

A man and a woman are running through a field of tall, golden grass under a clear blue sky. The woman is in the foreground, wearing a dark denim jacket over a green turtleneck and white pants. The man is slightly behind her, wearing a red jacket over a white shirt and dark pants. They are both smiling and looking towards the right.

# 2012 - 2013 YEAR END RESULTS WIN2016

Groupe  
**Pierre & Vacances**  
*CenterParcs*

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December 5th  
2013

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- I. INTRODUCTION
- II. 2012-2013 YEAR END RESULTS
- III. WIN2016: A PROFITABLE INNOVATION STRATEGY
- IV. CONCLUSION



## INTRODUCTION

# The European leader in local tourism

Unique expertise and positioning



## A BUSINESS MODEL COMBINING REAL ESTATE DEVELOPMENT AND TOURISM

- The Group founded the tourism residence concept
- 300 sites, 49,000 homes and apartments and brands with good reputations

N° 1 in Europe for local tourism

A profitable innovation strategy



## WIN 2016:

- 2012-2014: *PERFORMANCE*
- 2014-2016: *ACCELERATION*
- 2015 and beyond: *INNOVATION*

Innovative concepts – Relational excellence – Digital

Financial targets for 2015/2016



## TOURISM: Underlying operating margin of 5%

With REVPAR growth of 20%

## REAL ESTATE DEVELOPMENT: €1.5bn PROGRAM PORTFOLIO

Combined underlying operating margin of 5-6% in 2015/2016

## A CLEAR VISION FOR THE GROUP

Asserting our position as the European number one in holiday home development and operation, generating profits and sustainable growth



OUR UNDERLYING OPERATING PROFITS ARE POSITIVE  
 OUR REAL ESTATE ORDER BOOK WILL GUARANTEE TURNOVER FOR YEARS TO COME

\* Consolidated REVPAR from the Pierre & Vacances, Maeva and Center Parcs brands

\*\* Undertaken in PV scope, excl. growth in supply and before indexation, i.e. +€5m net of indexation

# Strengthening our foundations in order to roll out our Group strategy

Strengthened operating structure



## A FOCUS ON PRODUCT/OFFER- GO TO MARKET – Q SERVICE

- Digital skills, marketing, processes
- Group cross-European sales and marketing structure
- HR and IT departments have been strengthened

Operating skills suited to the challenges

Adapting product strategy to the expectations of our various types of client



**TOURISM:** More services, an offer that remains positive all year round, a revised pricing strategy

**REAL ESTATE DEVELOPMENT:** Innovative concepts enabling profitable tourism operations with diversified management and financing methods

Modular – Agile – Contemporary

Digital marketing at the heart of a new customer relationship strategy



## 3-YEAR LAUNCH PLAN

- New digitally-focused marketing strategy
- E-business sales, customer feedback, Planet P&V
- IT infrastructure alignment plan

Focusing on the client

WIN2016 OPERATING PLAN CURRENTLY IN PROGRESS

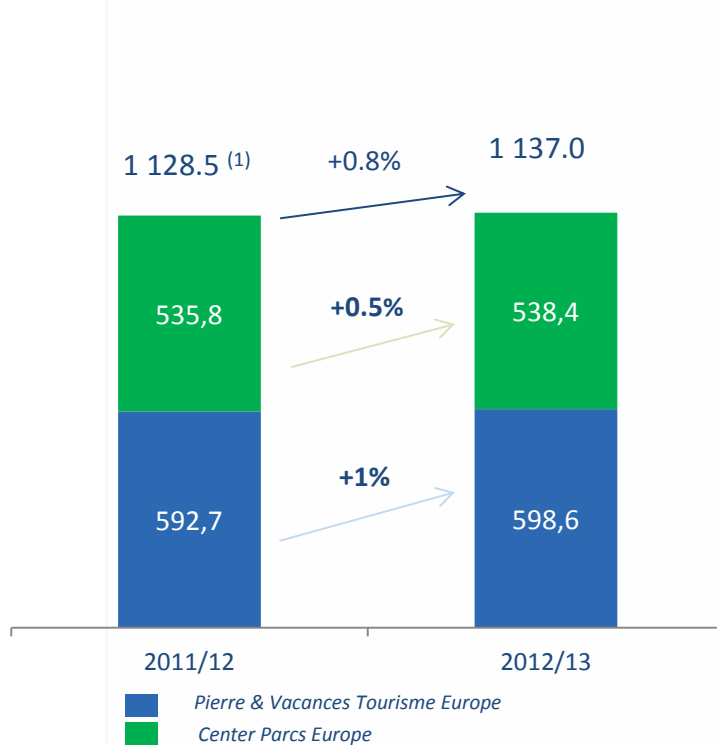


## 2012-2013 YEAR END RESULTS

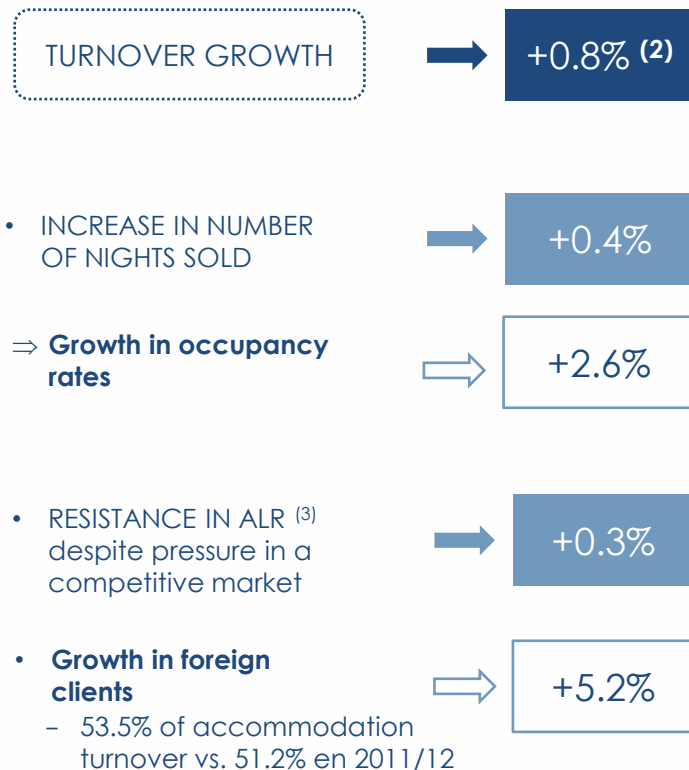
# Turnover that testifies to the resilience of the Group's activities in difficult circumstances

## Good resistance in terms of tourism turnover

Millions of euros



(1): 2011/2012 like-for-like turnover



(2): for a no. of nights available down 2.5%

(3): average rental rates net of marketing costs

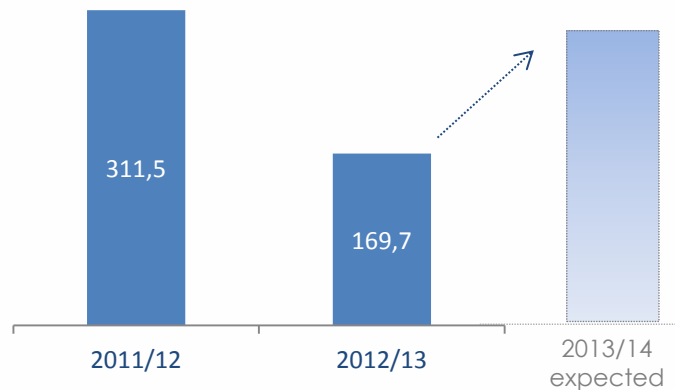


# Turnover that testifies to the resilience of the Group's activities in difficult circumstances

## Real estate reservations up 22%

### Real estate development turnover

*Millions of euros*



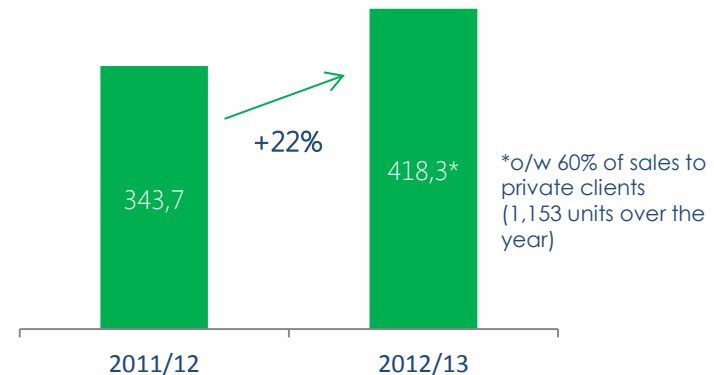
#### **Main programs:**

	<u>2011/12</u>	<u>2012/13</u>
- Center Parcs Vienne:		€19m
- Center Parcs Bostalsee:		€18m
- Avoriaz:	€59m	€15m
- Biarritz:	€13m	€7m
- Center Parcs Chaumont:	€89m	€7m
- Moselle:	€23m	

**Real estate development turnover in line with the operational phasing schedule**

### Real estate reservations incl. tax

*Millions of euros*

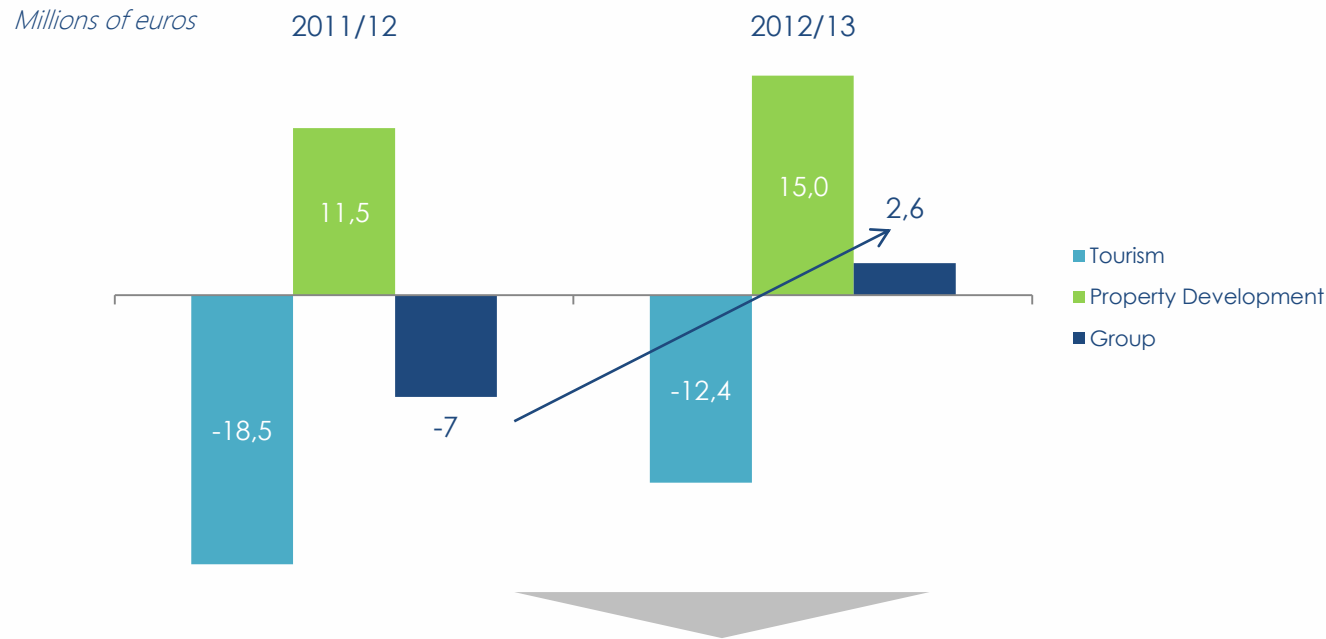


#### **Main programs:**

	<u>2012/13</u>
- Center Parcs Vienne:	€187m (o/w €157m in block sales to institutional investors)
- Senioriales:	€59m
- Résidences urbaines:	€41m
- Villages Nature:	€31m
- Center Parcs Bostalsee:	€15m
- Flaine:	€11m

**The order book secures turnover for years to come**

## Underlying operating profits back in the black



- Delivery of our **COST CUTTING PROGRAM** announced: **€25m** over the period (€35m over the full-year)
- **RENTAL SAVINGS** in line with forecasts: **€8m\***, **WITH NO IMPACT ON LEASE RENEWAL RATE** (more than 85% of our sites are contributing)
- Increase in expenses due to inflation: €15m
- Additional rents prompted by Group expansions: €10m

\*undertaken in PV scope, excluding offer growth and before indexation, i.e. +€5m net of indexation

# Restructuring costs in preparation for the future

*A €25m COST-CUTTING PLAN over the year and a further €10m for 2013/14*



**Management of the redundancy plan** (195 staff) without disrupting the business, prompting higher than expected costs due to:

- A majority of voluntary departures and reclassifications (80%)
- A higher number of senior employee departures

*HANDOVERS/WITHDRAWALS at the end of the lease period set to generate an improvement in our underlying operating profits of €4m as of 2013/14*



- Handover of the Maeva Camargue business,
- Exit at end of lease:
  - Maeva residences: Les Coches, Les Houches,
  - Former-Citéa residences:
    - Residential networks : Lyon Marcy, Prevessins,
    - Nantes le Sextant, Aix La Bastide residences.
  - Italy (Rome Dehon and Rome Garden)

## Growth in underlying net profits

	2011/2012	2012/2013
Turnover	1 419,1	1 306,7
<i>Tourism</i>	1 107,5	1 137,0
<i>Real estate development</i>	311,5	169,7
<b>Underlying Operating Profits</b>	<b>-7,0</b>	<b>2,6</b>
<i>underlying operating margin</i>	<i>-0,5%</i>	<i>0,2%</i>
Financial expenses	-18,3	-16,1
Taxes	2,6	-0,9
<b>Underlying net profits</b>	<b>-22,7</b>	<b>-14,4</b>
Other operating income/expense net of tax	-4,7	-33,1
Net profits	-27,4	-47,5
o/w		
<i>Attributable</i>	<i>-27,4</i>	<i>-47,7</i>
<i>Non-controlling interest</i>	<i>0</i>	<i>0,1</i>

- O/w:
  - Restructuring costs/site withdrawals: €28m
  - Disputes relating to co-ownership management mandates (a similar amount should be recovered at a later date): €5m

# Cash pile temporarily affected by WCR in property development

## Cash flow statement

*(Euro millions)*

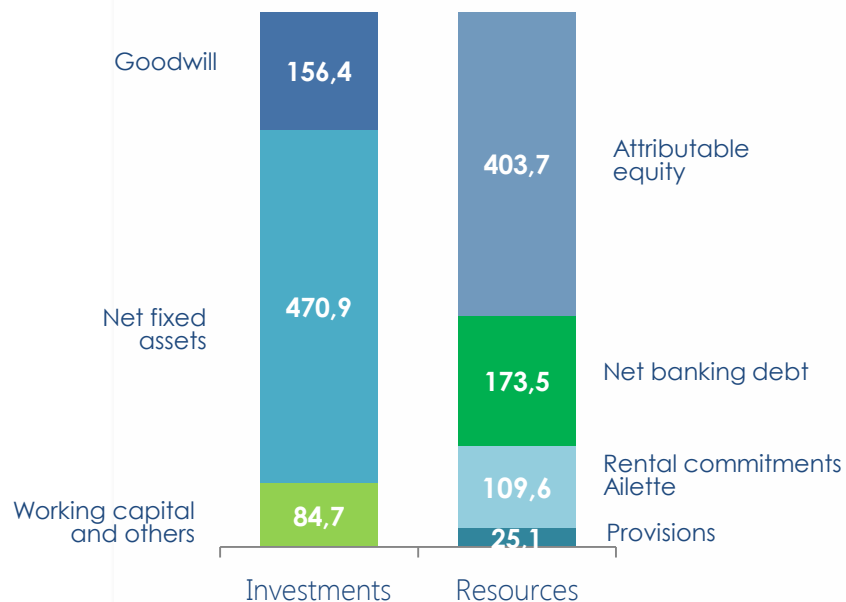
	2012/2013
Cash flow excluding exceptional items	22
Exceptional items	-33
CAPEX	-26
Asset disposals	13
Change in working capital requirements	-42
Cash flow before loan reimbursements	-66
Change in debt	-40
Change in cash flow	-106

Exceptional restructuring costs

Exceptionally high level of WCR in property due to significant equity advances for investments in wide-scale property development programmes (temporary nature ensured by pre-marketing level)

## Simplified balance sheet

(Millions of euros)



## Leverage

(Millions of euros)

Net banking debt	173
Equity	404
<b>Leverage</b>	<b>43%</b>

## Normal average net debt

Net banking debt	173
Cash invested temporarily in pre-marketed real estate programs	100
<b>Normal average net debt</b>	<b>73</b>
<b>Normal average leverage</b>	<b>18%</b>

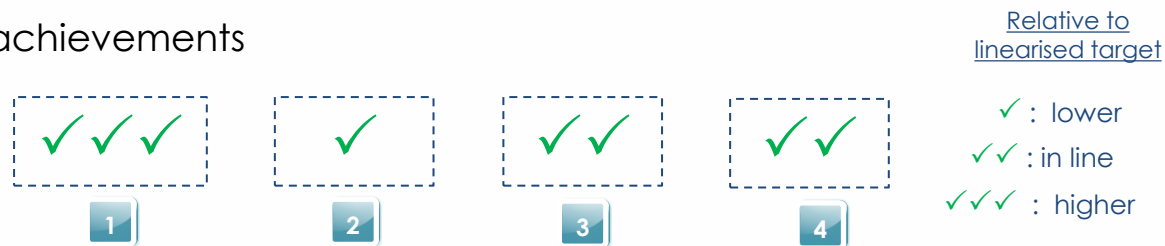


# Improvement in tourism operating margins in line with the targets of the WIN 2016 plan

## Overview of the WIN2016 targets



## 2012/13 achievements



- **REVPAR GROWTH**: +2.3%, o/w one-third stemming from the mix effect
- **DELIVERY OF THE COST-CUTTING PLAN** announced: €25m over the period (€35m over the full-year)
- **RENTAL SAVINGS IN LINE WITH TARGETS**: €8m\*,

\*undertaken in PV scope, excluding growth in offer and before indexation, i.e. +€5m net of indexation

# Growth in tourism reservations to date

## PIERRE & VACANCES TOURISME EUROPE

October vacation, Public  
holidays of November 1st  
and 11th

Turnover growth for all coastal destinations (France,  
FWI and Spain)

Winter season

- Increase in reservations to date for the entire PVTE scope (sea, mountain, city)
- Mountain focus:
  - Increase in ALR
  - A good start to the season with a clear increase in the second week of the Christmas vacation
  - Growth in January driven by UK and Russian customers
  - Growth in reservations for the February/first week of March 2014 vacations

## CENTER PARCS EUROPE

Q1 2013/2014

Increase in reservations to date (especially in  
France), excluding supply effect (operating of  
Center Parcs Bostalsee)

## WIN2016: A PROFITABLE INNOVATION STRATEGY



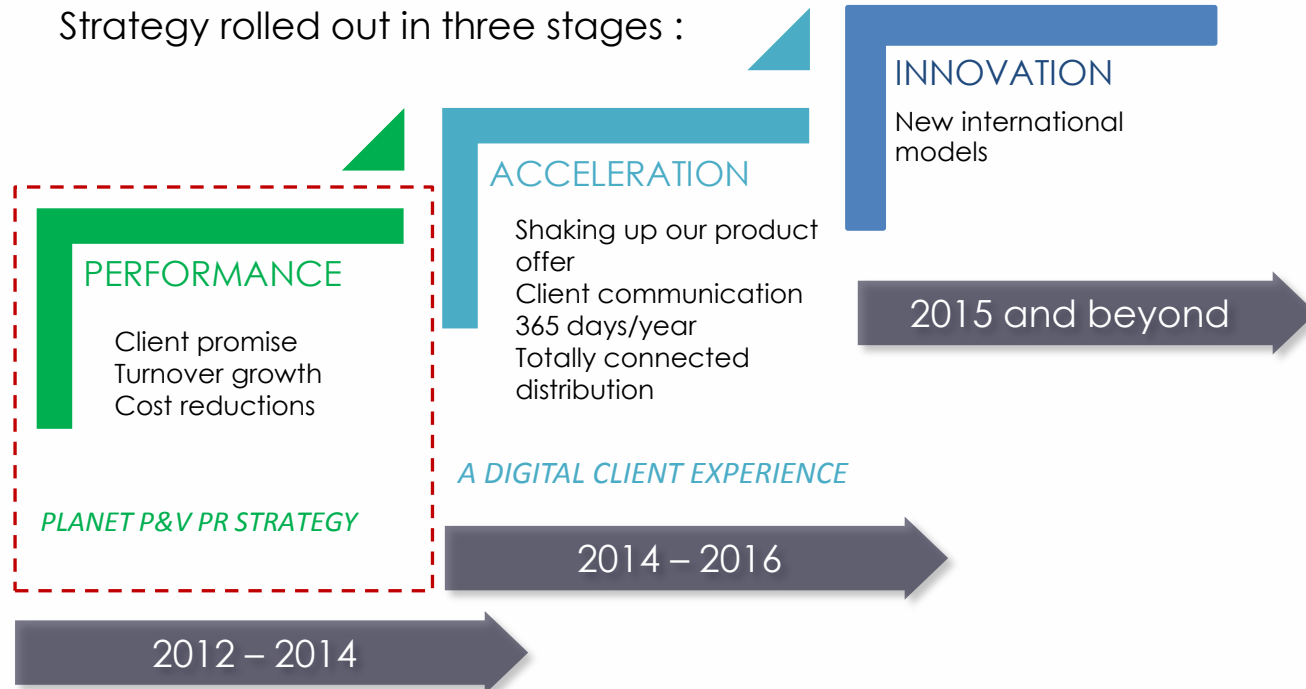
1. Innovative concepts
2. Diversified financing systems and management methods
3. A renewed partner relationship with our owners

1. A family of brands valuing a range of offers meeting new customer expectations
2. A continuous digital dialog for customer experience feedback
3. Operating excellence

TOURISM

## Three stages for our profitable growth strategy

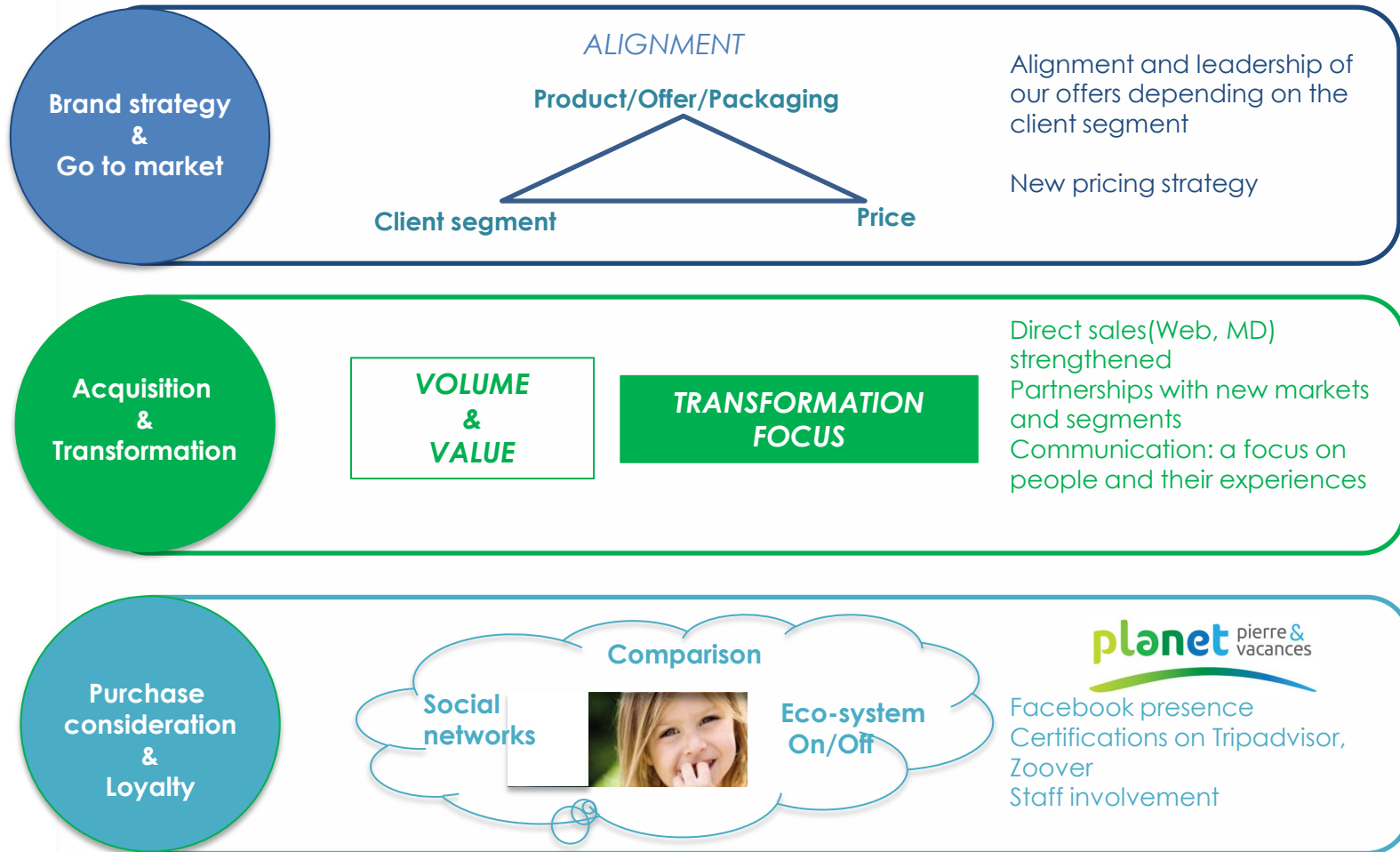
Strategy rolled out in three stages :



- On-site operating margins: +2 pts
- RevPar growth of 15-20%
- Distribution costs/sales ratio: -2 pts
- Rental costs/sales ratio: - 2.5 pts

**5%**  
operating margin  
in 2015/16





## Brand strategy and go to market



Wellness: the  
 seventh pillar in  
 our offer

A spa in each park in France  
 Partner: Deep Nature

Attracting new clients – to come and come again



Wellness



Aqua Mundo



Market dome



Accommodation



Activities



Kids experience



Nature

- Additional activities, whether **PERMANENT OR TEMPORARY** (golf simulation at Trois Forêts, Gruss Circus..) outside vacation periods to attract the elderly, young adults etc. )
- **PARTNERS AND EVENTS** creating news items (prenatal in The Netherlands, Ajax of Amsterdam)
- **PACK&GO** offer based on themed weekends
- A dominant theme highlighted for each park (animals at Vienne, sports at Lac d'Ailette)

## Brand strategy and go to market

Pierre & Vacances

Comfort, Services, New Clients

Pierre & Vacances



We've thought of everything, especially for you  
 Ready-to-live in apartments and a wide range of inclusive or à-la-carte services

Pierre & Vacances  
 premium



### Very Well-being

A haven for recharging your batteries with spas, relaxation areas and spacious and refined interiors

Pierre & Vacances  
 villages clubs



A unique choice of holiday villages in France and Spain  
 Entertaining holidays in the heart of holiday villages, designed for all families

## ENHANCING OUR COMFORT LEVELS

- Renovation of 1,659 apartments and homes in 2014 and 25% of network over three years
- Growth in PV Premium offer: delivery of Roquebrune Cap Martin and transformation of five residences
- Further development of VIP range in villages – clubs

Target turnover VIP/Premium: +8.5%

## INCREASING OUR SERVICE OFFER

- Services included in rental price
- New services or à-la-carte package for a tailor-made offer (early-check in, serenity pack ...)
- Overhaul of our approach to services

## STRENGTHENING OUR OFFER FOR ADDITIONAL TARGET MARKETS

- Creation of themed holidays and events outside the peak season
- Combined offers in association with events and local attractions

Target supp. income/apt.: +5%

Brand strategy and go to market

*Pierre & Vacances*



Pricing strategy completely overhauled, a structure focused on value management

A **PRICING OVERHAUL** at all the P&V and CP sites for Winter 2013 and Summer 2014 depending on their flexibility and margin profiles:

- Flexibility calculated according to 'standard cottage' by park or 'apartment type' by site
- Well-defined seasonality (6.7 periods on average for P&V)
- Individualization of price policy for CP

Alignment of yield management methods and operating modes and associated tools

Bolstering of **SKILLS** and **MANAGEMENT**

Structuring each Business Line to bring together **PRODUCT MARKETING AND PRICING**

## Acquisition & transformation

### A refocused sales structure with a reinforced foundation

Strengthened cross-European organisations for *DIRECT WEB SALES, CALLS and DIRECT MARKETING*

Redefining *CUSTOMER RELATIONS and PROSPECTION* and management of associated *DATA* to generate 20% growth in new clients and repurchases

Local sales teams focused on development and the growth of *NEW PARTNERSHIPS*

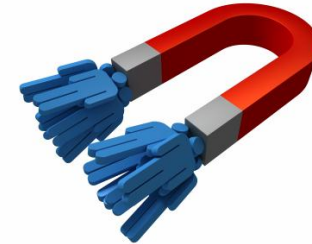
Specific plans for growth at *CENTER PARCS IN FRANCE AND IN GERMANY* to underpin new openings in the future

A selection of *PRIVILEGED PARTNERSHIPS* for sales coverage of *NEW COUNTRIES*: Scandinavia, eastern European countries, Russia, Israel

Development of *EFFICIENT CONNECTION TOOLS* with our partners

## Acquisition & transformation

### A renewed marketing strategy



A *CROSS-EUROPEAN* structure for the Group

A focus on *CUSTOMER EXPERIENCE*, placing customers at center-stage but not forgetting the product

*COMMUNICATION* 365 days-a-year, focusing on digital platforms and backed by the most agile processes and new relations established on a European level with our media and advertising partners

Development of *INNOVATIVE MARKETING RELATIONS* with strong presence on *FACEBOOK* and *DIGITAL ACCOMPANIMENT OF THE CUSTOMER EXPERIENCE*

Increased expertise in *CONTENT* management associated with our brands and *DATA MANAGEMENT*



## Acquisition & transformation

A change in communication: more digital, more experimental

### CUSTOMERS CENTER-STAGE



**Moi & Vacances**  
- lancement du nouveau positionnement de marque -

**Pierre & Vacances**  
les vacances comme moi

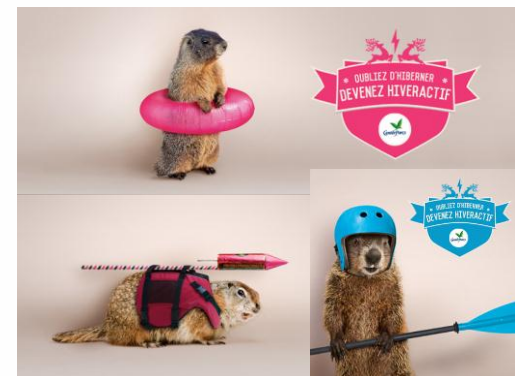
**Zoé & Vacances**  
les vacances comme moi

**Mathieu & Vacances**  
les vacances comme moi

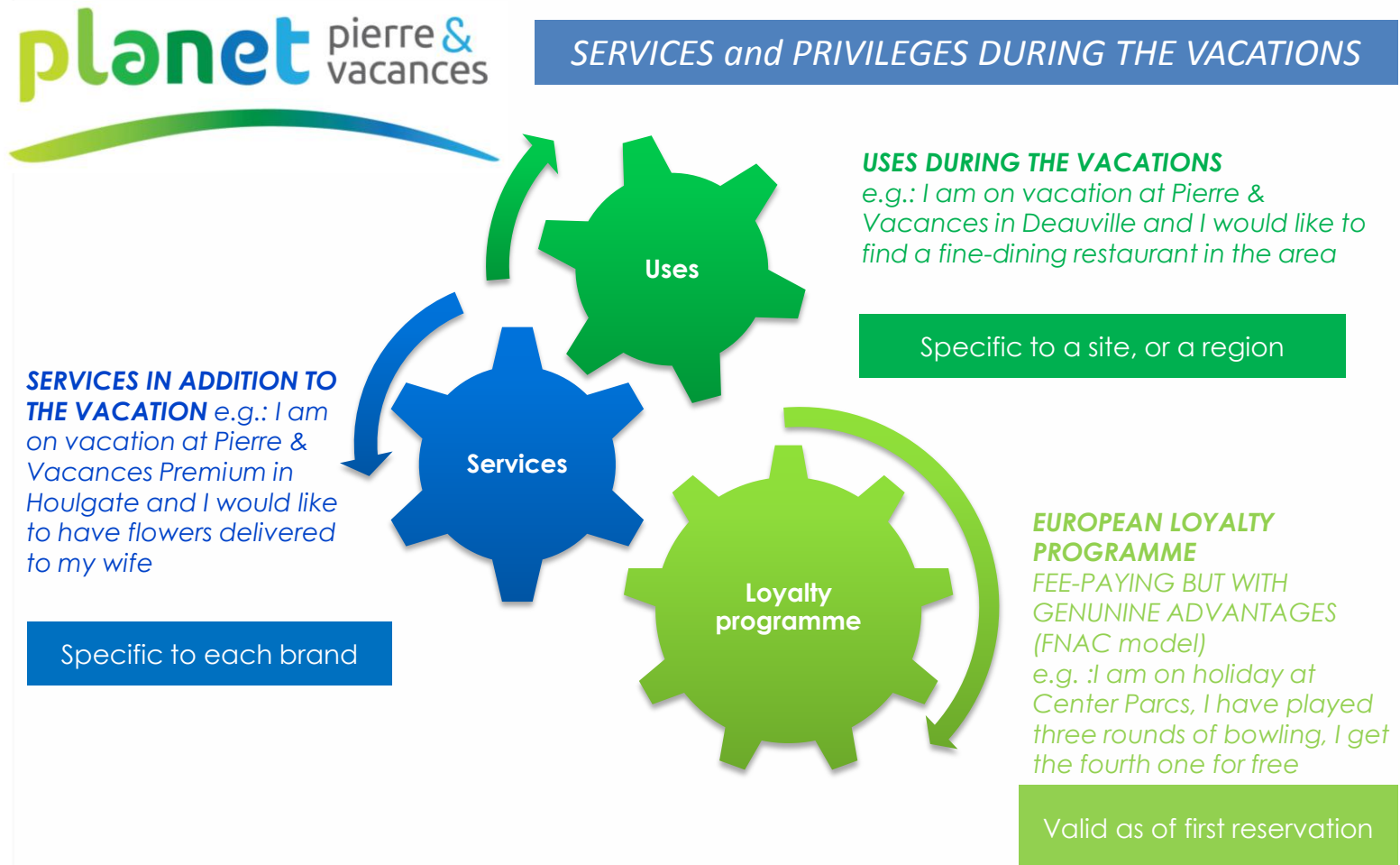
**Christophe & Vacances**  
les vacances comme moi



**NATURE IS FUN**



## Purchase consideration and customer loyalty



## Purchase consideration and customer loyalty



### **MOBILE APPLICATION MODEL**

Tools for active client  
Content curation  
Freemium for assisted payment  
Partnership to increase value offered

**Mobile Application Model**



- A volume-based revenue model
- A model generating image and desirability based on the user
- A model generating revenues and image via partners and the media

**Costs:  
margin  
improvement**

- CP: launch of high-margin on-site sales and review of 'product plus' program
- P&V: closure of 15 more coastal sites for winter 2013/2014
- Making costs more flexible by better anticipating occupancy rates per site and reducing temporary resources
- Energy management: tools, reference metrics etc.

**Costs:  
pooling of  
resources**

- P&V: 27 'coastal' zones covering 93 multi-brand and multi-label sites enabling:
  - the pooling of functions
  - a decline in onsite stocks via joint purchases management

**Revenues:  
optimizing local  
sales**

- Site segmentation depending on local market and coordination of the openings in order to maximize profitability by zone
- Development of local sales (>15% of mix for P&V, launch for CP) and pre-arrival services sales

**HR:  
Professionnalization  
Performance  
Mobility**

- Increase in proportion of flexible contracts
- Roll-out of career paths within P&V zones
- Management training in operating performance management

## Lease renewal policy

### Key measures

**Capping of the indexation** at an annual maximum of 2% (as for new leases signed)

For unexpired leases, a **change in the reference index from CCI to RRI**

**On lease expiration, an offer to continue management by Group which is adapted to the tourism potential of each residence:**

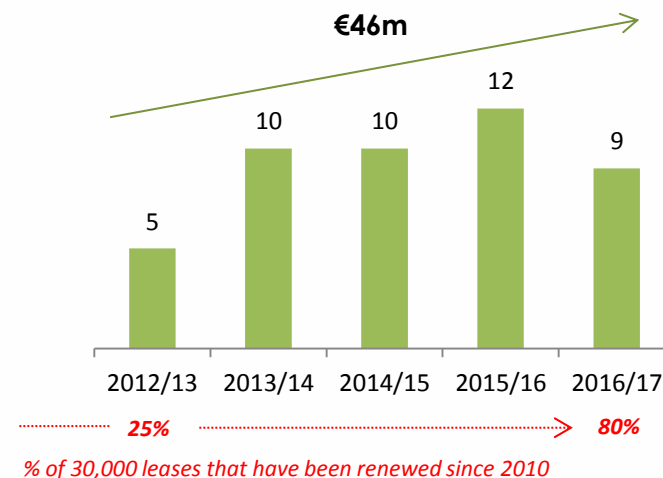
- Either lease renewal on the basis of the last rent,
- Or renewal at a lower rent than the last rent,
- Or variable rents,
- Or, for less competitive residences, management mandates or operation by a third-party operator

General **maintenance works** financed by owners in order to strengthen tourism potential, secure long-term operating and value their real estate

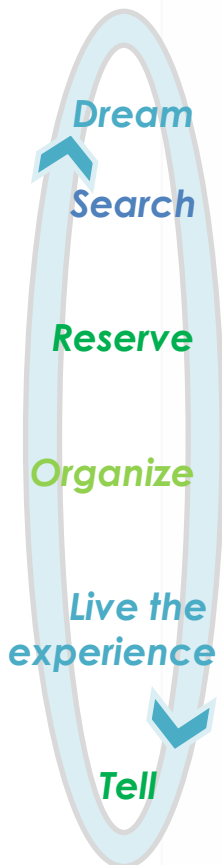
Pierre & Vacances

### Forecasts out to 2016/2017

**Cut in P&V rental expenses, including indexation and excluding growth in the offering:**



In 2017, less than 10% of overall rents (PVTE individuals) should be indexed to the CCI (vs. 65% in 2012 and 20% in 2013)



## PERFORMANCE

Change in communication focused on 'Experience'  
Social networks: Facebook, Twitter  
Continuum on/off

Certification  
Message personalization

Relationship history  
Overhaul of websites

Integration in reservation experience

Mobile application – Information  
Service interaction via social networks

Facebook activities

## ACCELERATION

Communication 365d/year

DATA strategy and acquisition aligned with segmentation

Multichannel

Multisupport Web, Mobile

Mobile reservation application  
Cashless payment

Facebook + other social networks

## INNOVATION

GAMES

DATA

MULTICHANNEL and MOBILE

MOBILE

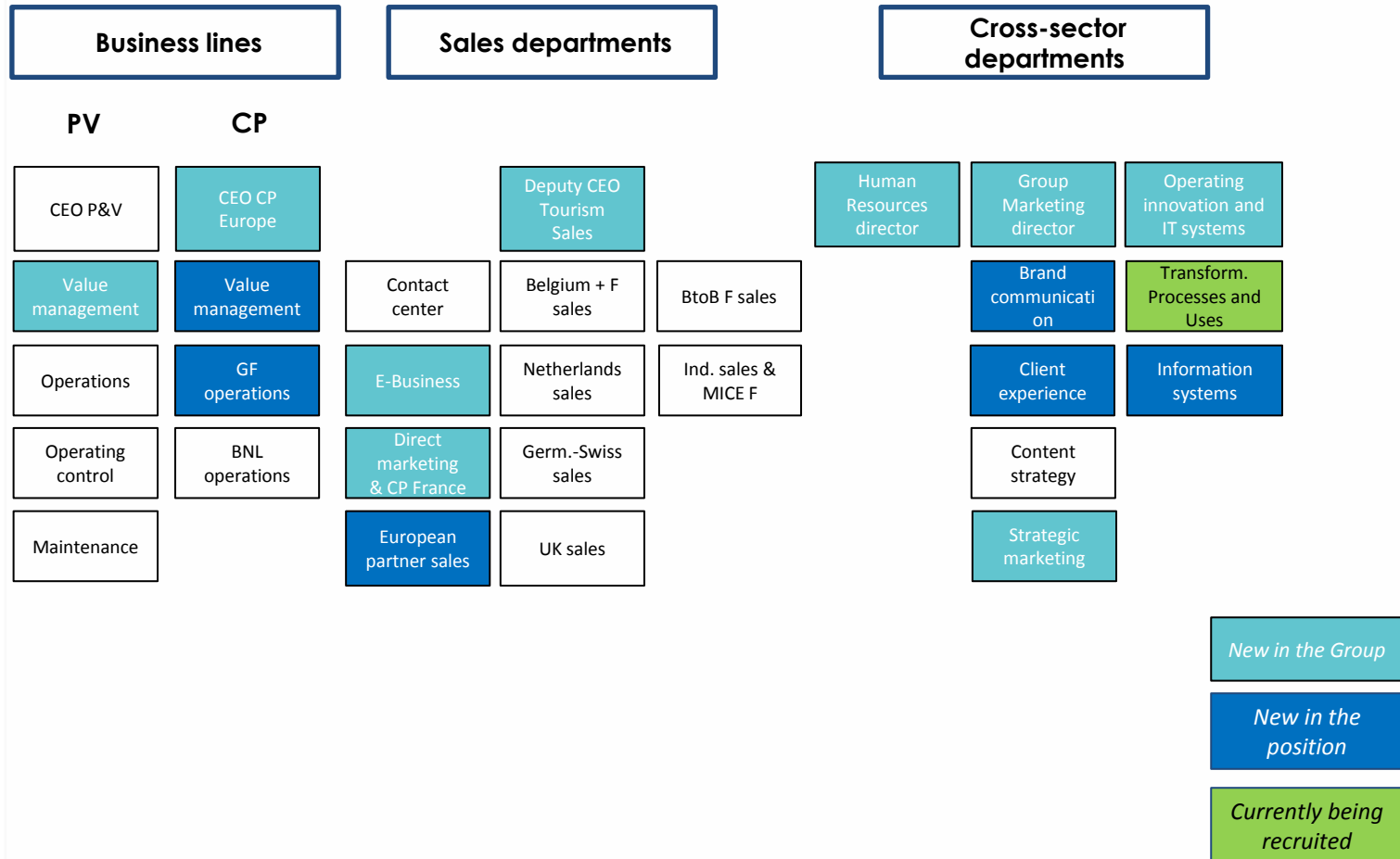
Digital experience

Co-CREATION

**IT, Expertise and Cultural foundations**

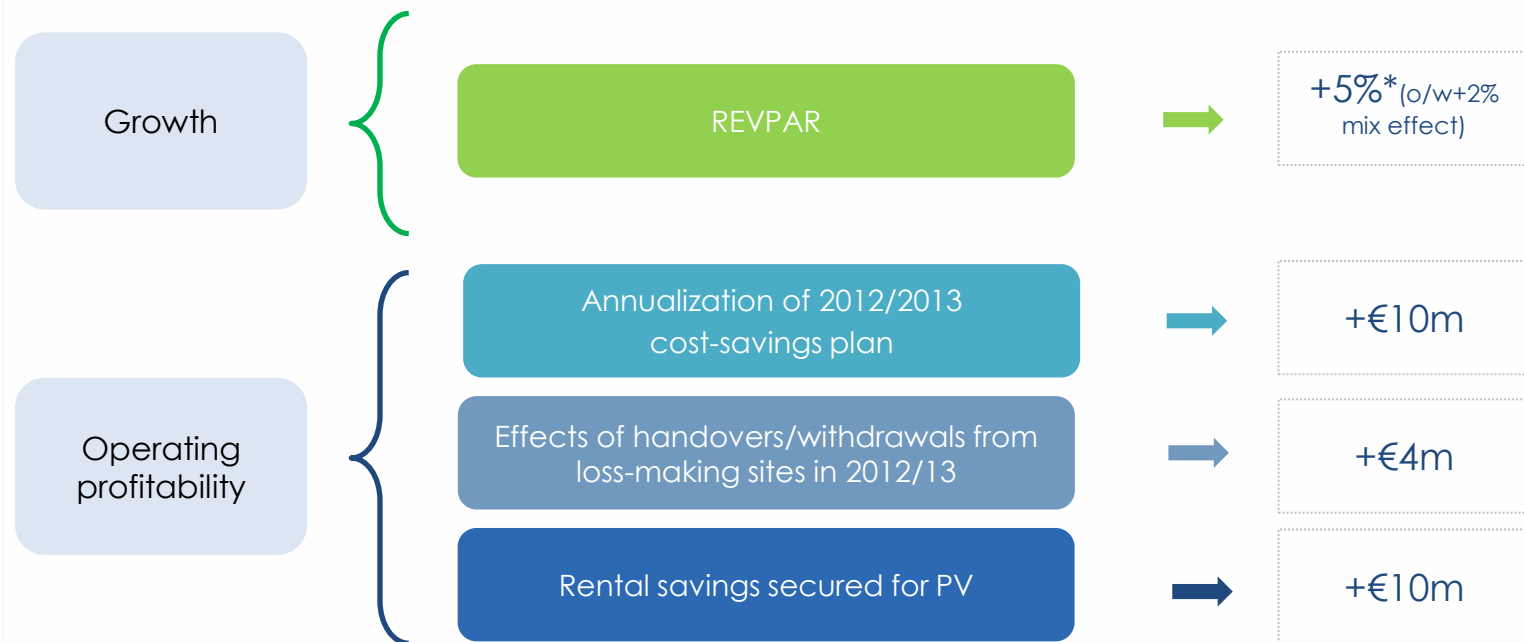


## A strengthened operating structure for executing action plans



WIN2016 currently in progress

Further growth in underlying operating profits in tourism for 2013/2014



Confirmation of target for an underlying operating margin of 5% in 2015/2016

## REAL ESTATE DEVELOPMENT

## Diversified financing systems and management methods

### An asset-light model

Real estate marketing to individual investors

- In France, attractive profitability levels thanks to tax incentive schemes in a safe-haven investment
- Extension in Germany (Bostalsee), and being engineered in the Netherlands and Belgium

Block sales of Center Parcs cottages to institutional investors

- Five hamlets in Center Parcs Vienne sold during H2 2012/2013 to institutional investors for €157m
- Acceleration in the pace of marketing and calls for funds helping to significantly reduce the amount of support loans

Public-private partnerships

- For financing of infrastructure and leisure equipment

Innovative sales formulas

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

Diversified management methods

- Leases (fixed or variable rents), management mandates (Spain, Morocco), or franchises (Adagio)

Targeted developments in high growth brands/markets  
and contributions to tourism operations



Local short-stay offerings, open all year-round, in response to European social trends

- In France:
  - Center Parcs Vienne: 800 cottages, opening spring 2015
  - Center Parcs Roybon: 1,020 cottages, opening 2017
  - Two mid-size Center Parcs: 400 cottages each, opening 2018
- In Germany:
  - Center Parcs Allgau (Germany): 800 cottages, opening 2017



Targeted development in high growth brands/markets and contributions to tourism operations



City apartotel concept growing rapidly all over the world

- Joint venture with ACCOR
  - Resisting economic slowdown (rates around 20% lower than traditional hotels)
  - A profitable economic model (underlying operating profit of 10-15% of turnover)
- ⇒ A target of 150 residences with volumes of business of almost €380m by 2016



## Targeted development in innovative concepts



A brand new concept "One Planet Living"

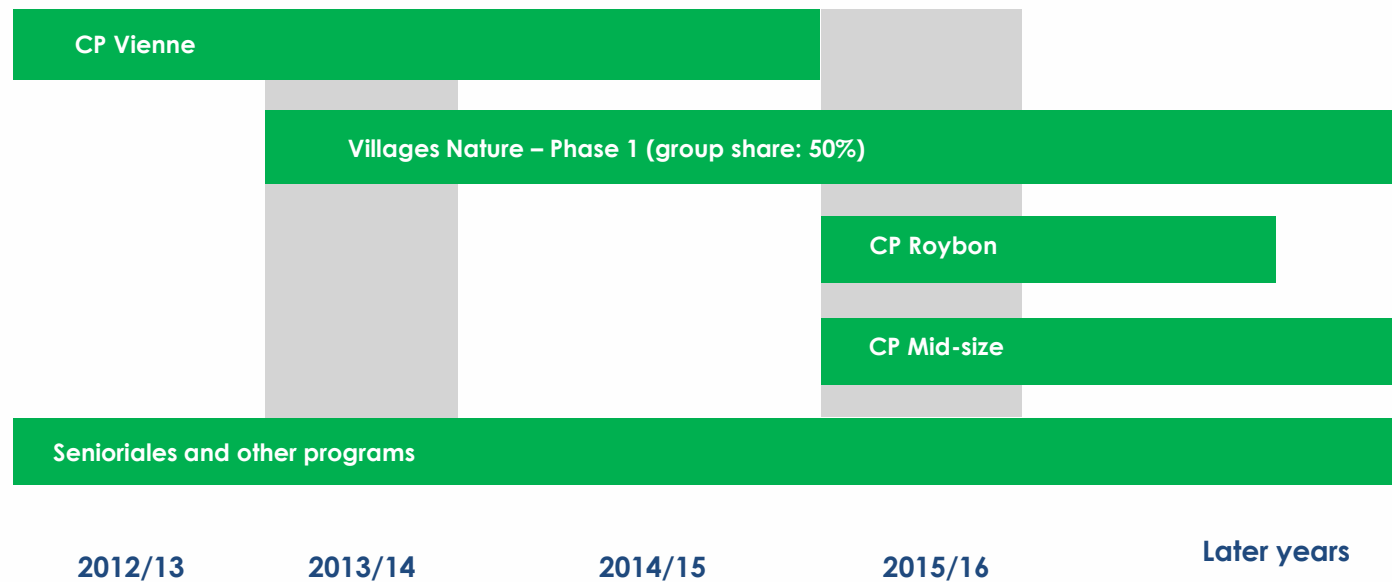
- A 50/50 joint venture created by the Pierre & Vacances Center Parcs Group and Euro Disney S.C.A.
- Potential site further out with 500 hectares 6km from Disneyland® Paris –5,000 cottages/apartments in tourism residences
- A major innovation in sustainable tourism, based on the search for harmony between Man and Nature
- All administrative authorizations obtained and exempt from appeals
- Phase 1: 1,730 cottages/apartments, representing prospective investment of more than €700m
- Financing currently being completed with French institutional investors for a €350m segment
- Prospective opening to the public: mid-2016



Clear visibility on potential future real estate development turnover

*HIGH GROWTH IN 2013/2014 TURNOVER (> €250m)*

*OVERALL, POTENTIAL TURNOVER OF €1.5bn BY 2015/2016*







## CONCLUSION

## WIN2016 PLAN CURRENTLY IN PROGRESS

Target to restore operating profitability reached in 2012/2013

Further growth to come in 2013/2014

- High growth in property development turnover: >€250m
- Growth in tourism REVPAR of 5%
- Secured gains of €24m

Target for underlying operating margin of 5-6% confirmed for 2015/2016



## DEVELOPMENTS PREPARING FOR THE FUTURE

A project portfolio representing almost €1.5bn out to 2015/2016...

...in growth brands/markets and contributing to tourism operation