



FIRST-HALF 2005/2006 RESULTS

From 1st October 2005 to 31st March 2006

- Pierre & Vacances Group – key figures
- First-half 2005/2006 results
- Outlook for the second-half
and target for the full-year 2005/2006
- Strategy and development

Pierre & Vacances Group - a major player in European tourism

6 segmented brands

Pierre & Vacances

Pierre & Vacances
CITY

maeva


RESIDENCES
MGM


latitudes
HOTELS


CenterParcs

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 figures (IFRS)

Turnover: €1,231m

Current operating income: €74.8m

Attributable net current income: €41.6m

Interim results and target for full-year 2005/2006 current operating income

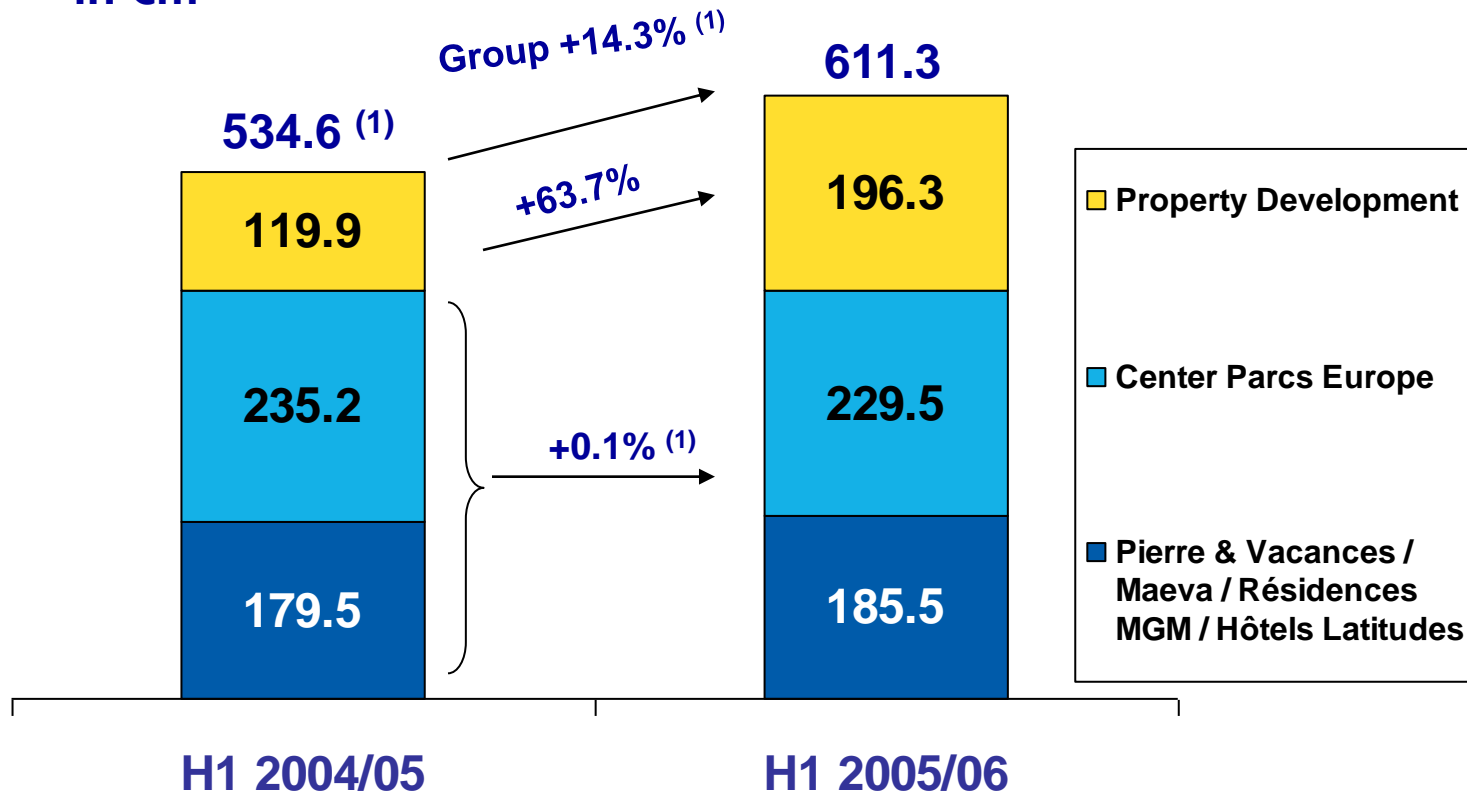
- **Target for 27% growth in full-year 2005/2006 current operating income to around €95 million.**
- **Interim results reflecting seasonal nature of business, amplified by the fact that the Easter holidays and weekend fell in the 3rd quarter and not in the 2nd quarter this financial year.**

First-half 2005/2006 results

From 1st October 2005 to 31 March 2006

First-half 2005/2006 turnover

in €m



(1) On a like-for-like basis and adjusted for the shift in the Easter holidays and weekend

First-half 2005/2006 Turnover from tourism

Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes	Turnover: €185.5m +3.4% ⁽¹⁾
	o/w accommodation +4.4%
	o/w other turnover +2.0%
Center Parcs Europe	Turnover: €229.4m - 1.0% ⁽¹⁾
	o/w accommodation - 0.6%
	o/w other turnover - 1.4%

- (1) On a like-for-like basis, adjusted for the shift in the Easter holidays and weekend and exceptional closing at Center Parcs Europe

First-half 2005/2006

Turnover from property development

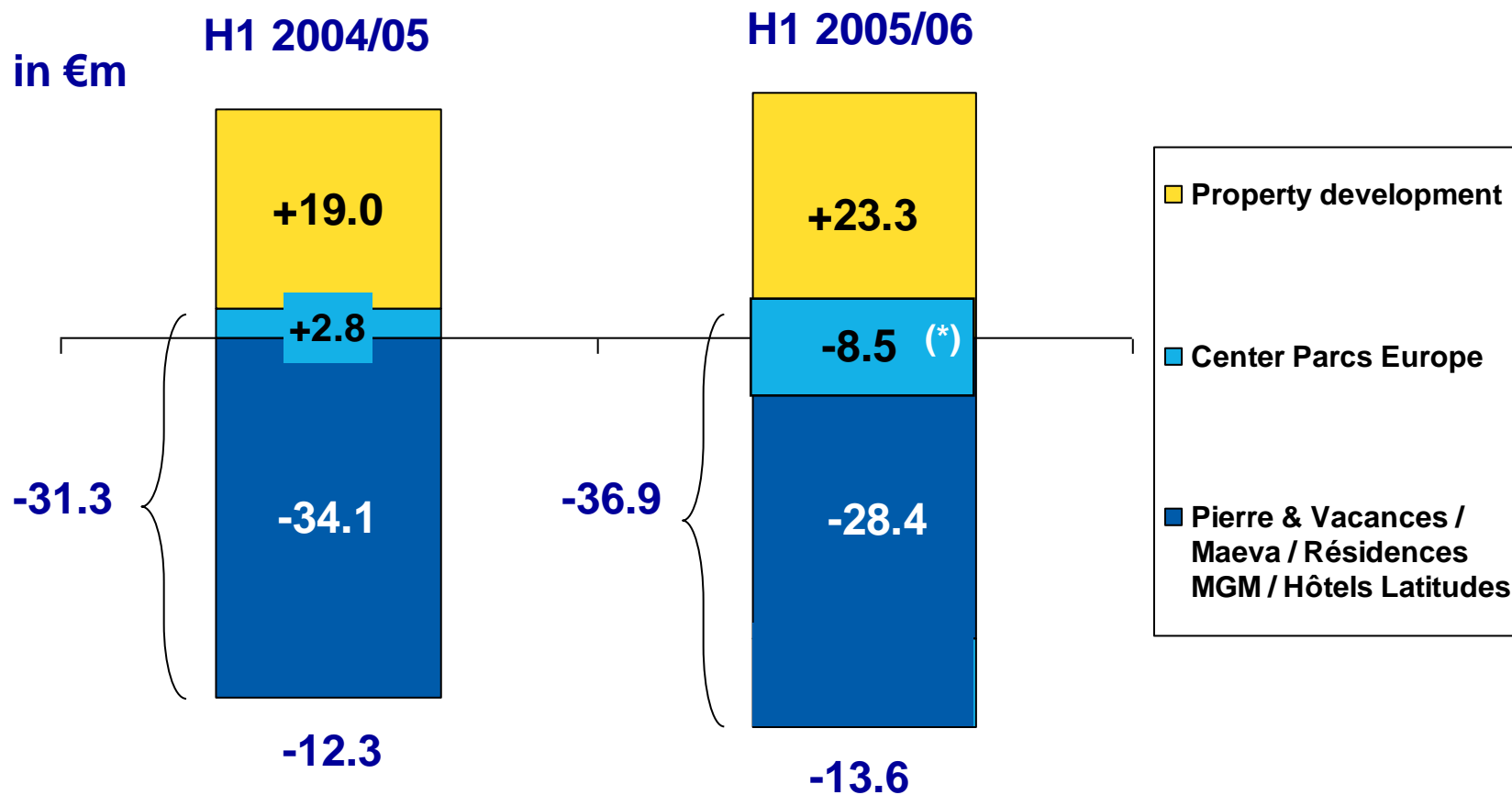
New properties		80.2	Renovated properties		104.9
Center Parcs Ailette		25.2	Paris Tour Eiffel		32.1
Le Rouret Village		15.7	Flaine		12.0
Port-en-Bessin		9.6	Hausmann		10.0
Château d'Olonne		9.3	Les Arcs Charmettoger		9.0
Bonmont		8.7	Rouret Residence		7.6
Vars		5.2	Saint-Laurent-du-Var		7.1
Others		6.5	Avoriaz		6.4
			Other renovated		20.7
			Others		11.2

€196.3m of turnover, up 63.7%

Interim earnings structurally in the red due to seasonal nature of tourism business

- **Seasonal nature of tourism turnover (on average 40% of turnover booked in the first-half) ...**
- **...whereas fixed operating costs are booked on a linear basis over 12 months ...**
- **... amplified this financial year given that that the Easter holidays and weekend fell in the 3rd quarter instead of the 2nd quarter.**

Breakdown of current operating result



(*) primarily due to the shift in the Easter holidays and weekend (business completely made up for in April)

Net current result: - €14.0m

in €m	H1 2005/06	H1 2004/05
Turnover	611.3	533.8
Current operating result	-13.6	-12.3
Financial expenses	-4.0	-5.1
Corporate income tax	3.6	4.9
Results of equity affiliates	0.1	0.2
Minority interests	-0.1	-0.1
Attributable net current result	-14.0	-12.4
Other operating income and expense net of tax	-4.9	2.1
Attributable net result	-18.9	-10.3

Outlook for the second-half and target for the full-year 2005/2006

Rise in summer tourism reservations ⁽¹⁾

● **Pierre & Vacances /
Maeva / Résidences MGM /
Hôtels Latitudes**

In all seaside and city destinations

In all periods (shoulder season,
school holidays)

In all direct channels
(internet +88%)

Stabilizing business with
non-French customers

● **Center Parcs Europe**

In all client segments (Dutch,
German, French and Belgian)

(1) After restatement of the impact of the shift in the Easter holidays and weekend

Excellent performance in property business

- Surge in forecast turnover for the second-half
- estimated 2005/2006 reserved turnover of around €450m (incl. VAT)

Target for FY 2005/06 current operating income

● **Target for 2005/2006
current operating profit:
€95m (+27%)**

Growth in tourism bookings in both the
Pierre & Vacances / Maeva /
Résidences MGM / Hôtels Latitudes
and Center Parcs Europe divisions

Robust property development activities

Effective materialisation of cost savings
programme (+€22m)

Strategy and development

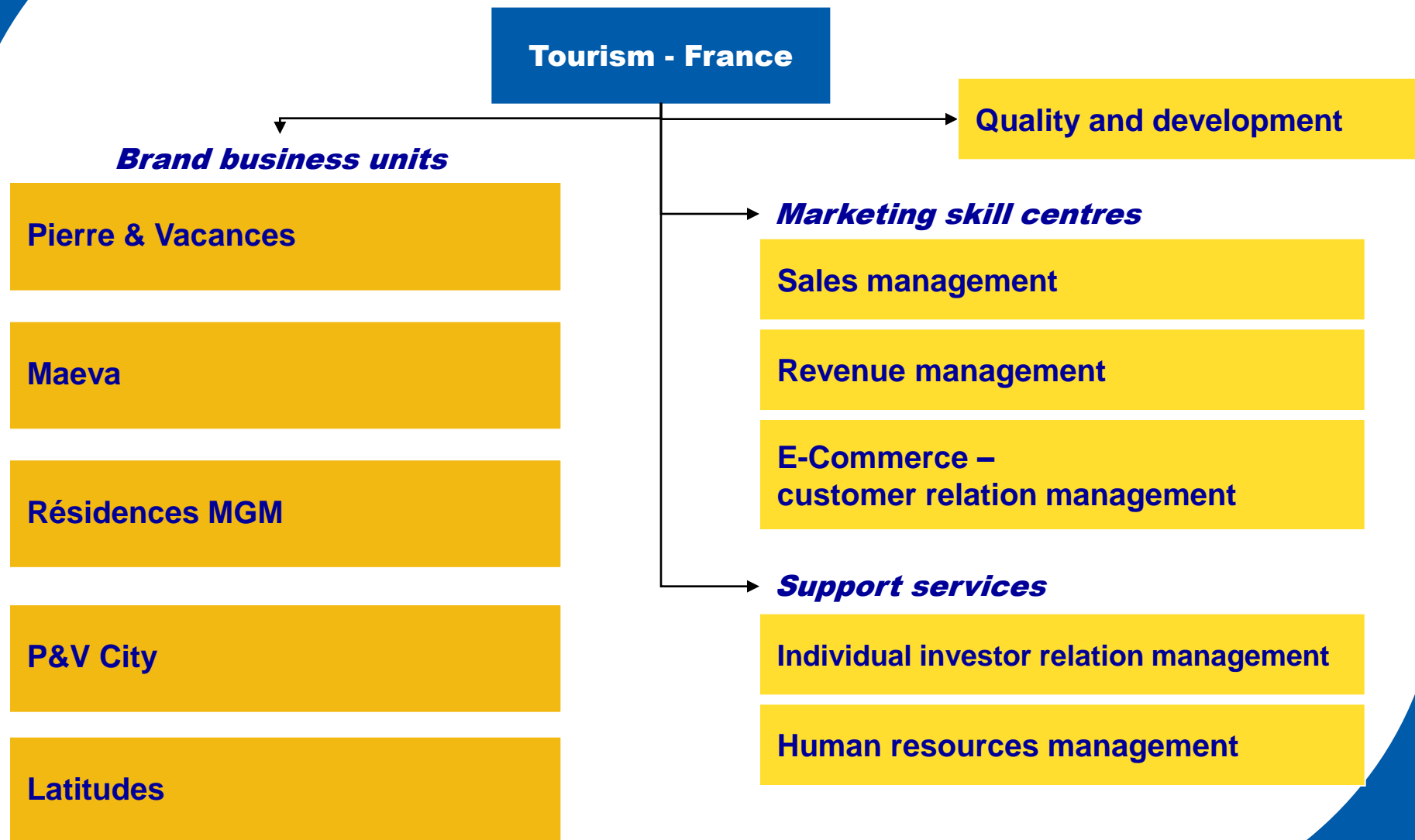
I. Pierre & Vacances / Maeva / Résidences MGM / Hôtels Latitudes

DEFI 2006/07 project

- **14 projects**
- **More than 100 staff involved**
- **500 action plans identified and being implemented**

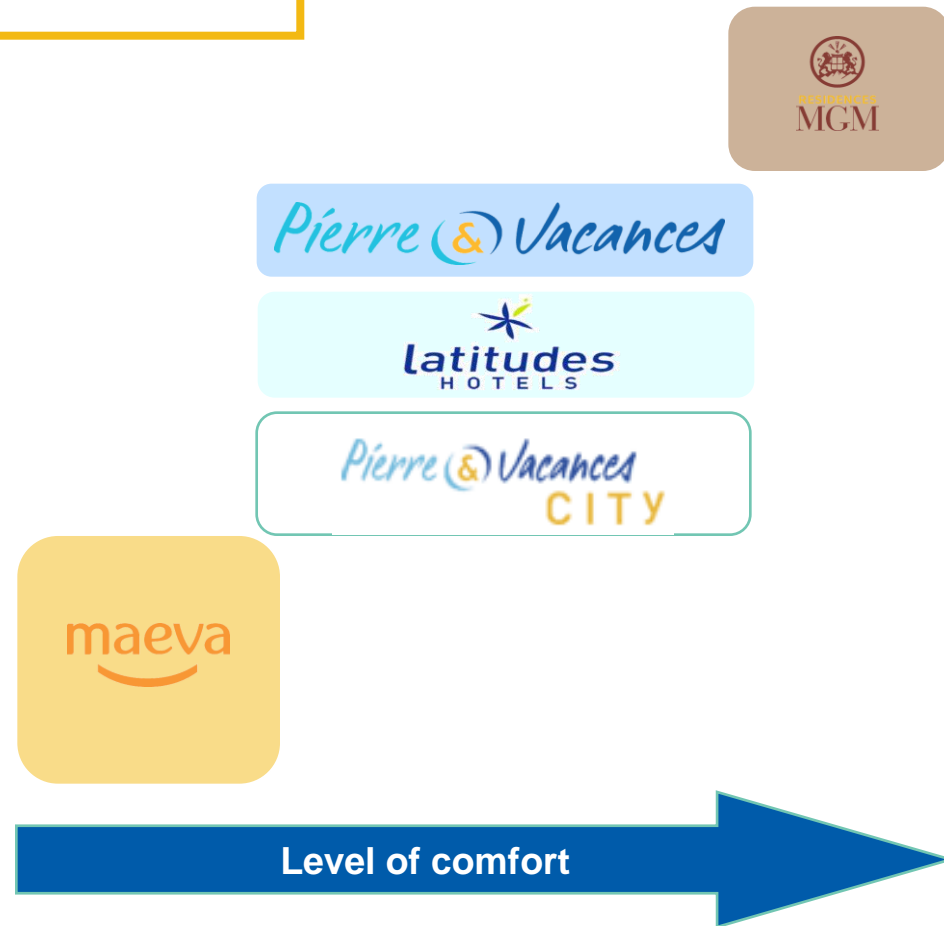


Organisation by brand, with shared skill centres



Bolstering brand positioning

Marketing and operating means
specific to each brand



Better customer approach

● **Exploiting customer knowledge under more targeted approach**

Client data base, dynamic animation plan, customer loyalty ...

● **Implementing a more differentiated price policy**

Seasonal nature, characteristics of offering

● **Making promotional campaigns more efficient**

Systematic measuring of direct and indirect impact of special offers

Improving marketing efficiency

<p>● Developing direct sales</p>	<p>Target to derive 17% of 2006/07 accommodation turnover from Internet</p>
<p>● Developing international sales</p>	<p>Developing direct sales</p>
	<p>Bolstering business with online tour operators</p>
	<p>Synergies with Center Parcs Europe</p>
<p>● Implementing a key account policy</p>	<p>Expanding City leisure offering</p>
<p>● Developing on-site sales and making other turnover profitable</p>	<p>With main intermediaries: tour operators, local authorities</p> <p>Vending machines, outsourcing, catering, ski equipment rental, etc.</p>

Cost management

● **Optimising purchases**

Contract renegotiations, revisiting specifications...

● **Improving operating methods and making certain jobs automatic**

Pooling regional accounting, human resources, co-ownership, centralising pay management...

● **Controlling the level of rents**

Evolution of yields for investors

€7m of cost savings in 2005/06

Set-up of Pierre & Vacances Développement France et International

Priorities	
● France	All French regions
● European regional cities Target: 35 residences within 5/7 years	Brussels, Basel, Milan, Paris, Lyon, Marseille, Strasbourg
● Spain Target: 5,000 apartments under management by 2009	Port Aventura, Costa Brava, Costa del Sol
● Other countries in Mediterranean basin	Morocco: preliminary contacts and studies

Pursuing intensive acquisition policy of residences to be renovated

First-half 2005/06: acquisition of 1,260 apartments


Rond Point des Pistes, La Daille A et B at Val D'Isère
Thémis and Néréides at Belle Plagne
Les Crêts at Méribel, Ours Blanc at Alpe d'Huez
Les Bruyères hotel at Les Ménuires
Bénodet, La Mongie, Le Pedrou at Font-Romeu...

Projects in the short term

Finalizing the negotiation of the take over of 2 mountain residences (131 apartments)
Other ongoing projects

II. Center Parcs Europe

Adapting product offering

● Segmentation of offering/production	By category 3,4,5 
	By customer demand: children, sport, relaxation, environment
● Rounding out leisure offering	kids, teens, sports/discovery, seniors
● Catering	Adapting concepts and prices

Bolstering marketing and distribution

● **Advertising campaign focused on wealth of product**

Multimedia: Radio, TV, Internet, newsletter...

● **Change in price policy**

Incentives for early bookings

In certain periods, lower prices => increasing occupancy rates and reducing discounts

● **Internet sales target: 30% of 2006/07 accommodation turnover**

New booking system, graphics charter, navigation tools, online brochures and virtual tours

Increase in share of advertising spend destined for internet

Bolstering marketing and distribution

<ul style="list-style-type: none"> ● Extending partnerships 	<p>Ikea...</p> <p>Online tour operators: Lastminute, Bookit</p>
<ul style="list-style-type: none"> ● Conquering new markets 	<p>Scandinavia, Central Europe</p>
<ul style="list-style-type: none"> ● Increase in B-to-B sales 	<p>Bolstering sales teams in Benelux</p>
<ul style="list-style-type: none"> ● Bolstering loyalty programme 	<p>Simplification of entry conditions and increase in services offered</p>

Cost cutting

● Making other activities more flexible	Depending on period, catering, store opening times etc ...
● Further moves to centralise support services by region	Cash management, call centers, maintenance, logistics
● Savings on purchases	Sales costs: agencies, media, publishing, brochures...
	Maintenance costs: review of services contracts...

€15m of cost savings in 2005/06

Future development

● Expansion of Center Parcs in France

Domaine du lac d'Ailette
840 cottages, to be open in 2007

Extension of Bois Francs
200 cottages late 2006/early 2007

Project for village in Moselle
820 cottages, set to open in 2010

● Project to extend existing villages

Belgium, Germany and
Netherlands (650 cottages)

● Projects for future development

Belgium and Germany