


Groupe
Pierre & Vacances
CenterParcs

Presentation of FY 2010/2011 earnings

1 December 2011

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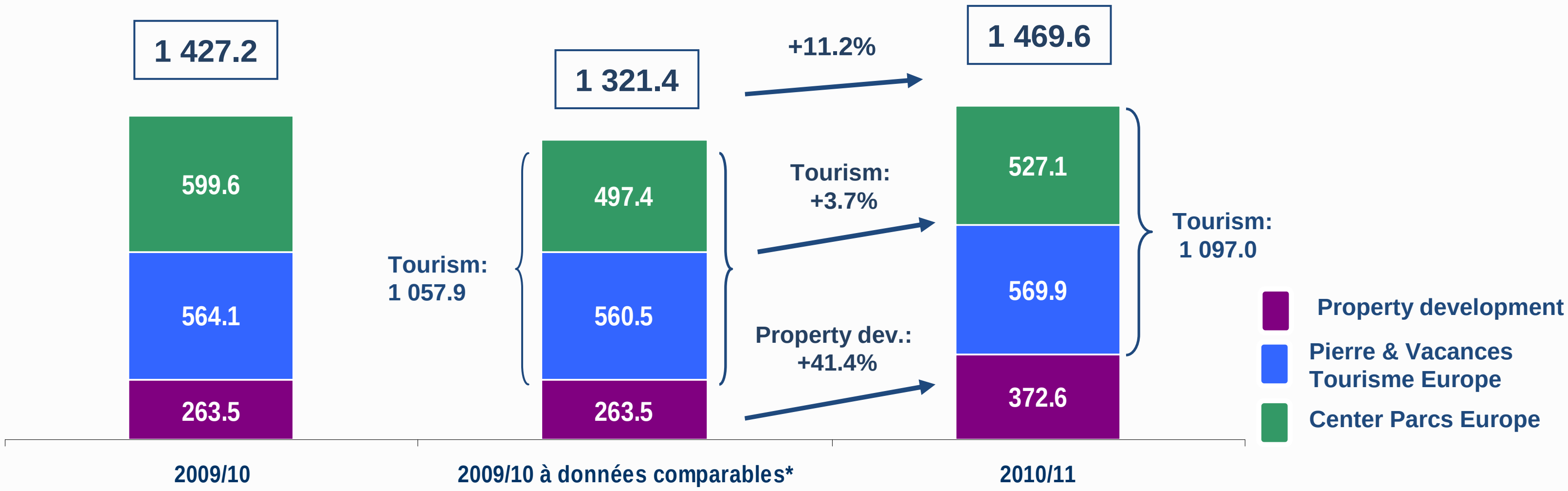
Groupe Pierre & Vacances Center Parcs

I – FULL-YEAR 2010/2011 EARNINGS

Like-for-like 2010/2011 turnover up 11.2%*

(Euro millions)



Tourism: + 3.7%

❑ **Growth in accommodation turnover: +6.1%**
– PMV: +3.4%, number of nights sold: +2.7%
– Pierre & Vacances Tourisme Europe: +4.9%
– Center Parcs Europe: +7.5% (+1.0% excl. CP Moselle)

Property development: + 41.4%

❑ **Main contributing programmes:**
– Renovation operations at Center Parcs Bois Francs and Hauts de Bruyères: €108 million
– Avoriaz extension: €78 million
– Sénioriales: €75 million

*** Like-for-like turnover has been adjusted for the impact of:**

- At Pierre & Vacances Tourisme Europe:
  - the acquisition from Lamy of 31 Citéa residence businesses as of 1 July 2011 (+€10.5 million in 2009/2010).
  - the reclassification under “Other operating income” of rebilled expenses incurred under the framework of external mandates.
- At Center Parcs Europe, the outsourcing of catering services at the Center Parcs villages (or €102.2 million in 2009/2010).

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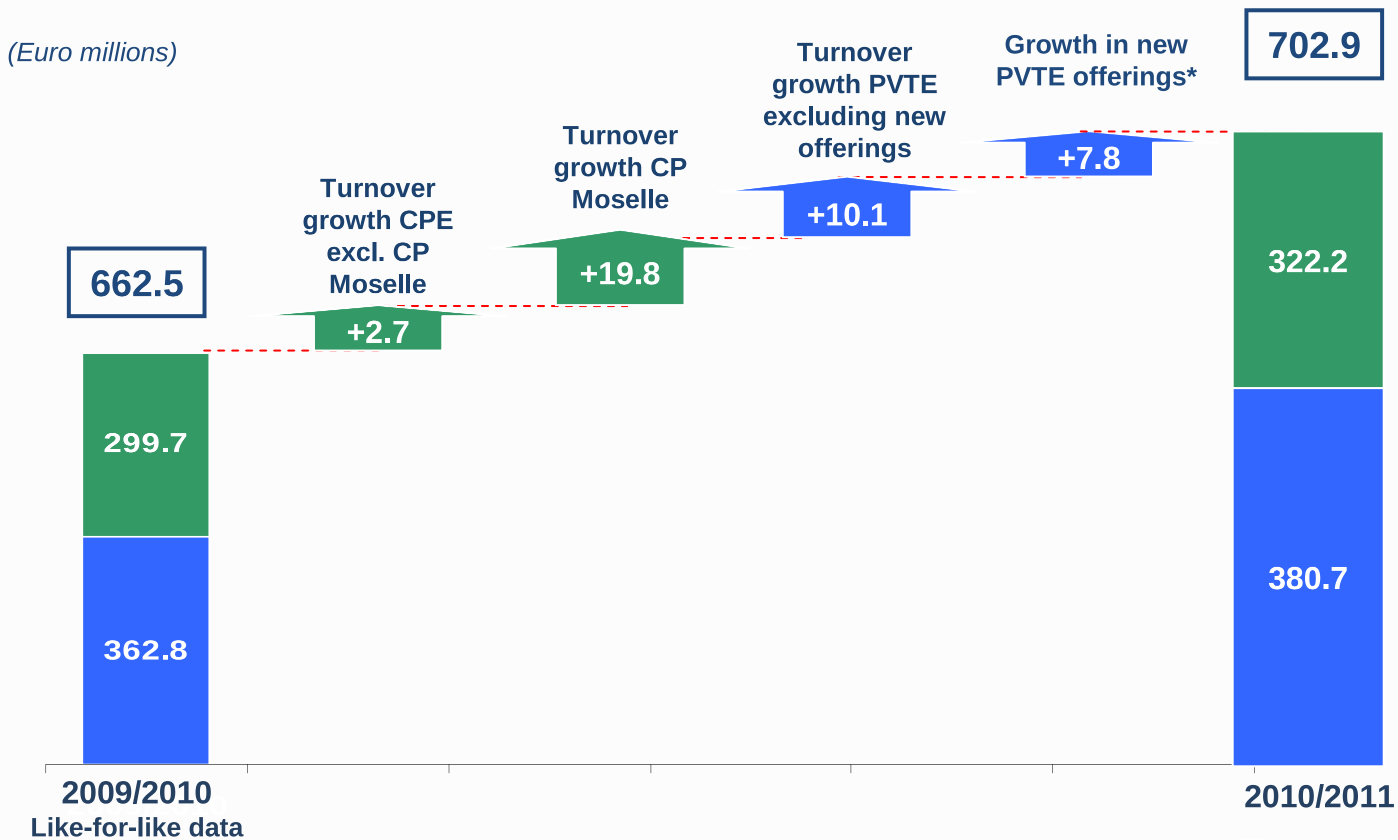
Like-for-like 2010/2011 accommodation turnover up 6.1%

H1 accommodation turnover (excl. CP Moselle): +0.6%
H2 accommodation turnover (excl. CP Moselle): +4.8%



Pierre & Vacances Tourisme Europe
Center Parcs Europe

•Operation of five new city residences, 1st year of operation of PV Houlgate and lease of five PV residences in Spain

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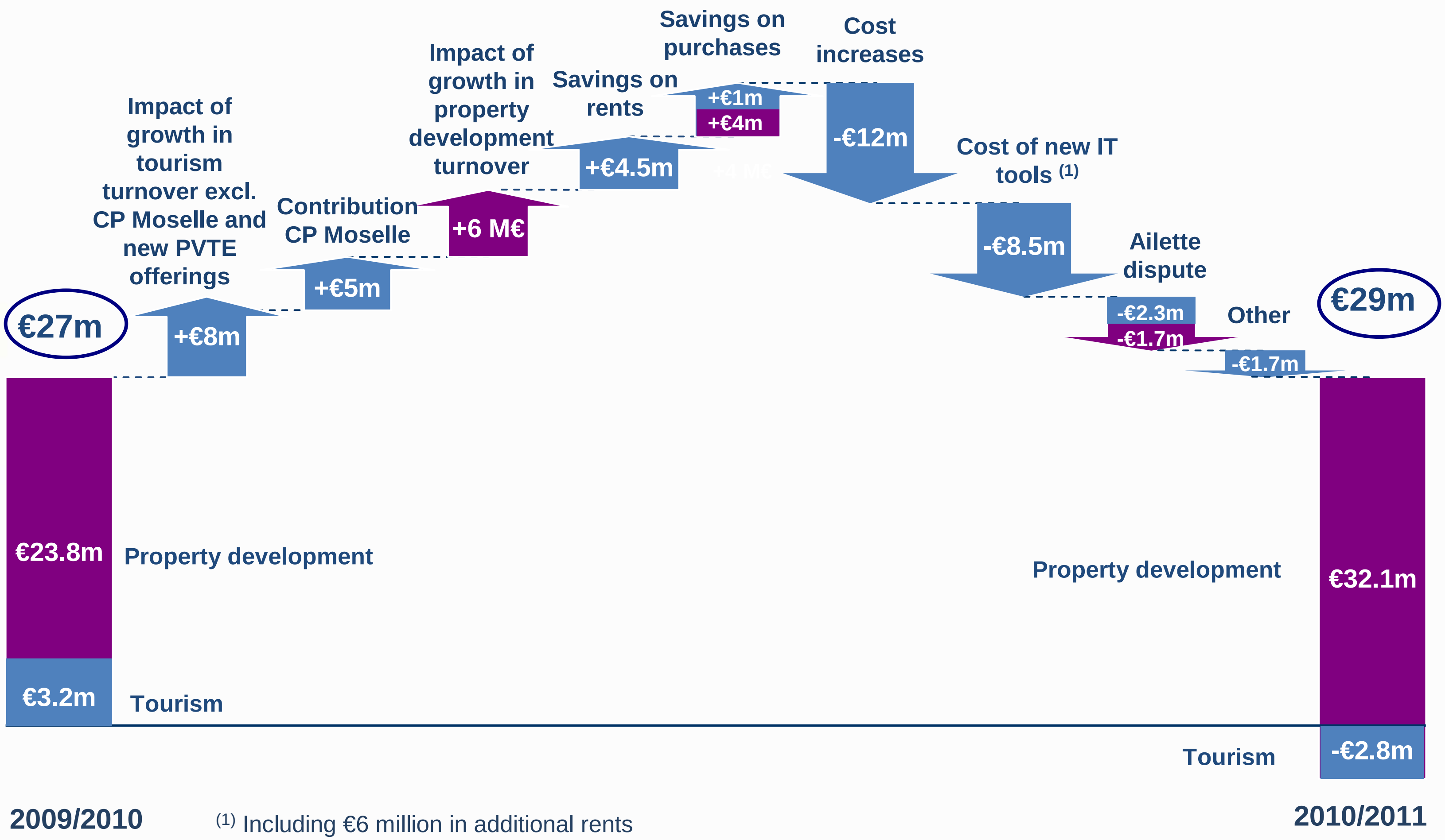
2010/2011 underlying operating profit up 8.5% to €29.3 million

(Euro millions)



(1) Including €6 million in additional rents

2010/2011 attributable net profit up 44.3% to €10.5 million

(Euro millions)

	2010/11	2009/10
Turnover	1 469.6	1 427.2
Underlying operating profit	**29.3**	**27.0**
Financial items Tax	-16.6 - 4.6	-14.2 -5.4
Attributable underlying net profit	**8.1**	**7.4**
Other operating income/expense net of tax	+2.4*	-0.1
Attributable net profit	**10.5**	**7.3**

*of which:
- ✓ -€12 million in net restructuring costs
- ✓ +€8.4 million in net income on disposal of Latitudes hotels and acquisition of Citéa residence businesses

2010/2011 cash flows

(Euro millions)

	2010/11	2009/10
Cash flow	42.7	32.1
Change in WCR	-32.6	-25.7
Cash flows generated by operations	**10.1**	**6.4**
Cash flows from investments	-12.4	12.2
O/W:		
- Operating CAPEX	*-33.8*	*-32.4*
- Asset disposals/acquisitions	*12.3*	*9.0*
- IT lease disposals	*8.0*	*34.2*
Capital increase	0.0	0.1
Acquisition/disposal of treasury stock	-1.2	0.1
Dividends paid	-6.1	-13.0
Cash flows before loan repayments	**-9.6**	**5.8**
Change in net debt	86.1	38.1
Change in cash flow	**76.5**	**43.9**

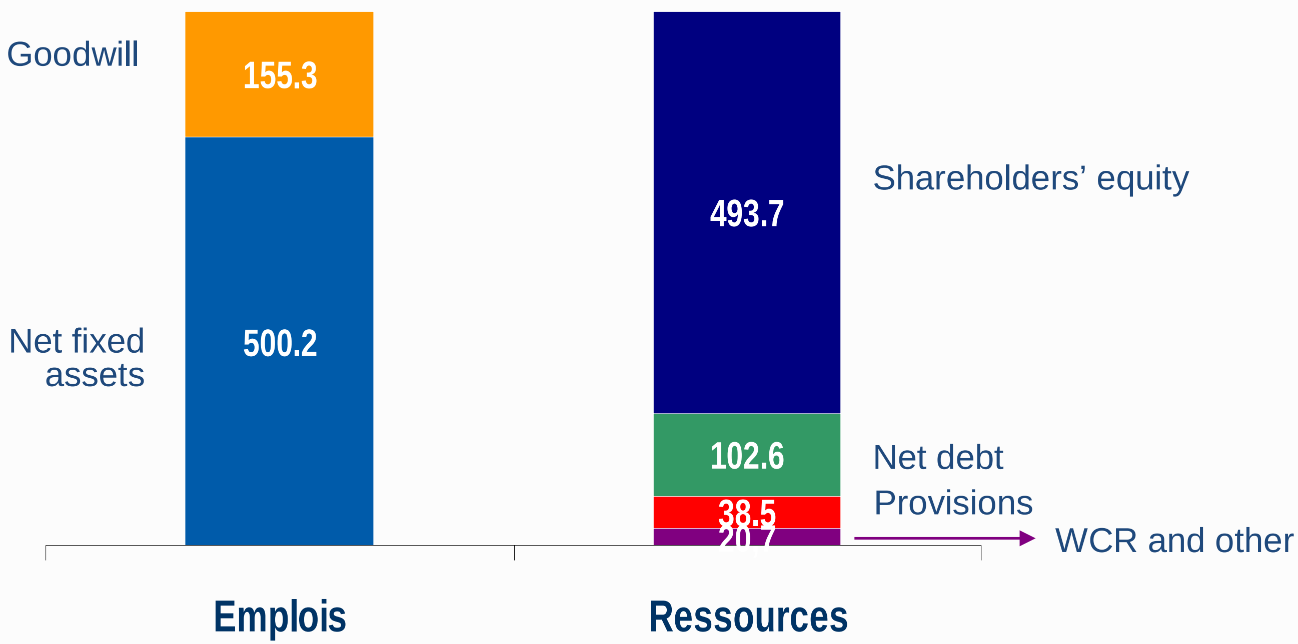
Balance sheet




- **Simplified balance sheet on 30 September 2011:**

⇨ Gearing (net debt/equity): 20.8% (vs. 18.9% on 30 September 2010)

(Euro millions)



- **Strengthening of Group liquidity and extension of debt maturity**

⇨ June 2010: refinancing of corporate debt (€100m loan + €100m credit line)
⇨ February 2011: OCEANE convertible/exchangeable bond (€115m)

Pay-out to be proposed to AGM on 6 March 2012

Proposed dividend of €0.70 per share

(Overall pay-out of €6.2 million – stable relative to 2009/2010)

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BOOST/2013

II - TRANSFORMATION PLAN AND SOURCES OF LEVERAGE TO EARNINGS GROWTH

Transformation plan: strategic focuses

	2011	2012	2013
Brand strategy	**Repositioning of brands** into four product lines: Residences (PV. Maeva), Villages Clubs (PV), all-weather domains (CP), City residences (Adagio) **Optimisation of distribution policy**		
Customer relations	**Placing customers at the centre of the Group's functioning** by rolling-out a Group client strategy underpinned by customer relation management (CRM) tools		
Integrated Group	**Reorganisation of Group** into business lines and group-wide support functions with a single head office in Paris		
Operating efficiency	**Roll-out of group-wide processes and tools:** • Purchasing process, lease renewals • Efficient IT tools: office, management/accounting system, back office		

Transformation plan




Achievements in 2010/11	Targets for 2011/12
Brand positioning	
– Creation of Adagio Access banner (ex. Citéa) and withdrawal from Latitudes hotels	– Transfer of Maeva residences to Pierre & Vacances banner
– Transfer of five Sunparks to Center Parcs brands (**+8.6%** in accommodation turnover since 1 January)	– Strengthening of three PV banners
– New price policy (PMV : **+3.4%**)	
– Development of short-stay offerings: No. PV/Maeva: **+7%**	➔ **+ 10%**
Sales/customer policy	
– Cross-selling: PV/Maeva seaside sales to BNG clients: **+ 22.9%**	➔ **+ 15%**
– Optimisation of distribution channels: internet : **+ 10.2%**	➔ **+ 15%**
onsite sales: **+8.6%**	➔ **+ 10%**
– Boosting events and onsite services sales: PV: **+ 8%**	➔ **+ 10%**
Merger of tourism organisations into an integrated tourism group	
– Closure of head office in Rotterdam and roll-out of business lines: departure of around 100 staff	– Adapting the organisation
Operating efficiency	
– Purchasing policy and lease renewal policy:	
Purchases penetration rate: **50%**	➔ **65%**
Reduction in rents: **€4.5m**	➔ **+€5m**
– IT developments : Project amounts: **€24m**	➔ **€24m**

Sources of leverage to earnings growth: increase in turnover

Brand positioning:

Enhancing the standard offering and advertising it	New services: bicycles, Wifi, Sun insurance Roll-out of three ranges of apartments/cottages Advertising campaign in 2012 on product offering	**Standing out from the competition** **Sales of associated services**
New short-stay offers	Roll-out of services and events all year round Specific offerings including services adapted to short stays and theme holidays	**Improving vacancy rates in fringe seasons**
Flexible price policy	New brochures with no prices (“prices from”) Yield management	**Increasing average letting rates** **Controlling discounts**

City residences

adagio
adagio access

Professional and tourism clients in major European cities

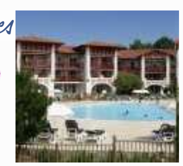
All-weather domains

CenterParcs
Sunparks

Nature combined with water and fun activities all year round

Residences

Pierre & Vacances
Pierre & Vacances premium
maeva



High-quality residences and à la carte services

Village clubs

A unique village concept with a wide range of activities for all

Sources of leverage to earnings growth: increasing turnover

Site investments in 2011/12 :

	Groupe PVCP €29m	Partners and investors €85m*
Accommodation • Renovation/upgrade 4,500 homes	€16m	€70m
Leisure and innovation • Swimming pools/Aquamundo (Heijderbos/ Vossemeren/Eemhof/Pont Royal) • New activities (cycling, kids disco. …) • Catering: pilot at Bois Francs and Heijderbos, snack bars, renovation of restaurants	€13m	€15m

* o/w €30 million in works financed by Blackstone at seven CP villages for delivery planned in summer 2012 and €25 million for a property development renovation operation concerning 350 cottages bought from Eurosic for delivery planned in 2012

Sources of leverage to earnings growth: new organisation

Tourism			Property development
Sales & marketing Sales and marketing activities for Center Parcs and Pierre & Vacances	**Operations** Operating activities for all residences, domains and villages	**Owners** Owner/investor and co-ownership management activities for PV and CP	**Property** Development, building and marketing activities for PV and CP

Purchases

IT and communication

Human resources/legal department

Finance

2010/2011 cost reductions: €3 million

Sources of leverage to earnings growth: new tools

IT projects schedule

	<2011	2011	2012	2013
Internet	2 platforms	Merger of platforms New sites	Ergonomy projects	Marketing projects
Reservation system	3 disjointed systems	Testing of new system (Opus)	Roll-out PV	Merger of PV-CP systems 2014
Clients	Numerous non-integrated systems	Development of client reference base	Launch of CRM PV/Maeva	Group roll-out
Back-Office *ERP / RH*	Numerous non-integrated systems	Parameters analysis	Group roll-out	Optimisation
Cost of projects	**~ €15m**	**€24m**	**€24m**	**< €20m**

Sources of leverage to earnings growth: cutting costs

Rents paid to individial owners (1/2)

General policy to cap rents

- **Lease renewals**:
  - Indexation to the CCI maintained but limited to a maximum annual increase of 2-3%
- **New contracts:**
  - Indexation to the rental reference index (RRI), limited to a maximum annual increase of 2-3%.

Differentiated policy depending on site for renewals

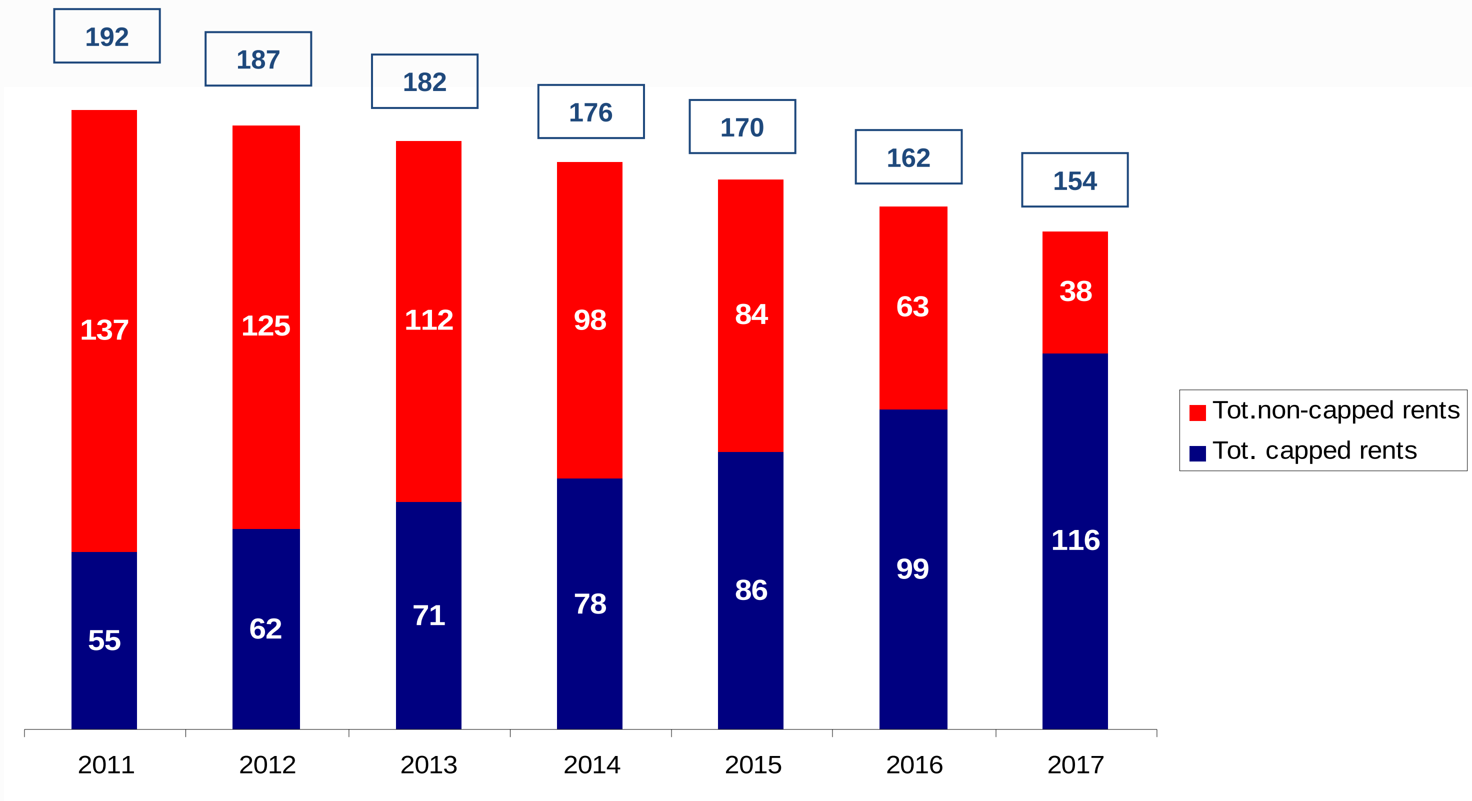
- **Reduction in face-value rents,** with increase in owner occupancy as compensation
- **Financing of works by owner**

2010/2011 cost reductions: €4.5m

Sources of leverage to earnings growth: cutting costs

Rents paid to individual owners (2/2)

Near €40 million decrease in rental costs by 2017 (excluding new deliveries)

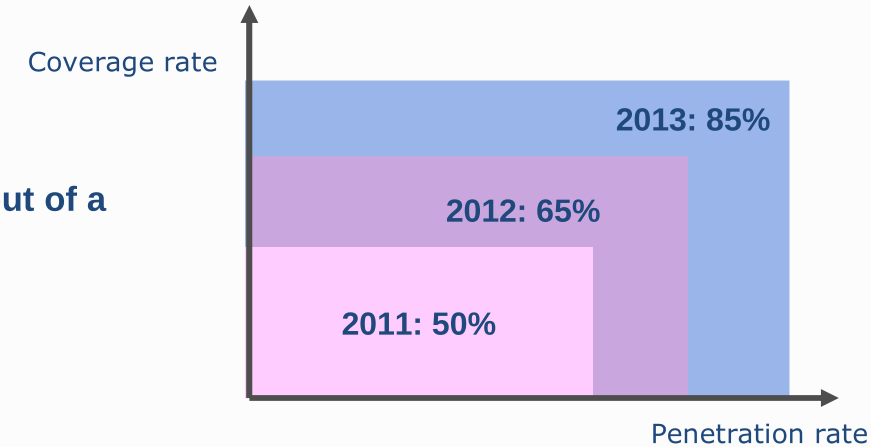


Sources of leverage to earnings growth: cutting costs

Purchase policy

Increase in penetration rate

- **Supplier reference base**
  - **More than 400 suppliers referenced out of a base of 3,000**
- **Standardisation of products**
- **Proximity with operating units**



2010/2011 cost reductions: €5 million




III – PROPERTY AND DEVELOPMENT

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Targeted development
Diversified financing methods

■ Targeted development:

➢ **In high-growth brands/markets:**
- City residences in Europe
- Center Parcs domains in France and Germany

➢ **In innovative concepts:**
- Villages Nature
- "Oasis Eco-Resort" in Marrakech

■ Development based on diversified financing methods:

➢ **With individual investors:**
- Diversified sales formulas: LMNP. Censi Bouvard….
- Marketing in partnership with financial institutions notably via property investment companies

➢ **With institutional investors:**
- Under leases, with fixed or variable rents (with or without a minimum guaranteed, e.g. Spain)
- Under management mandates (e.g. Morocco)

➢ **With public-private partnerships (e.g. CP Bostalsee. CP Vienne. Villages Nature)**

Development of city residences

CITEA operation

- Acquisition from Lamy (Groupe Nexity) of:
  1) 50% of Citéa (49 management mandates for 2-star city tourism residences)
  2) 31 tourism residence businesses managed by Citéa
- 1 July 2011: disposal of 100% of Citéa to Adagio
- Creation of the Adagio Access range (Adagio budget segment)

⇨ **Adagio City Aparthotel is now the European leader in city tourism residences, operating 84 residences generating turnover of around €160 million.**

An ambitious development plan

- Development plan primarily focused on Europe (France, Germany, UK) as well as Russia and the Middle-East.

⇨ **By 2015, Adagio should operate almost 130 residences with turnover of €330 million (including 69 Adagio Access residences).**

Development of Center Parcs (1/2)




- **Vienne: 800 cottages – delivery planned for spring 2015**

– Project in partnership with the General Council for 800 cottages
– Filing for building permit in December 2011

- **Roybon (Isère): 800 cottages**

– September 2010: appeal against the building permit by an association of opponents
– June 2011: cancellation of Land Use Policy and building permit for procedural reasons, since all other fundamental means were rejected.
– September 2011: procedure regularised and LUP approved
– Building permit to be confirmed by the end of December

- **Domaine des Trois Forêts (Moselle):**

– Extension of the existing domain by an additional **109 cottages** with delivery due in **spring 2012**
– Additional extension of more than **200 cottages** by **2013/14,** with a 1st tranche of 60 cottages in 2013.

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Development of Center Parcs (2/2)

- **Bostalsee (Sarre): 500 cottages – delivery planned for 2013**
  - 29 March 2011: signing with state and local authorities from the Sarre region of definitive agreements concerning the creation of the village.
  - Summer 2011: first bricks laid.

- **Leutkirch (Badenwürttemberg): 800 cottages – delivery planned for 2015**
  - May 2011: purchase of land and signing of framework agreements with municipality.

Villages Nature

VILLAGES NATURE

- **An innovative concept focused on the harmony between man and nature:**
  - A domain of 530 hectares, 6 km from the Disney parks
  - Public-private partnership with French state, the Ile de France region, the Seine and Marne and local and regional authorities
  - 50/50 joint venture between PVCP and Eurodisney

- **Overall project: €1.8 billion**
- **Capacity:** 7,000 homes and apartments (total capacity of 25,000 beds)

- **1st phase: two lakeside villages and one forest villages on 175 hectares**
  - Geothermic lagoon
  - **1,730** apartments and homes in tourism residences, in two stages
  - Project of €**700** million (€17 million in equity for the Group spread over three years)
  - Open to the public in **2015** and **2016**




International expansion – Spain and Morocco

In Spain

- 2,000 apartments managed under management leases at end-2011
- Target for 3,000 managed apartments in major Spanish seaside towns by 2013

In Morocco

- Oasis Eco-Resort in Marrakech
- Project in partnership with Caisse des Dépôts et de Gestion du Maroc
- 480 apartments and homes in tourism residences
  (financing by a property company 85%-owned by CDG and 15% by PVCP)
- 580 second homes

CONCLUSION

- In an uncertain economic backdrop, the Group is more than ever maintaining its strategy to cut costs and modernise its brands as well as its distribution and management tools.
- Expansion is the engine behind Group growth and is set to continue with diversified financing methods.
- The targets set in 2010 for a €100 million increase in tourism turnover and €65 million in cost reductions have been confirmed for 2014.