in France) => turnover: +5%
- Healthy prospects for mountain winter season with:
 - Growth in turnover in Premium residences
 - Higher net average letting rates
 - Growth in turnover for core school holiday period in February

Center Parcs Europe

- Growth in reservations (> +4%)
- Better trends in all countries (including France) driven by growth in occupancy rates.

3 Tourism: outlook





Martine BALOUKA-VALETTE

*Tourism CEO
Pierre & Vacances-Center Parcs*

*Communication Tourism/
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e-Commerce/
Tourism sales*



Paul COLLINSON

*Head of Operating Innovation
and Information Systems (DIOSI)*

Growth in turnover and margins

- Product, price, client strategy at brands
- Development of occupancy rates and REVPAR (in association with sales department)
- On-site client experience
- Controlling site costs

Strengthening performance in distribution

- Developing direct sales by shaking up e-commerce and direct marketing
- Optimising intermediary sales from all channels and international,
- Efficiency of sales forces

Technology at the service of operating performance

- Transformation of operating procedures and methods
- Development and roll-out of digital strategy
- Connectivity in distribution
- IT system performances

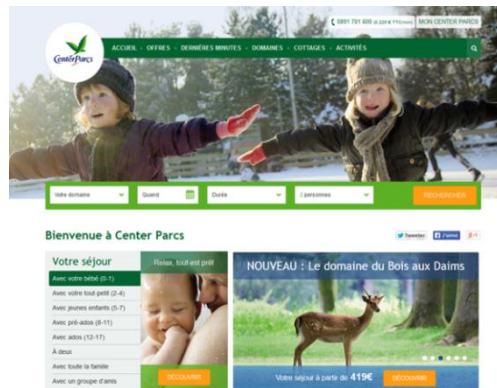


A "concept" brand, unique in Europe

- An original and theme-based client experience in each of the 24 domains, specifically focusing on one client segment:



- Gradual development of more than 80 new activities (30 of which by end-2014), fitting with priority client segments
- In 2015, all activities to be accessible for *à-la-carte* pre-reservation on the brand's website, helping to maximise revenues from additional services
- Launch of new brand platform as of January 2015 focused on client experience



Pierre & Vacances

The leading Tourism Residence network in France and Spain

■ **Structuring and enriching services (standing out from rentals by individuals):**

- Increased **flexibility** with arrivals and departures possible every day
- Offer of **packaged services presented on a price per person basis:**

En toute liberté
LES ARRIVÉES LIBRES CHEZ
Pierre & Vacances



- Improved services offered for all brands, for example:
DELUXE@HOME for Pierre & Vacances Premium: welcome gift box, daily hotel services...

■ **Strengthening the offering**

Pierre & Vacances
premium

- Developing upscale partnerships with renowned brands
- New residences: Roquebrune Cap Martin, Guadeloupe, Biarritz, Cannes-Mandelieu, Île de Ré, Douarnenez, Flaine Les Terrasses d'Helios

FAUCHON
PARIS
Breakfast Premium
Semaine et Week-end

■ **Developing tourism marketing business:**

- For summer 2015: 8 new residences in Italy and 6 in Portugal.

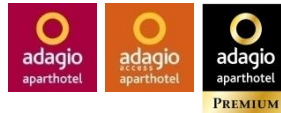
maeva.com

Transformation underway towards new distribution models
and rental management

▪ **New platform since June 2014**

- A strong distributor promise:
 - Choice
 - Real-time availability
 - Price
 - Exclusive offers
 - Secure and advantageous payment terms (three times at no cost)
 - Community approach with client opinions available on line (50,000)
- 4,000 products at present, 400 new ones for the winter.

▪ **Enriching the offering by developing management mandates**



A stable business model suited to the current economic environment

- **98 aparthotels, high growth in network :**
 - 51 Adagio, 47 Adagio access.
 - 15 aparthotels opened over the past 12 months
- **International expansion stepped up**
 - 23 aparthotels located outside France
 - London(2) and Edinburgh round out Adagio offering in the UK (Liverpool and Birmingham).
 - Opening in new countries under franchises: Brazil, UAE, Qatar, Russia
 - Appeal of franchise model:
14 new franchises and master-franchises.
- **Product innovation in all ranges**
 - New access concept rolled out since end-2014
 - Introduction of 'Premium' range
 - Introduction of mobile sales site and application



Adagio Premium West Bay Doha (Qatar)



Adagio Access Munich Olympiapark

■ Websites and mobiles

- Center Parcs

- Overhaul of website (inspirational navigation/ergonomics)
- Q1 2015: activities accessible directly on website before holiday

- Pierre & Vacances

- Roll-out of mobile site to all countries
- Launch of packaged formulas on a price-per-person basis (specific sales corridor)
- Q1 2015:
 - Optimisation of search functions
 - Integration of client opinions



on the brand's website



■ Group client experience



- Planet

- Free mobile application destined to accompany our clients during their stay
- Programme of advantages rewarding loyalty of clients relative to PV and CP brands

■ Social networks

- Active management of communities
- Events relayed on social networks (#foodtrucksurleau, Kids climate conference, Go Pro Videos...)
- Programme to produce specific contents



Pierre et vacances relève le défi d'installer un camion à Burger en pleine mer !

Par Gaëlle Degrand - Le 4 septembre 2014



Après #FoodTruckAuSommet où le camion à Burger avait été installé par une dameuse à 2.300 m d'altitude, Pierre et Vacances ramène cet été avec une nouvelle opération dans les pas de la première : #FoodTruckSurLeau !

■ New technological platforms

- Development of new programme of automated and targeted transactional e-mails
- Migration of all websites to a single platform

■ Strengthening the Group's e-commerce expertise

- Internalising know-how and recruitment of business experts (optimising campaigns/Web-analytics/steering of performance)
- Strengthening of international e-commerce teams

Direct distribution

- **Services and activities made available on line (à la carte/package)**
- **Audit of Call Center in order to optimise conversion rate**
- **For Pierre & Vacances, adapting prices and production costs for different stay durations and their changes (short stays/long stays)**

Indirect distribution

- **Development of connectivity with distributor partners**
 - Real-time Information on products, prices and availability
 - Connectivity of reservations with our various partners
- **Renegotiation of commissions with all partners**

Direct marketing

- **Creation of unique Group client reference base**
- **Improving targeting of CRM campaigns (transactional emails)**

Reducing head office and site costs

■ Optimising distribution

- Audit of call-center to reduce production costs
- Dematerialising client documents (letters/travel documents etc.)
- Reducing number of catalogues and streamlining formats (shifting some of savings generated to digital)

■ Optimising and automating back-office processes

■ Streamlining headcount depending on change in number of apartments managed (sites/head office)

Making staff costs more flexible

■ Developing fixed-duration, seasonal, part-time, work/school and trainee contracts in order to:

- Adapt to the seasonal nature of business
- Control hourly costs

■ Accompanying mobility/training policies

Lease renewal policy and alternative management methods (1/2)

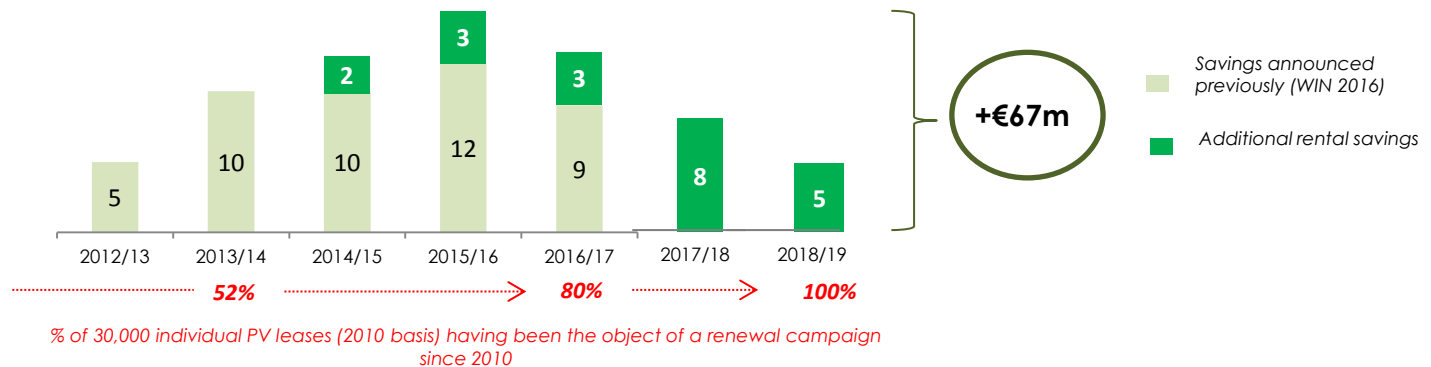


Strengthening lease renewal policy to help improve PV's performances

- **When leases mature, systematically offering further management by Group**
taking into account tourism potential of each residence :
 - No change or adjusted of fixed rent
 - Variable rents with minimum guaranteed
 - Offering management mandates
- **Activating triennial maturities for certain residences**

⇒ **Over 2013-2019:**

- **Reduction in rental costs at PV** (including indexation and excluding development of offering) **to be increased to €67m, €54m of which between 2013 and 2017 (vs. €46m announced previously).**



- **More than 12,000 apartments will have been renovated, for an overall amount of almost €100m financed by their owners.**

Management mandates as source of additional growth

■ A business with no financial commitments

- Revenues paid solely depending on turnover generated.
- A response to lease exit maturities enabling strategic stocks and destinations to be kept at sites contributing the least

■ A source of fresh turnover growth

- A business modèle based on marketing commissions and management costs:
 - Marketing: 15-20% of public price including VAT
 - Management: 13.5% of public price excl. tax- marketing costs

1. Position as leader in tourism residences confirmed

2. Growth and differentiation strategy based on:

- Shaking up the product offering with the strengthening of client experience and value proposal
- Developing digital and personalised client relations
- Optimising distribution methods by brand/market
- New marketing and rental management models

3. Further cost-cutting by:

- Strengthening the lease renewal policy, prompting a reduction in rental expenses of €67m over 2012/13-2018/19
- Making staff costs more flexible
- Simplifying operating processes and methods

TARGETS:

- Restoring operating profitability as of 2014/2015
- Margin of 5% (underlying op profit/turnover) by 2017

4 Widescale European property developments



Diversified property marketing

- With individual investors
 - In France, attractive profitability (with tax incentive regimes) in a refuge stock investment
 - Extension in Germany (Bostalsee), the Netherlands and Belgium
- With institutional investors
 - 7 blocks of cottages at the Center Parcs Vienne sold to institutional investors for €181.2m excluding tax
 - 1 block of cottages at Villages Nature sold to an institutional investor for €10.8m excluding tax

Public-private partnerships

- For financing of infrastructure and leisure equipment

Innovative sales formulas

- In Germany, for Center Parcs at Bostalsee: fixed rents at 5% non-indexed, or variable rates with a minimum guarantee of 3%

Diversified management methods

- By lease (fixed or variable rents), by management mandate (Spain, Morocco), or as a franchise (Adagio)

Domaine du Bois aux Daims (Vienne)

- 800 COTTAGES on 264 hectares of land
- INVESTMENT: €350m, incl. €138m in equipment financed by a semi-public company (Vienne authorities, Poitou-Charentes region, CDC,...)
- COTTAGES acquired by 7 institutional investors and individuals
=> 97% marketed so far
- ANIMAL BASED THEME
- OPENING: June 2015



Roybon (Isère)

- 1,000 COTTAGES
- CLEARING underway after last permits were granted (law on water and protected species)
- FINANCIAL ENGINEERING UNDERWAY
- PROSPECTIVE OPENING: 2017

Mid-Size: Bourgogne, Franche-Comté and Lot –et- Garonne

- 400 COTTAGES by domain
- INVESTMENT: €170m per domaine
- PROSPECTIVE OPENINGS: summers 2018 and 2019

Algau (Baden-Wurttemberg)



- 750 COTTAGES
 - INVESTMENT: €250m
 - PROSPECTIVE OPENING: 2018
- Negotiations underway with European institutional investors

Vielsam (Belgian Ardennes)



- Existing Sunparks domain transformed into a Center Parcs by:
 - Enhancing facilities (mostly via public funding)
 - Renovating 350 cottages by unit sales of property
 - Property marketing underway

Port Zelande (Holland)



- Existing domain located in one of the most highly reputed Dutch tourism regions
- Renovation of 650 cottages by property development (commercial launch in January 2015)

■ ORIGINAL "ONE PLANET LIVING" CONCEPT:

- 50/50 joint venture created by the Pierre & Vacances Center Parcs Group and Euro Disney S.C.A.
- A major innovation in terms of sustainable tourism, founded on quest for harmony between Man and Nature
- All administrative authorisations have been granted and are appeal -free
- Phase 1: 1,730 cottages/apartments

■ FINANCING AGREEMENTS COMPLETED:

- Leisure and commercial facilities acquired by a group of institutional investors
- Cottages and apartments primarily acquired by a company majority-owned by EUROSIC and sold in units to individual investors (more than 230 so far)

■ ROADS, NETWORKS and INFRASTRUCTURE WORKS UNDERWAY

■ PROSPECTIVE OPENING OF FIRST TRANCHE OF PHASE 1 (916 cottages and apartments): 2016.



Flaine – Les Terrasses d'Helios



- 5-star Pierre & Vacances residence
- 119 ski-out apartments
- Heated indoor pool, outdoor jacuzzi, hammam and Deep Nature Spa
- Opening: December 2014

Deauville – Presqu'île de la Touque



- 5-star Pierre & Vacances residence
- 161 seaside apartments with pool and Spa
- Outstanding location between Deauville and Trouville
- Start of works in summer 2014
- Prospective opening: 2017

Méribel – Les Ravines



- 5-star Pierre & Vacances residence
- 93 homes with pool and Spa
- Project an integral part of Méribel centre
- Prospective opening: 2018

Spain



- Pierre & Vacances Spain currently manages, mainly on behalf of banks, 2,500 homes under leases or management contracts on the Costa Brava, Costa Dorada and Costa Del Sol.
- Prospective growth over next three years: 2,000 additional apartments

Morocco

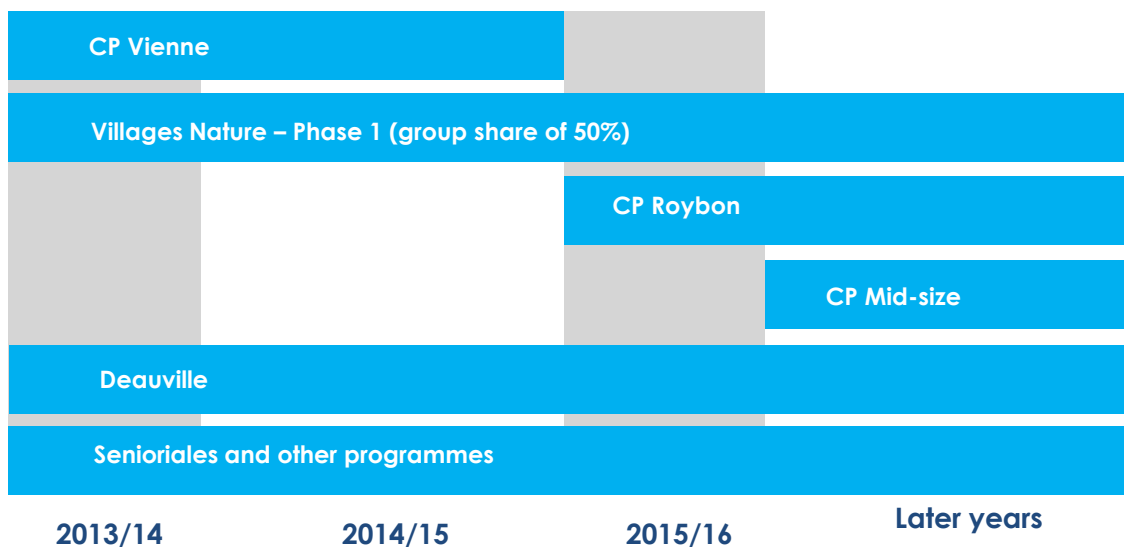


- A brand-new tourism and property concept in Morocco for Pierre & Vacances village
- Partnership between Caisse de Dépôt et de Gestion du Maroc (CDG) and Pierre et Vacances
 - CDG: financing and prime contraction
 - PV: management mandate for tourism residences, stake of 25% in property development
- 3 sites: Marrakech, Salda, Taghazout
- 1,400 apartments/homes in tourism residences, 920 apartments/property residence homes
- Prospective openings: 2017 for Marrakech

1. Diversified financing and management methods

2. Sizeable development projects in Europe

Potential of almost €2 billion in property development programmes



5 Conclusion



1. A sharp improvement in 2013/2014 results:

- ⇒ Turnover growth of 9%
- ⇒ Underlying operating profit multiplied by 4.5

2. Tourism: a strategic plan in the operating acceleration phase

- ⇒ Strengthening of the client value proposal
- ⇒ Optimising marketing and rental management methods
- ⇒ Further cost cutting/strengthening of lease renewal policy



Targets:

- 2014/2015: to restore operating profitability
- 2016/2017: underlying operating margin of 5%

3. Property development: targeted development in buoyant brands/markets

- ⇒ Targeted development (Center Parcs in France and Germany, Adagio, label PV Premium)



Potential of almost €2 billion

GROUP TARGET:

Margin of 5-6% (underlying op. profit/turnover) by 2017