



**GROUPE
PIERRE & VACANCES**

RESULTS FOR THE 2003/2004 FINANCIAL YEAR

Paris, December 9th 2004



Overview

I - The Pierre & Vacances Group

II - Results for the 2003/2004 financial year

III – Outlook for 2004/2005

I - THE PIERRE & VACANCES GROUP



P&V

Pierre & Vacances: a major player in the European tourist industry

➤ **5 segmented brands:**

Pierre & Vacances, Maeva, Résidences MGM, Latitudes, Center Parcs

➤ **Key figures for 2003/2004 financial year**

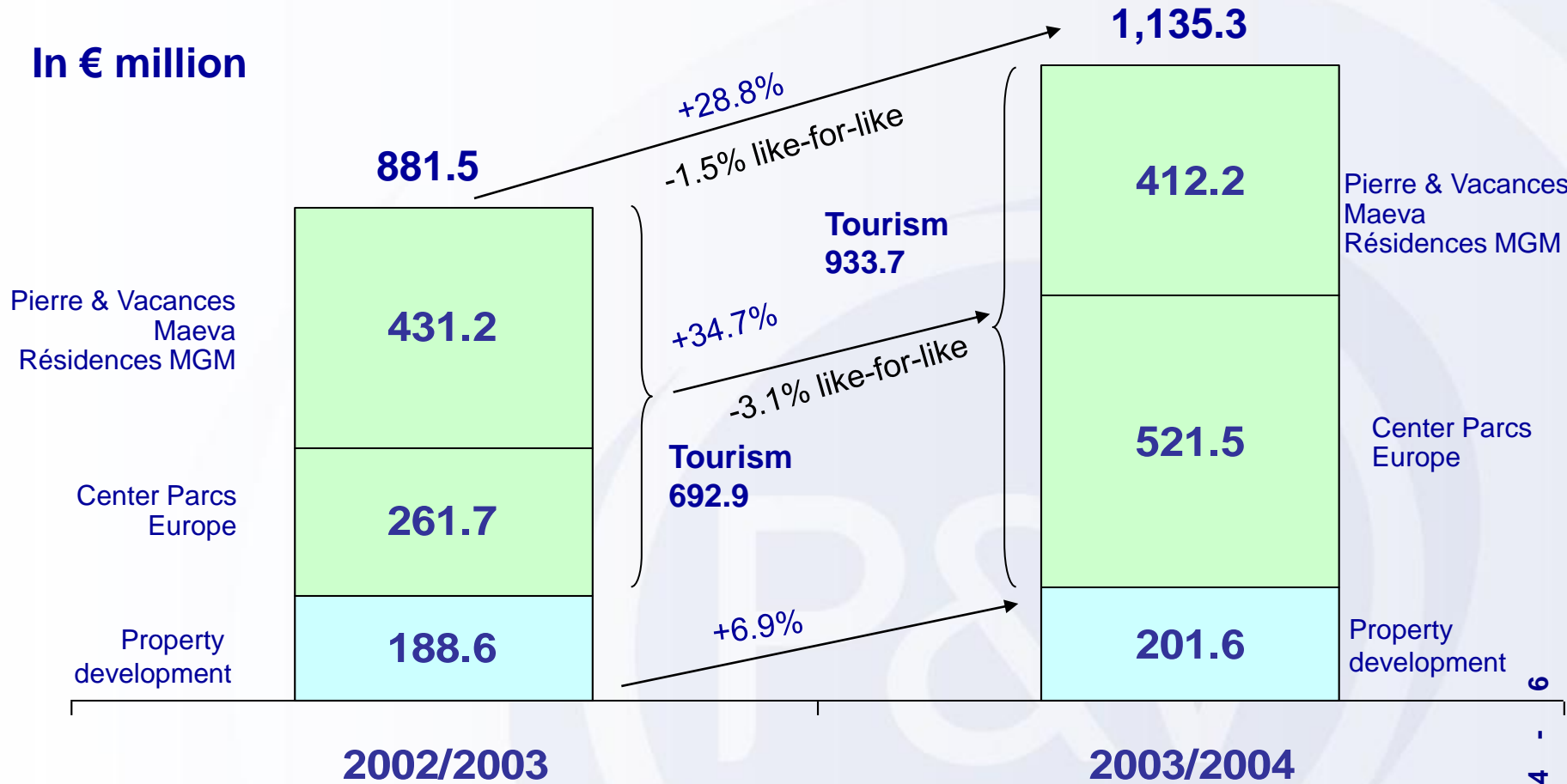
- 45,000 holiday apartments & homes in Europe (34,500 in France)
- 6.5 millions customers
- 8,500 employees (FTE)
- Consolidated turnover: € 1,135m
- Net income before extraordinary items: € 52.0m

II – RESULTS FOR THE 2003/2004 FINANCIAL YEAR

**Period from October 1st 2003 to
September 30th 2004**

28.8% growth in turnover

In € million



Like-for-like turnover from tourism activities

- Turnover from accommodation: -3.0%
 - Pierre & Vacances/Maeva/Résidences MGM: -4.0%
 - Center Parcs Europe (CPE): -2.0%

- Supplementary incomes: -3.1%
 - Pierre & Vacances/Maeva/Résidences MGM: -4.0%
 - Center Parcs Europe: -2.7%

Tourism: key indicators for accomodation

	2003/2004	2002/2003 (a)	Change
Average net letting rates (in euros)	519	507	+2.4%
Weeks sold	991,570	1,046,883	-5.3%
Occupancy rate	68.9%	71.3%	-3.3%

(a) Like-for-like

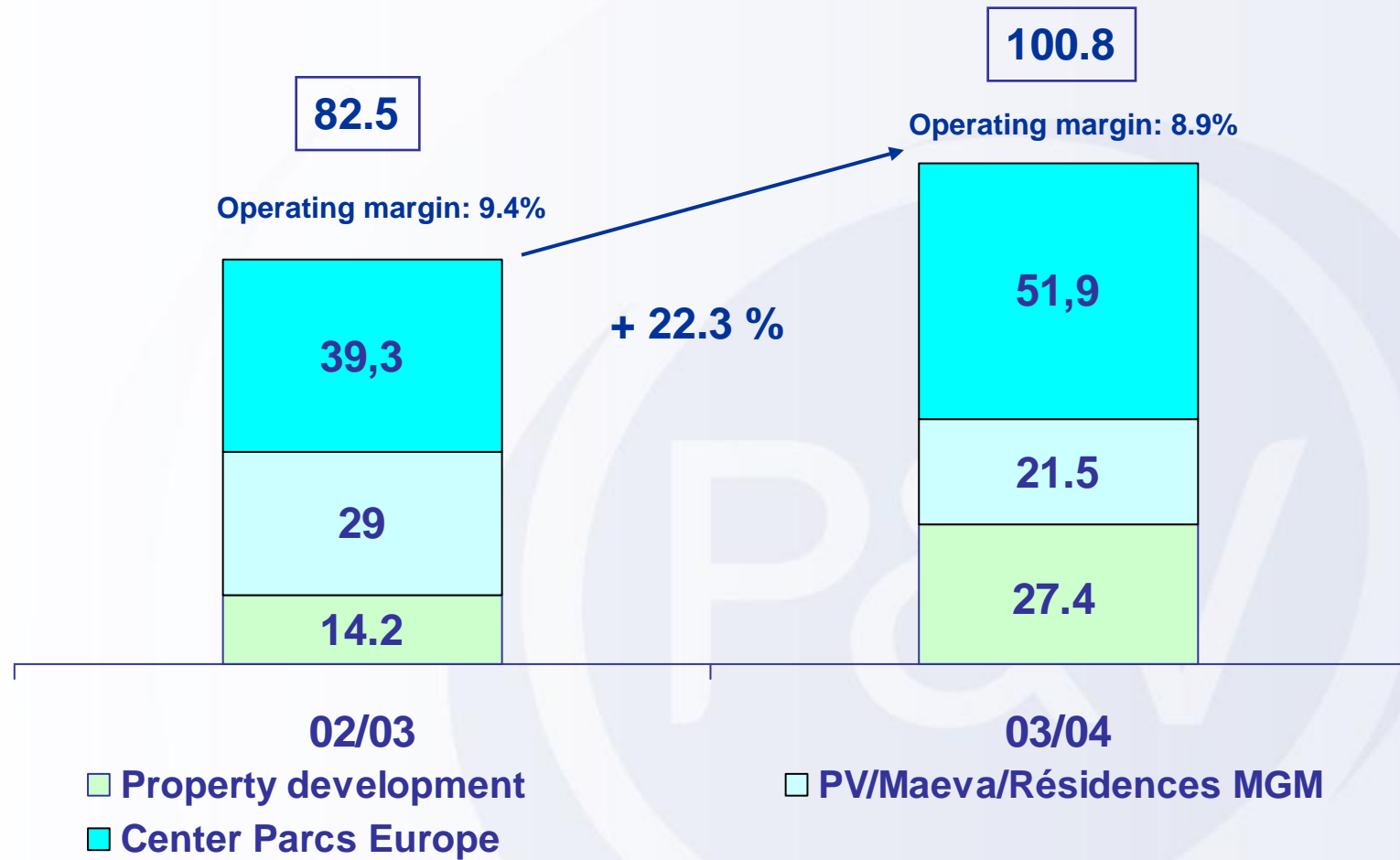
Property development: 1,845 apartments delivered over the year

	<u>2003/2004</u>		<u>2003/2004</u>	
	no.	Turnover (€m)	no.	Turnover (€m)
New	525	54	Renovated	1,320
. Isola 2000	135	13	. Cannes Beach	347
. Biscarrosse	89	10	. Lacanau	146
. Bourgenay	75	8	. Maubuisson	107
. Saint-Jean Pied de Port	75	7	. Avoriaz	105
. Loches	70	7	. La Rochelle	94
. Montflanquin	69	7	. Marseille	81
. Other	12	2	. Trouville	77
			. Calarossa	54
			. Moliets	50
			. Branville	41
			. Perros Guirec	40
			. Other	178
				148

Total turnover: € 201.6m, + 6.9%

Operating income: +22.3%

In € million



Net income before extraordinary items: +29.7%

In € million	2003/2004	2002/2003	Change
Turnover	1,135.3	881.5	+28.8%
Operating income	100.8	82.5	+22.3%
Financial income	-10.6	-13.5	-21.2%
Amortisation of goodwill & business franchise	-8.1	-6.4	+23.4%
Corporate income tax, minority interests + income from companies consolidated by the equity method	-30.1	-22.5	+33.8%
Net attrib. income before extraordinary items	52.0	40.1	+29.7%
Net extraordinary items	7.5	7.2	+4.2%
Net attributable income	59.5	47.3	+25.6%
Net attribut. Income before extra.items and without CPE goodwill alloc. to the brand	47.7	40.1	19.0%

Statement of cash flows

In € million

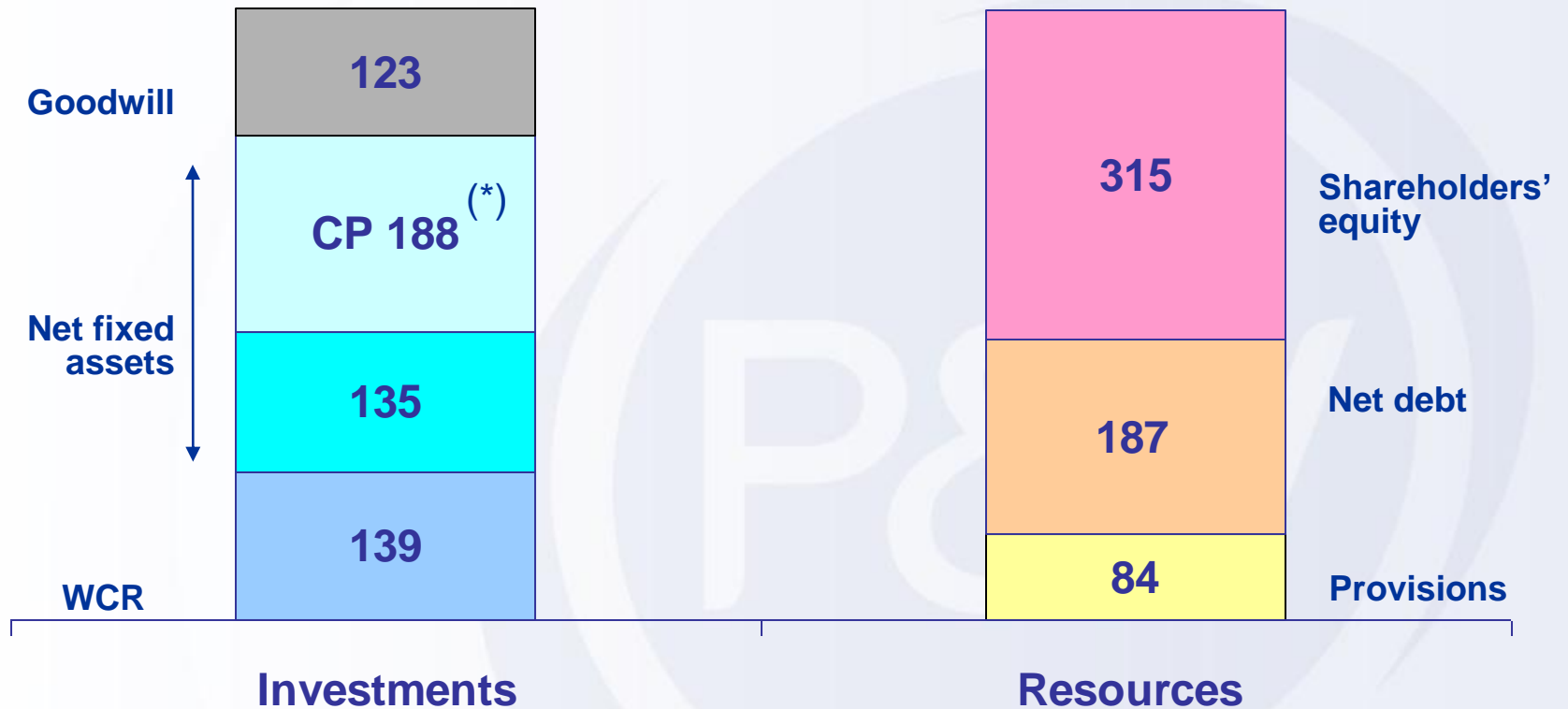
2003/2004 2002/2003

Cash flow from operating activities	113.7	70.1
Cash flow from investing activities	-55.0	-284.1
. Capex	-34.0	
. IT Systems	-10.0	
. Acquisitions and renov.	-11.0	
Capital increase	1.7	0.7
Dividend payment	-12.9	-9.4
Net cash-flow	47.5	-222.7
Change in debt	-62.8	208.0
Change in cash position	-15.3	-14.7

A well-balanced financial structure

In € million

Gearing: 0.6
(sept. 2003 : 1.15)



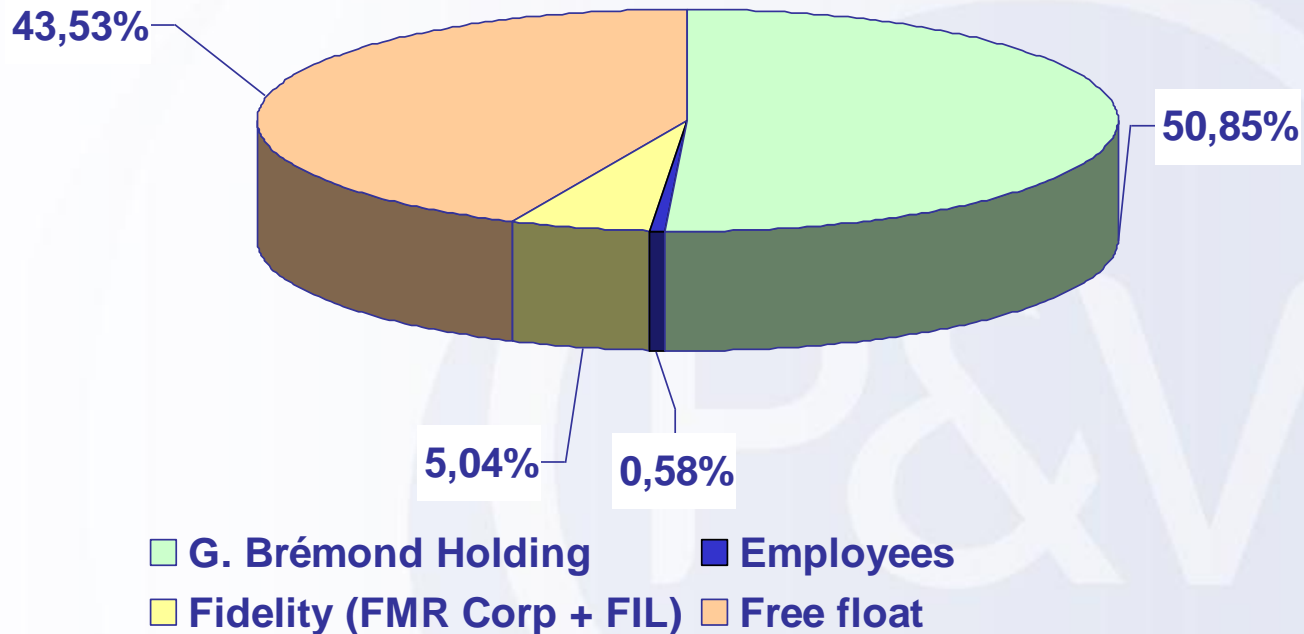
(*) including € 86m for the brand

Proposed dividend payment

Proposed dividend: € 1.80 per share,
up 20 % compared with 2002/2003
representing a total payout of € 15.6m

Shareholder structure (*)

Total number of shares: 8,660,900



(*) As at December 9th 2004

III – Outlook for 2004/2005

The logo for P&V is a large, light blue circle containing the letters 'P&V' in a white, bold, sans-serif font. The background of the slide features a large, faint version of this logo, centered behind the text.

P&V

Outlook for 2004/2005

- **Improved performance in tourism activities**
 - Pierre & Vacances/Maeva/Résidences MGM
 - Center Parcs Europe
- **Sustained performance in property development**

Improved performances in tourism activities: Pierre & Vacances/Maeva/Résidences MGM

- **Average letting rates will be boosted by improvements in:**
 - **the product mix**, with the impact of renovations and delivery of new 4-sun residences
 - **the destination mix**, as turnover in the Mediterranean area is expected to be up in comparison with an unfavourable summer 2004 that was affected by fears of a heat wave

Improved performances in tourism activities: Pierre & Vacances/Maeva/Résidences MGM

➤ **Growth in direct sales to foreign customers**

– **Increase in number of direct sales tools:**

- Brochures, dedicated call centres,
- Representative sales offices in the UK and Spain

– From summer 2005 onwards, **implementation of a reinforced organisation with Center Parcs Europe**

- Integration of the marketing and sales know-how of Center Parcs Europe and its 2.7 million customers in the Netherlands, Belgium and Germany with strong loyalty and a high proportion of direct sales (80%)
- Creation of joint Pierre & Vacances/Center Parcs Europe sales teams in Germany and the Netherlands:
 - cross-marketing, cross-selling

Improved performances in tourism activities: Pierre & Vacances/Maeva/Résidences MGM

➤ Increase in turnover from Internet sales

target of 16% of total turnover in 2007 compared with 5% in 2004

- Reinforcement of dedicated teams, helped by external experts
- Investments in site improvements, translation into foreign languages
- Partnerships with portals

Improved performances in tourism activities: Pierre & Vacances/Maeva/Résidences MGM

➤ **Policy of boosting occupancy rates**

- **Development of short-stay holidays and increase in seminars**, thanks to the implementation of a local marketing and sales strategy (sites/regions)
- **Targeted marketing initiatives aimed at:**
 - golfers, children, senior citizens
 - Eastern European customers
- **Partnerships with low-cost airlines** (UK, Germany, Scandinavia, etc.)

Improved performances from Center Parcs Europe

- **A strategy focused on boosting occupancy rates through:**
 - adaptation of the product offering and segmentation of villages
 - development of the distribution policy
 - implementation of country-specific commercial policies
- **Combined with continued cost-cutting**

Improved performances from Center Parcs Europe

- **Adaptation of the product offering and segmentation of sites:**
 - **Expansion of leisure offering and *à la carte* services**
 - **Reinforcement of themes** at certain sites intended for sub-segments of the customer base, notably in the Netherlands (8 villages)
 - **Testing of the “All inclusive” model in 2 villages in Germany**

Improved performances from Center Parcs Europe

➤ **Development of the distribution policy:**

– **Increase in Internet distribution:**

- Adaptation of the site
- Partnerships portals
- Affiliations

– **New distribution agreements in Germany (TUI)** with a specific Center Parcs brochure

– **Expansion of Business to Business activity**

Improved performances from Center Parcs Europe

➤ **Country-specific sales policies:**

– **The Netherlands:**

optimisation of communication and themed promotions in difficult periods

– **Germany:**

- strategy of increasing coverage of the market,
- multi-channel approach

– **France:**

optimisation of revenues through yield management

– **Belgium:**

in-depth work on the Wallon market

Improved performances from Center Parcs Europe

➤ **Continued cost-cutting**

- Further **productivity gains** in the various departments and improvements in inter-departmental cooperation
- **Centralisation of Group purchases**

Sustained activity in property development

- **The high level of reservations** in the 2003/2004 financial year (**€ 499m vs. € 242m in 2002/2003**), guarantees robust activity and strong gains in property development over the next 2-3 years
- This will have the following impacts:
 - **increase in the offering of Pierre & Vacances and Center Parcs Europe** with new residences
 - **improvement in the quality of the Group's property portfolio** with renovated residences

With moderate rents

Sustained activity in property development

➤ Main property developments:

– New properties:

- Center Parcs at lac de l'Ailette (840 cottages; delivery in 2007)
estimated tourism turnover: € 55m
estimated EBITDA: € 12m
- **extension of the Bois Francs** village in Normandy (200 cottages; delivery in 2006)
additional EBITDA estimated at: € 3m

- Renovated properties: **Tour Front de Seine** (370 Pierre & Vacances City apartments)

Sustained activity in property development

➤ Significant potential for the future:

- **20% of the Group's tourist residence portfolio in France is owned by institutionals, and part of this could be renovated,**
- **Acquisition of existing residences not currently managed by the Group,**
- **Strong scope for the development of Center Parcs:**
 - Projects for the construction of new villages in Germany and France (Lorraine),
 - Acquisition of existing villages in Germany,
 - Extension of existing villages in the Netherlands and Germany.

Expansion in Southern Europe

➤ Italy

- Continued development in cultural and business centres in northern Italy,
- Finalisation of the sale of Calarossa properties.

➤ Spain

- Opening in summer 2005 of 150 apartments at the Bonmont club (Tarragona),
- Development of 370 accommodation units in Manilva on the Costa del Sol, in partnership with Bouygues (sales launch in 2005),
- Negotiations underway to take over the management of other residences (Costa Brava a priority),
- Strengthening of Maeva's tour operator business in Spain,
- Study of partnerships with major Spanish property development groups.

Conclusion: earnings growth target of 10% in
2004/2005

**Net attributable income before extraordinary items:
target of € 57m for 2004/2005**