2004/05 FINANCIAL YEAR RESULTS

Paris - December 8th, 2005

GROUPE PIERRE & VACANCES

Contents

I - PIERRE & VACANCES GROUP

Pierre & Vacances Group
- a major player in European tourism

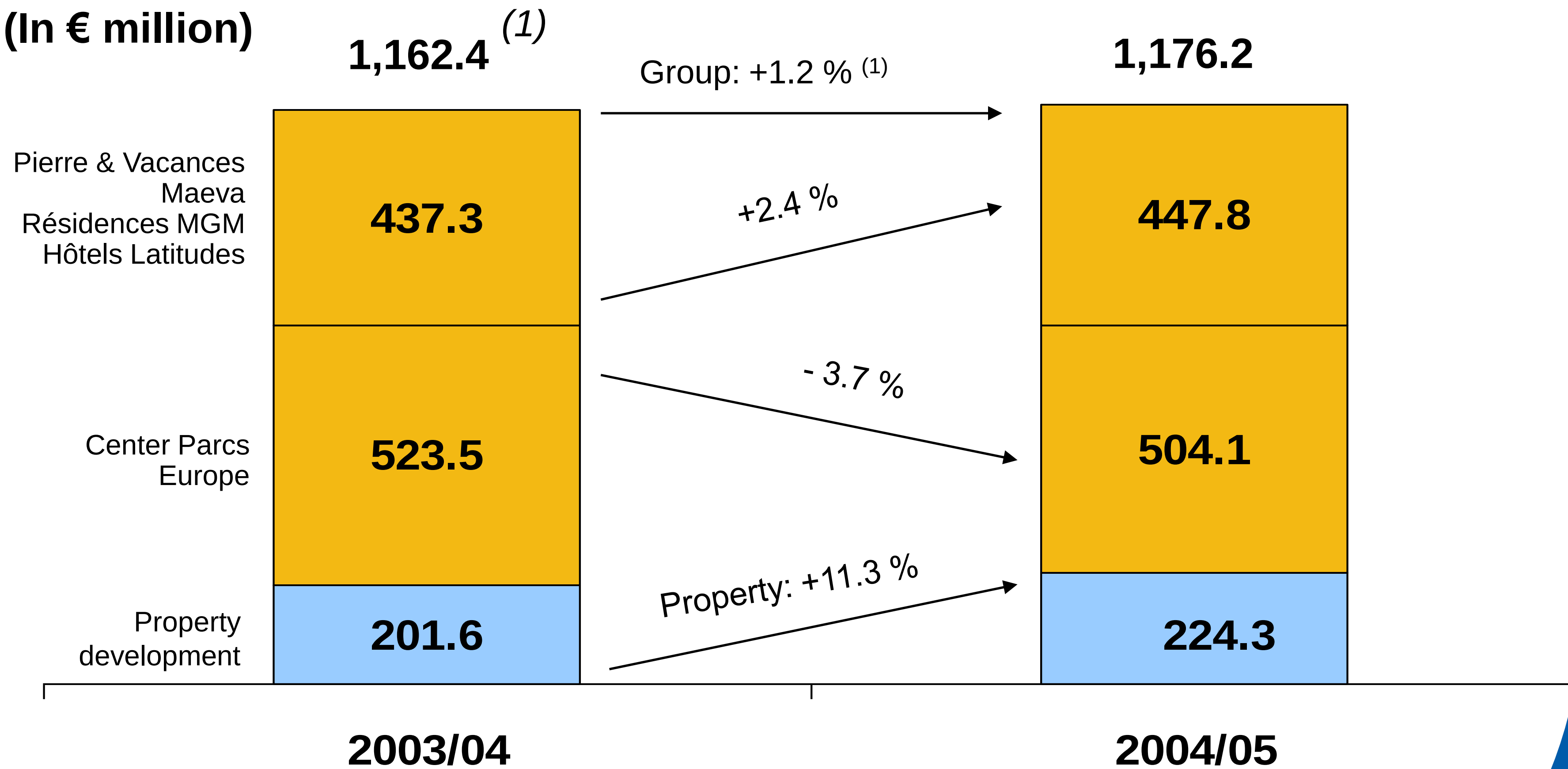
- 5 segmented brands
Pierre & Vacances, Maeva, Résidences MGM, Hôtels Latitudes, Center Parcs

- Key figures for the 2004/05 financial year
  - **45,000 holiday apartments and homes in Europe (35,000 in France)**
  - **6.4 million customers**
  - **8,600 employees (FTE)**
  - **Consolidated turnover: € 1,176m**

II - 2004/05 FINANCIAL YEAR RESULTS

Period from October 1st 2004 to September 30th 2005

Turnover
+1.2% like-for-like (1)



(1) Same accounting methods and perimeter

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Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes

Key accommodation indicators (1)

Turnover: € 447.8m, +2.4%(1)

- **Accommodation turnover: € 275.3m, +2.0%(1)**

	2004/05	2003/04 (1)	Change
Net ALR *(per week in €)*	**495**	482	+2.8%
Number of weeks sold	**556,258**	560,226	-0.7%
Total offer	**1,040,427**	1,049,068	-0.8%
Occupancy rate	**63.0%**	62.3%	+1.1%

- **Supplementary income: € 172.5m, +3.0%(1)**

(1) Like-for-like

Center Parcs Europe
Key accommodation indicators [1]

Turnover: € 504.1m, -3.7%[1]

- **Accommodation turnover: € 231.8m, -4.4%[1]**

	2004/05	2003/04 (1)	Change
Net ALR *(per week in €)*	567	567	-0.1%
Number of weeks sold	409,102	427,444	-4.3%
Total offer	512,209	517,334	-1.0%
Occupancy rate	79.9%	82.6%	-3.3%

- **Supplementary income: € 272.3m, -3.1%[1]**

(1) Like-for-like

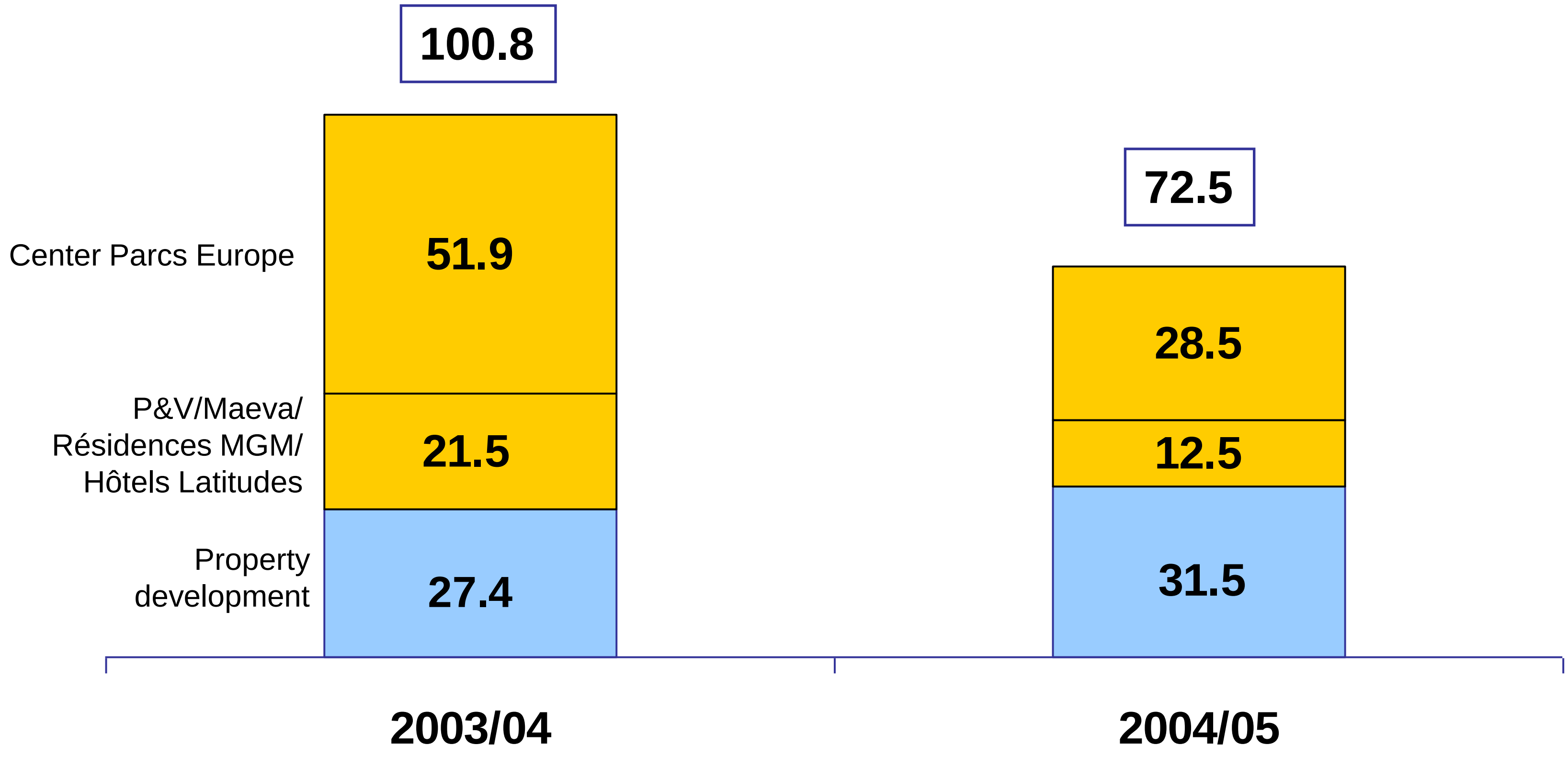
Property development
1,727 apartments delivered in 2004/05

	Units	Sales €m		Units	Sales €m
New	**415**	**55**	**Renovated**	**1 312**	**169**
. Valloire	100	13	. Calarossa	191	22
. Bonmont	81	12	. Avoriaz	133	16
. Bourgenay	82	11	. Moliets	121	16
. Vars	63	8	. Les Arcs	276	15
. Branville	45	4	. La Plagne	103	9
. Biscarrosse	30	3	. Le Touquet	54	9
. Others	14	4	. Flaine	51	8
			. Val Thorens	35	8
			. Haussmann	15	7
			. Perros Guirec	28	6
			. Cannes Beach	35	5
			. Trouville	36	4
			. Les Coches	31	3
			. Deauville	34	3
			. Others	169	38

Total turnover: € 224.3m, +11.3%

Consolidated operating income: € 72.5m

In € million



Net attributable income before extraordinary items: € 33m

In € million

	2004/05	2003/04
Turnover	1,176.2	1,135.3
Operating income	72.5	100.8
Financial income	-8.0	-10.6
Goodwill amortisation	-7.9	-8.1
Taxes, minority interests and equity affiliates	-23.6	-30.1
Net attributable income before extraordinary items	**33.0**	**52.0**
Net extraordinary items	1.3	7.5
Net attributable income	**34.3**	**59.5**

Cash flow Statement

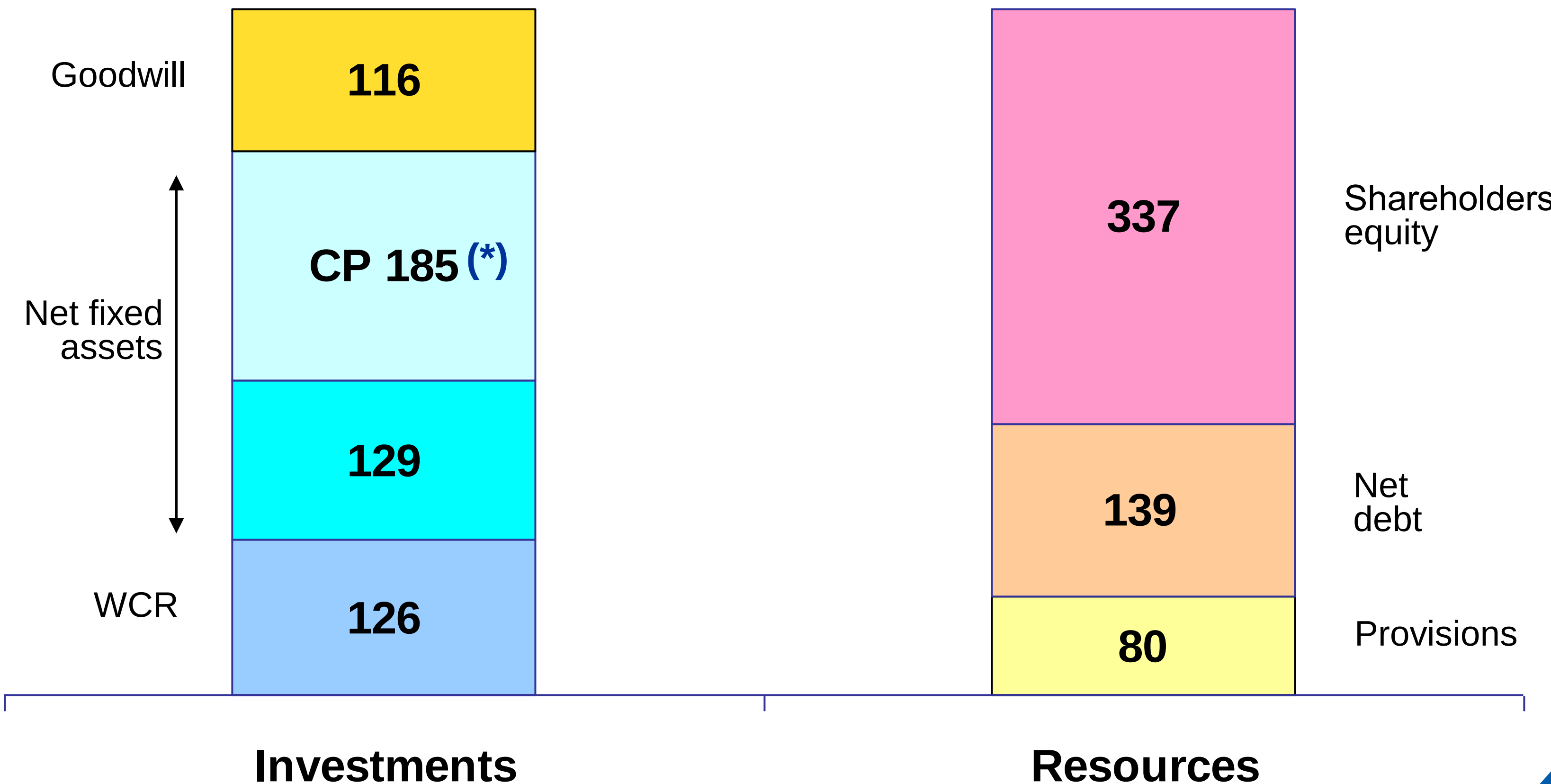
In € million

	2004/05	2003/04
Cash flow	93.1	80.8
Change in WCR	-6.0	32.9
Cash flow from operating activities	**87.1**	**113.7**
Cash flow from investing activities	-26.3	-55
. Capex	*-27.9*	*-34*
. IT systems	*-5.6*	*-10*
. Others (o/w disposal of Tossens)	*7.2*	*-11*
Capital increase	3.8	1.7
Dividends paid	-15.6	-12.9
Net cash flow	**49.0**	**47.5**
Change in debt	-46.4	-62.8
Change in cash and cash equivalents	**2.6**	**-15.3**

A reinforced financial structure

In € million

Gearing: 0.4
(0.6 in Sept 2004)



(*) o/w for the brand: € 86m

Impact of IFRS

(in millions of euros)	Shareholders' equity 01/10/2004	Net Income 2004/2005	Shareholders' equity 30/09/2005
French Gaap	**314.1**	**34.3**	**336.7**
- Deferred tax liability on Center Parcs brand	(27.0)	0.8	(26.2)
- Goodwill and other intangible assets	0.3	8.5	8.8
- Property development: percentage completion method and support funds	(2.3)	1.0(xx)	(1.3)
- Employee benefits and stock options	(1.6)	(1.2)	(1.8)(x)
- Treasury stock	(0.2)	-	(2.1)(x)
- Others	(1.0)	(0.3)	(1.4)(x)
IFRS	**282.3**	**43.1**	**312.7**(x)

(x) **O/w change over the financial year without profit & loss impact = € (1,0) m**
- stock options = € 1,0m
- treasury stock = € (1,9)m
- others = € (0,1)m

(xx) **€ 54,4m of impact on turnover**

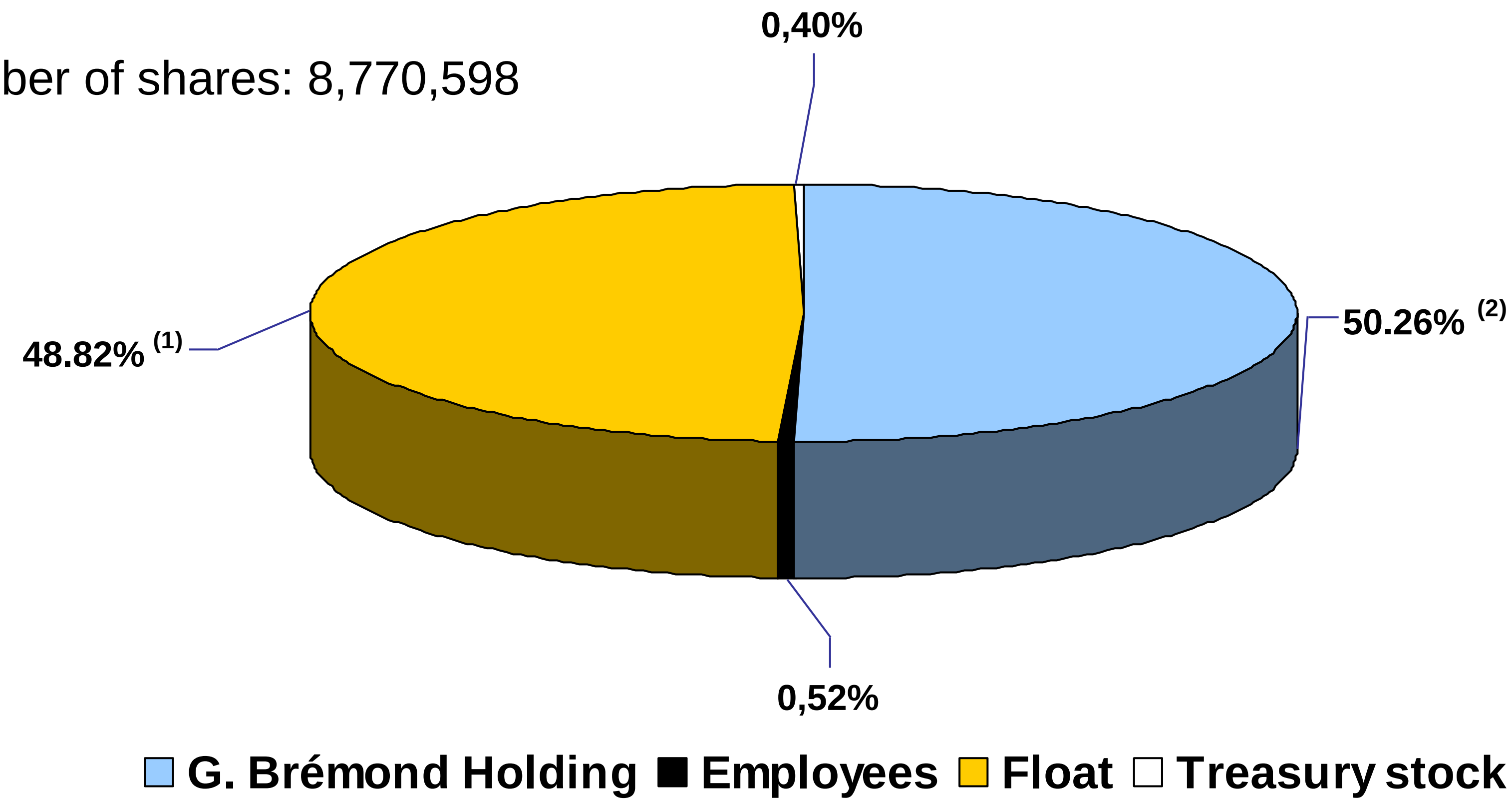
Proposed dividend payment

Proposed dividend of € 1.50 per share

representing a total payout of € 13.2m

Shareholder structure (*)

Number of shares: 8,770,598



(*) at December 8th 2005

(1) Fidelity (FMR Corp + FIL) announced on November 18th 2004 that its stake had exceeded the statutory threshold of 5% of the Group's capital

(2) 66.82% of voting rights

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III – Growth driving programme

Conquering earnings growth

1 - Property development

2 – Tourist activities

1. Property development

PIERRE & VACANCES CONSEIL IMMOBILIER

Buoyant property activity

- **Property bookings of € 450m in 2004/05 wich guarantees the upgrade of the Group's tourist residence portfolio and property gains for the next two years**

- **Reservations representing over 90% of property developments underway**

At September 30th 2005

- New	**- Being renovated**
.Ailette : 91 %	. Paris Côté Seine : 90 %
.Bonmont : 98 %	. Le Rouret résidence : 98 %
	. Antibes : 90 %
	. Deauville : 100 %

- **Reduced exposure to potentially unfavourable economic events thanks, notably, to the diversification of:**
  - our sales formulas
  - our international markets
  - the networks used to promote our products

PIERRE & VACANCES
DEVELOPPEMENT

Expansion and upgrading of our tourist residence portfolio through renovation

- More than 3,000 apartments renovated, representing € 110m in works financed by private investors over 4 years

- Ongoing acquisition of tourist and urban residences to be renovated in France and in Europe

- Acquisitions recently made or under negotiation with institutional investors: 850 apartments
  - **mountain residences in reputed ski resorts (Val d'Isère, La Plagne, etc.)**
  - **seaside residences (Benodet)**

PIERRE & VACANCES DEVELOPPEMENT

New property

- More than 1,750 new apartments delivered over 4 years (€ 230m)
- Sizeable deliveries over the next two financial years which will enable the Group to bolster its offer

  - **Delivery in 2005/06 of "4 sun" residences for Pierre & Vacances and Maeva**
    - Château d'Olonne, Le Rouret village, Vars, Soulac, Port en Bessin, etc.
  - **Center Parcs developments in France**

Cost-cutting

- An optimised process for tighter control over new and renovated property costs
  - **Scope of Purchasing Department extended to property thus generating new economies of scale**

- Reduced sales and marketing costs and increased flexibility thanks to:
  - **increase in the proportion of direct sales**
  - **diversification of promotional networks thus allowing for a reduction in the cost of sales**
  - **optimised marketing costs thanks, notably, to the ongoing development of Internet services and to Group synergies**

2. Tourist activities

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2.1 Pierre & Vacances/ Maeva/ Résidences MGM/ Hôtels Latitudes

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Review and optimisation of all growth drivers, with the support of Cabinet Mercer

- Increase in turnover
- Major cost-cutting programme

Improving price, yield and direct marketing strategies

- Pricing: make better use of opportunities in terms of price elasticity
  - **repositioning of seasons**
  - **heightened differentiation between types of apartment (views, proximity to swimming pool, etc.)**
  - **products and pricing adapted according to country origin**

- Yield: improved content and timing of special offers
  - **broader multichannel offering**
  - **more proactive and aggressive programme for special offers**

- Direct marketing: review of loyalty programs
  - **optimisation of promotional mailing**
  - **increased use of the Internet for direct marketing**

Strengthened distribution channels: Internet

- Boom in business carried out over the Internet
Target: 17% of turnover in 2006/07

	2003-2004	2004-2005	2005-2006
% of Acc. turnover	5%	7%	11%
E-mails	30,000	950,000	1,250,000
Visits per month	400,000	1,000,000	1,300,000
Affiliates	40 *(France)*	400 *(Fr / UK / NL)*	600 *(Fr / UK / NL / Ger)*

- Strategic focus on international expansion:
  - **rank as "the" reference for holiday rentals in France**
    - 04-05 : sites in German and Dutch
    - 05-06 : sites in Spanish and Italian
  - **improve the visibility of our product and brand ranges**
  - **develop cross-selling between brands (multibrand portal)**
  - **international roll-out of sponsored links and e-advertising**

Strengthened overseas distribution

- A sales and marketing approach that spans all channels:
  - direct sales:
    - synergies with Center Parcs
      shared sales teams and call centres in the Netherlands and Germany
    - rolling-out of Internet services in Germany, the Netherlands and the UK
  - indirect sales:
    - reallocation of resources and teams to countries with high growth potential (UK, Netherlands, Germany)
    - continued development of on-line TOs
      5 partners in 2004/05, **12 in 2005/06**
    - stronger partnerships with major TOs

Strengthened distribution in France

- Travel Agents:
  - **reinforcement of partnerships and focus on major networks that market France**

- Works councils: fully exploit growth potential with large but also small-to-medium sized companies

Strengthened distribution: proximity sales

- Reinforcement of the sales role of tourist site operators
- Emphasis on proximity sales initiatives
  - **short stays**
  - **seminars (target of growth of 10% each year)**
  - **relationships with regional/departmental tourist offices, (C.R.T. , C.D.T.)**
- Additional sales
  - **extended stays and upgrades**
  - **supplementary services**
    (restaurants / excursions / thalassotherapy / ski rental and lessons, etc.)

Cost-cutting programme

- Purchasing:
  - **extension of the scope of the Purchasing Department (€ 190m in purchases each year)**
  - **review of Purchasing guidelines**
  - **opening up to new markets (China, etc.)**

- Cut in sales and marketing costs
  - **cut in the number of brochures (- 1 million copies)**
  - **streamlining and simplification of the sales and marketing administrative processes**
  - **focus on the most effective channels**

Cost-cutting programme

Over the next two financial years:

- Optimisation of operating expenses
  - **maintenance**
  - **energy saving initiatives**
- Cut in headoffice and administrative expenses

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2.2 Center Parcs Europe

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Strengthening the positioning and performance of Center Parcs Europe

- **Strengthen the brand's positioning**
- **Adapt and segment our product offer**
- **Expand distribution channels and partnerships**
- **Optimise "revenue management"**
- **Lower our break even and costs**
- **Targeted growth**

Strengthen the brand's positioning and advertising

- A single brand: "Center Parcs", **with a classification system that ranks villages according to category 3,4,5 (suppression of "FreeLife" and "SeaSpirit" brands)**

- New communications charter (January 2006)
  - **brochure**
  - **new campaign tailored to each country**
  - **new Internet site**
  - **Multi-segment media mix**

- Strengthening of on-line communications (35% of advertising budget)

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Adapt and segment our product offer

- Overhaul of leisure offer and categorisation of villages 3,4,5
- Enhanced offer for certain segments (teenagers, senior citizens)
- Greater segmentation of villages in Benelux
- Flexible arrival times in Belgium, the Netherlands and Germany
- Development of the restaurant concept and adaptation of pricing strategies:
  - **fast food**
  - **health food, Pizza Pasta, etc.**
  - **family buffet offer**
  - **regional menus**
- Streamlining of store business

Expand distribution channels and partnerships (I)

- Priority to the Internet
  - **Heighten electronic communications**
    - new site (early 2006)
    - virtual visits
    - electronic brochures
    - viral marketing campaign and e-mailing:
      - (target: 3 million e-mail addresses by end 2006: x 3 compared with 2005)
      - qualitative upgrading of e-mail databases
  - **Targeted increase in on-line sales:**
    from 17% of turnover in 2004/05 to 25% in 2006/07
    - new Internet reservation tool
    - more traffic (affiliation, key words)

Expand distribution channels and partnerships (II)

- Strengthen partnerships
  - strategic partnerships (Ikea, Felicitas, Dutch Premier League football, etc.)
  - selected partnerships with online operators

  => target: € 3m in additional turnover

- Broaden scope
  - Geographical cover of new markets (Central Europe, Scandinavia): target of € 5m in additional turnover
  - Launch of Internet links with travel agents (Q1 2006)

- Heightened canvassing within business tourism segments (target of +35%)

- Leverage on referrals from our regular customers: sponsorship

Optimise “revenue management”

- Optimise “revenue management”
  - **implementation of a “revenue management” tool in Q2 2006**
  - **optimisation of pricing (lower prices in the Netherlands for certain periods to increase occupancy rates, simplification of price grids)**
  - **emphasis on “early bird” offers**
  - **limit the number of last minute offers (conditions of sale)**

Lower our break even and costs (I)

- Ongoing streamlining of support functions:
  - **shared service centre for Finance and Human Resources Departments**
  - **regional maintenance, purchasing and logistics resources**
  - **village back-offices, cash management**

- Adapt processes to allow more flexible resource management
  - **change in processes: reception, housekeeping, gardening, etc.**
  - **maintenance programmes and staff holidays during quiet periods**
  - **optimise work contract categories**
  - **adapt operational teams within the villages**

Lower our break even and costs (II)

- Media/electronic publishing outsourcing
- Purchases:
  - **sundry maintenance costs**
  - **consumables**
  - **equipment**

Targeted growth

- Center Parcs developments in France:
  - Ailette village in the Aisne
    (840 cottages, opening in 2007)
  - extension of the Bois Francs village in Normandy
    (200 cottages, opening end 2006)
  - project for a new village in Moselle

- Future development projects:
  - in Belgium
  - in Germany

IV – Human Resources and sustainable development in 2004/2005

Human Resources

2004/2005 initiatives:

- **"socially responsible" initiatives:**
  - integration of young workers (e.g. 160 contracts out of 12 classes).
  - initiatives for the disabled (company agreement) and ethnic diversity (integration of young workers of non-French origin).

- **implementation of a training programme with ESF subsidies (€ 600,000 expected in 05/06).**

- **pick-up in cross-business initiatives between P&V and CPE in 04/05 and 05/06 (recruitment, mobility, common business practices, etc.).**

Sustainable development

- **Extension of environmental initiatives at P&V and CPE in 04/05 (*as a reminder: the research and innovation department was set up in 03/04*)**
  - **Workshops for kids at 9 P&V villages as a result of the** partnership with the WWF**; initiative extended to mountain residences this winter.**
  - **Center Parcs Ailette, a project to achieve** HQE **(*Haute Qualité Environnementale* or High Environmental Quality) certification for holiday residences in partnership with the CSTB (environmental integration, worksite nuisances, maintenance, etc.).**
  - **preparation of the** 2006 environmental management plan **for the Belle-Dune eco-village.**

Sustainable development

- **Extension of environmental initiatives at P&V and CPE in 04/05 (cont.):**
  - **implementation of a policy to restrict the consumption of resources (e.g. 43% of sites equipped with water conservation systems; 80% with motion detection systems to control lighting and water; etc.).**
  - **measures at the P&V Group head office: recycling, battery collection, awareness, etc.**

V. Development

Introduction

- **Above and beyond the developments underway at Pierre & Vacances and Center Parcs Europe, the Group is also focusing on two key growth drivers, namely:**
  - **Spain,**
  - **urban residences.**

Overseas expansion: Spain

- **Start of operations at the Bonmont residence in Catalonia (158 units in July 2005 and 57 units in July 2006)**
- **Commercialisation of Manilva village, Costa del Sol (330 units)**

- Expansion by external growth:
  - **Acquisition of residence management (lease, management mandate or marketing contract)**

- Priority development zones:
  - **Pierre & Vacances and Maeva: Costa Brava, Costa Dorada, Eastern Andalusia, Balearic Islands**
  - **Pierre & Vacances City: Madrid, Barcelona**

Target of 5,000 apartments under management in 2009

Expansion in the urban residence segment

- The Group's urban residences currently include:
  - **15 residences under the Pierre & Vacances City brand (3/4*), including 8 in Paris and 2 in Rome**
  - **50% stake in Citéa, the market leader in France in two-star urban residences (29 residences)**
- A very attractive market segment
  - **competitive prices, compared with those of hotels**
  - **high occupancy rates (>70% all year round)**
  - **2 types of customer (principally long-stay business and short-stay tourism)**
  - **high operating margins**

Target of 20 Pierre & Vacances City openings within 5 to 7 years
- in regional cities (Strasbourg, Lyon)
- in Europe (Brussels, Barcelona, etc.)

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Conclusion

- **While actively pursuing its expansion in France and across Europe,**

- **the Group is implementing an aggressive turnover improvement and cost-cutting strategy to drive income growth in its tourist activities:**

  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.

  The property division will maintain a buoyant level of activity and results.