

# 2002/2003 FIRST HALF RESULTS

(from October 1st. 2002 to March 31st. 2003)

# Contents

- Key figures of Group Pierre & Vacances
- 2002/2003 first half results
- Second half outlook
- Strategy and development

# Group Pierre & Vacances today

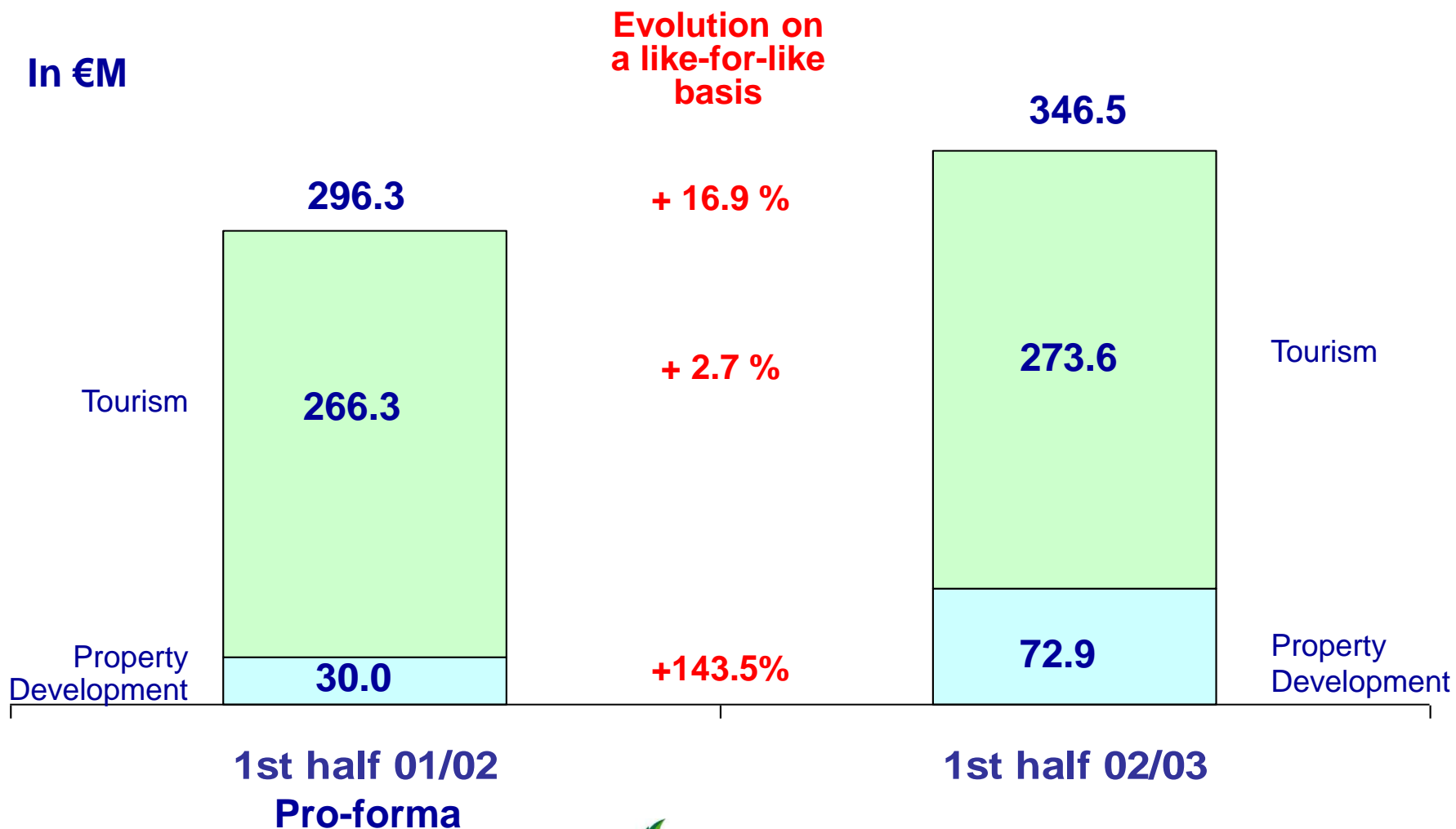
- Property portfolio: 49.000 apartments and houses (from 2 to 4 stars)
- 225.000 beds, including 175.000 all over France and 50,000 in North Europe and Italy
- 4 main brands: Pierre & Vacances. Maeva. MGM. Center Parcs
- 6.7 million clients (45% French. 55% from other European countries)
- 8.500 employees

## 2002/2003 First half results

from October 1st, 2002 to March 31st, 2003

# First half Group sales up by 17% on a like-for-like basis

In €M



## Tourism: Key indicators

In weeks	First half 02/03	First half 01/02	Change
ALR (in €)	481	463	3.8%
Weeks sold	333,682	330,233	1.0%
Weeks offered	557,005	539,987	3.2%
Occupation rate	65.4%	66.6%	-1.8%

## PV/Maeva/MGM : Key indicators

In weeks	First half 02/03	First half 01/02	Change
ALR (in €)	450	438	2.6%
Weeks sold	236,818	235,875	0.4%
Weeks offered	441,055	430,297	2.5%
Occupation rate	60.6%	61.6%	-1.7%

# Center Parcs: Key indicators

In weeks	First half 02/03	First half 01/02	Change
ALR (in €)	555	523	6.1%
Weeks sold	96,864	94,298	2.7%
Weeks offered	115,951	109,654	5.7%
Occupation rate	83.5%	86.0%	-2.9%



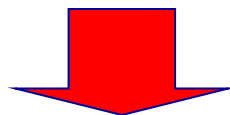
# Property development :

## 718 apartments delivered over the first half

	Q2 02/03	First half 02/03	Q2 01/02	First half 01/02
<b>France</b>				
<b>Moutain</b>		137	3	185
of which:				
. <i>Valmeinier</i>		67		108
. <i>Ax les Thermes</i>		70		
. <i>Others</i>			3	83
<b>Seaside</b>	27	288	74	37
of which:				
. <i>Issambres</i>	7	101		
. <i>Mandelieu</i>	3	64		
. <i>Cannes Beach</i>	11	70		
. <i>Others</i>	6	53	74	37
Paris (Val d'Europe)	101	265		
<b>Italy (Calarossa)</b>	28	28		
<b>TOTAL</b>	<b>156</b>	<b>718</b>	<b>77</b>	<b>293</b>
<b>Turnover (in €M)</b>	<b>20.4</b>	<b>72.9</b>	<b>3.4</b>	<b>30.0</b>

# The seasonality of tourism translates into the first half result

- **Seasonality of tourism turnover:**  
40 % winter - 60 % summer
- **Combined with an equal spread of operating fixed costs** (including rent) all over the financial year.



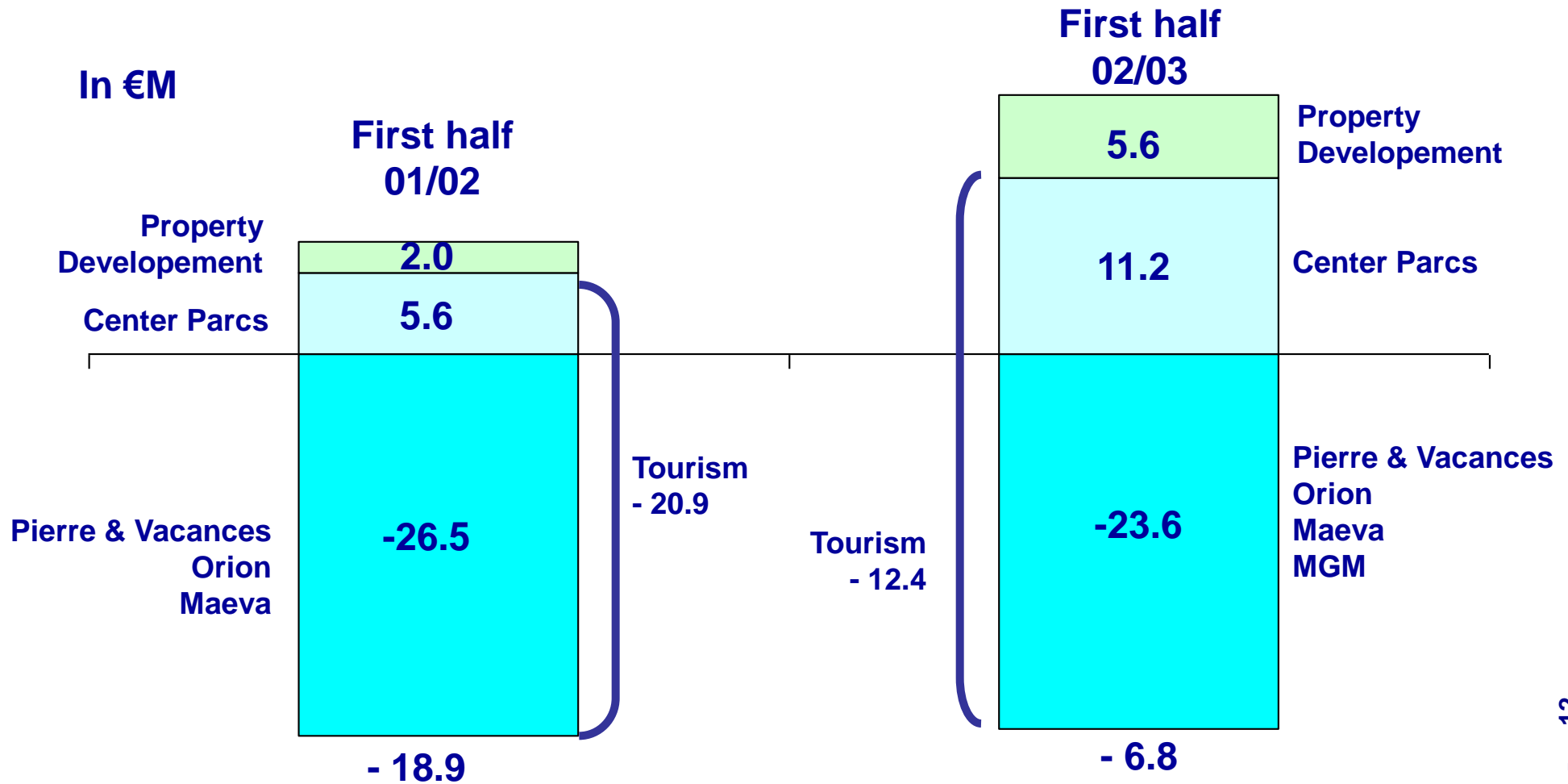
**First half results structurally negative**

## Net income before extraordinary items: - 12.2 €M

In €M	First half	First half	Change
	02/03	01/02	
Turnover	346.5	315.9	9.7%
<b>Operating income</b>	<b>-6.8</b>	<b>-18.9</b>	<b>63.9%</b>
Financial income	-6.7	-8.0	
Associated income	-0,1	0.9	
Goodwill amortization	-3.2	-2.8	
Tax	4,8	10.9	
Minorities	-0.2	-0.3	
<b>Net income before extraordinary items</b>	<b>-12.2</b>	<b>-18.2</b>	<b>33.1%</b>

# Breakdown of operating income by activity

In €M



## Group net result: -5.8 €M

In €M	First half 02/03	First half 01/02	Change
Net income before extraordinary items	-12.2	-18.2	33.1%
Net exceptional income	6.4	5.6	14.0%
<b>Group net income</b>	<b>-5.8</b>	<b>-12.6</b>	<b>54.0%</b>

## Second half outlook

## Evolution in tourism bookings (summer)

- **Given the slowdown registered during the war in Iraq, the strengthening of the late booking trend, the delay of certain foreign markets and of the Atlantic coast (Prestige), 2002/2003 accommodation turnover should be close to last year's, on a like-for-like basis.**
- **Cost reduction policy already implemented is strengthened, in France and abroad.**

# Good performance of property development

Around 400 new apartments will be delivered over the second half

**Atlantic Coast** 150

- . Le Guilvinec
- . Port Bourgenay
- . Ciboure

**Paris (Val d'Europe)** 20

.

**Countryside** 140

- . Marciac
- . Montflanquin

**Mountain (Saint-Lary)** 80



## 2002/2003 targets

- Confirmation of targeted growth of 12%, to 36 €M for the annual net income before extraordinary items (driven by the operating income growth)
- Net attributable income should reach 42 €M (+11%)

# Strategy and development

# Strategy

- Offer development
- Margin improvement
- Strategy confirmation

# Offer development

## ➤ Organic growth:

- 800 new apartments (4,000 beds) delivered annually over the next 3 years
  
- Creation of new villages:
  - Center Parcs : two villages in the North and East of France;
  - Euro Disney : partnership for the study and development of 4 villages, based upon thematic activities

# Offer development

## ➤ External growth through acquisitions:

- Acquisition of existing residences on privileged locations and resale after renovation
- Ongoing policy of selective acquisitions

# Offer development

## ➤ Italy:

- Delivery of the Dehon residence (in Rome) in April 2003
- Development of the Cefalu residence (Sicily-150 units)
- Strategic location choices in destinations offering long seasonality and targeting European customers: art cities, business cities and Tuscany

## ➤ Spain:

- Strategic location choices in Barcelona, Alicante and Costa del Sol
- External growth : negotiations in progress

# Margin improvement

## ➤ Accommodation turnover growth :

- Direct sales progression:

Anticipated communication before the season, Internet actions, local sales stimulation, fidelity program activation

- Yield management, opening periods optimization

- Short stays development

- Access to new tour-operators (via MGM namely)

# Margin improvement

- **Accommodation turnover growth :**
  - **Strengthening of a specific positioning by brand** (brand portfolio rationalization, site transfers, renovations, services)
  - **Amplification of brands awareness**



# Margin improvement

## ➤ Cost reduction based upon:

- A unique organization for PV/Maeva/MGM :  
Synergies of 5 €M for the current financial year
- Ongoing cost cutting in headquarters and villages for  
Tourisme France and Center Parcs Europe  
15 €M of savings in 2003/2004 for Center Parcs
- Decrease in marketing costs:  
Optimization of product segmentation leading to fewer brands

# Strategy confirmation

- **A concept : freedom holidays**
- **A product : tourism residence, “à la carte” services**
- **Strategic implantations : Continental Europe for a proximity tourism**
- **An original development model, based upon organic growth (property development) and targeted acquisitions**

# 2002/2003 FIRST HALF RESULTS