



FIRST HALF-YEAR RESULTS

(Period from October 1st 2004 to March 31st 2005)

P&V

Overview

- Key figures for the Pierre & Vacances Group
- Results for H1 2004/2005
- Outlook for H2 2004/2005
- Strategy and expansion

Pierre & Vacances Group

European leader in holiday residences

➤ **5 major segmented brands**

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

➤ **3 products**

Holiday residences, holiday villages and hotels

Short or long stays

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

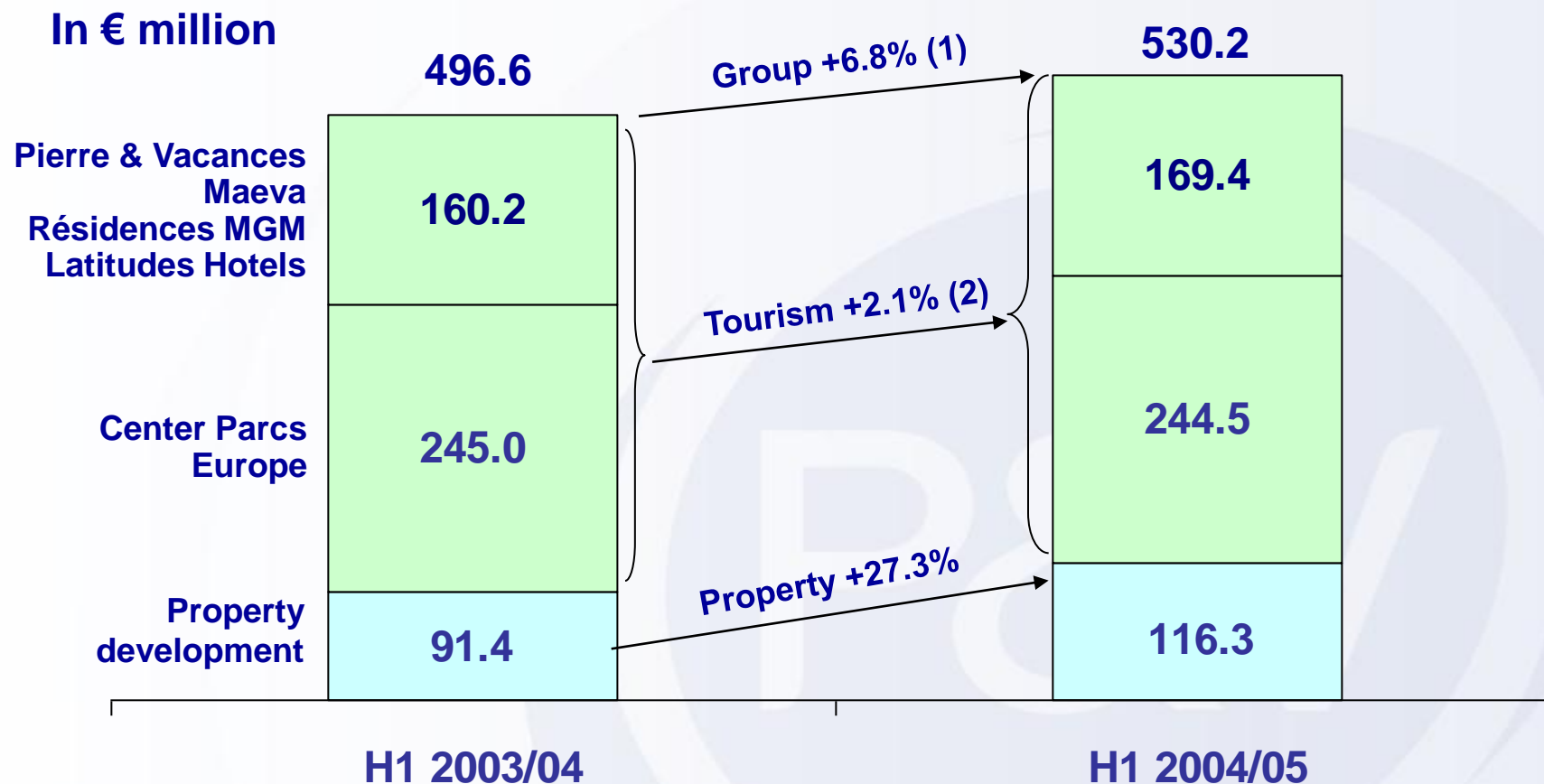
- 45,000 holiday apartments and homes in Europe (34,500 in France)
- 6.5 million customers
- 8,500 employees (FTE)
- Consolidated turnover: € 1,135m



Results for H1 2004/2005

Period from October 1st 2004 to March 31st 2005

Turnover for H1 2004/2005: + 6.8%



- (1) + 6.5% like-for-like
(2) + 1.8% like-for-like

Pierre & Vacances / Maeva / Résidences MGM / Latitudes Hotels

(like for like data)

Total turnover: + 6.1%

of which accommodation turnover: + 2.8%

	<u>H1</u> <u>2003/04</u>	<u>H1</u> <u>2004/05</u>	<u>Chge.</u>
. Net ALR in € (one week accommodation)	476.0	485.1	+1.9%
. Number of weeks sold	219 595	221 661	+0.9%

Center Parcs Europe

(like-for-like data)

Total turnover: - 1.0%

of which accommodation turnover: - 0.7%

	H1 <u>2003/04</u>	H1 <u>2004/05</u>	<u>Chge.</u>
. Net ALR in € (one week accommodation)	592.2	540.4	+2.1%
. Number of weeks sold	211 194	205 265	-2.8%

Property development: 911 apartments/homes delivered in H1

	No. (units)	Turnover (in €m)
New	222	28
. Valloire	100	13
. Vars	61	8
. Biscarrosse	30	3
. Bourgenay	18	2
. Others	13	2
Renovation	689	88
. Avoriaz	119	15
. Calarossa	103	12
. Moliets	100	9
. Plagne	98	16
. Le Rouret	52	4
. Le Touquet	46	5
. Val Thorens	33	8
. Les Coches	28	3
. Others	110	11

Total turnover: € 116.3m, + 27.3%

Half-year results show a structural deficit due to the seasonal nature of the tourism activities

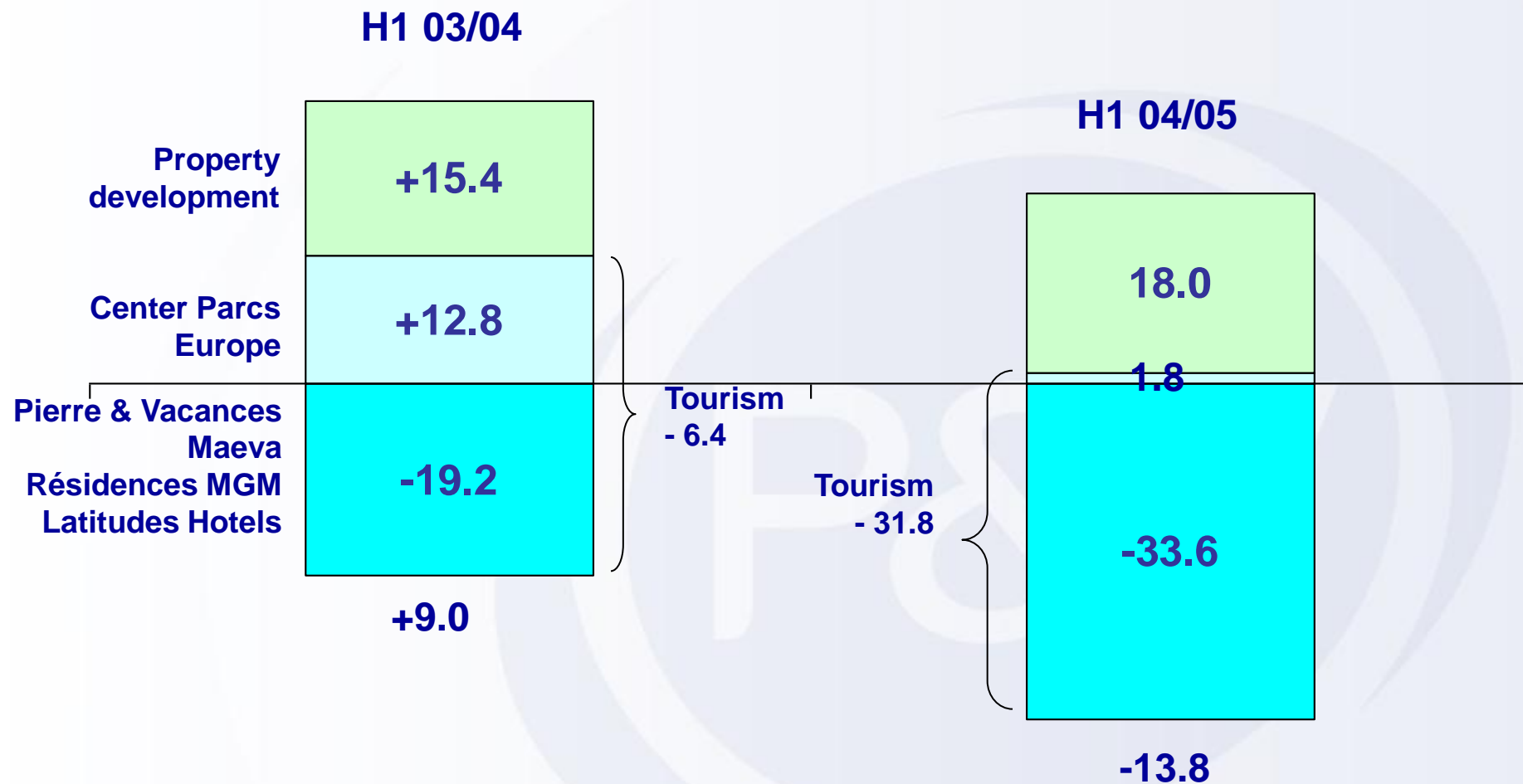
- Seasonal nature of turnover from tourism activities
(on average around 40% of turnover is booked in H1)
- ...associated with the linear spread of fixed operating costs over 12 months of the year (including rents, which have increased on the back of strong growth in property development).

Net attributable income before extraordinary items: - € 17.3m

In €m	H1 04/05	H1 03/04
Turnover	530.2	496.6
Operating income	-13.8	9.0
Financial income	-4.1	-6.1
Income from equity associates	0.2	0.1
Goodwill amortisation	-4,0	-6.6
Corporate income tax	4.5	0.8
Minority interests	-0.1	-0.1
Net attributable income before extraordinary items	-17.3	9.0

Breakdown of the operating income

In € million



Change in Center Parcs Europe operating income

In € million

Operating income for H1 2003/04 :	+12.8
. Decline in activity (including promotional initiatives)	-3.3
. Cost increase due to inflation (excl.rents)	-4.1 (*)
. Increase in rents (disposal of Eemhof) and amortisation	-2.5
. Shift in maintenance costs from H2 to H1	-1.1 (**)
Operating income for H1 2004/05 :	+1.8

(*) offset in H2 by € 5m of cost savings

(**) no impact on the whole 2004/05 financial year

Change in Pierre & Vacances/Maeva/Résidences MGM/Latitudes Hotels income

In € million

Operating income for H1 2003/04:	-19.2
. Growth in net turnover	+2.0
. Cost increase due to inflation	-4.0
. Increase in rents and amortisation	-6.0
. Shift in costs from H2 to H1 (incl. renovation costs)	-6.4 (*)
Operating income for H1 2004/05:	-33.6

(*) no impact on the whole 2004/05 financial year

Net attributable income: - € 15.1m

In €m	H1 04/05	H1 03/04
Net attribut. income before extraordinary items	-17.3	-2.9
Extraordinary items (net of tax)	2.2	5.5
Net attributable income	-15.1	2.9

Outlook
for H2 2004/2005

P&V

Trend in tourist reservations for the 2005 summer season

➤ **P&V/Maeva/Résidences MGM/Latitudes Hotels**

- Reservations for the Mediterranean resorts are up on the 2004 summer season; decline for the Atlantic coast resorts
- Home French market holding up well
- No recovery in reservations from foreign customers vs. summer 2004

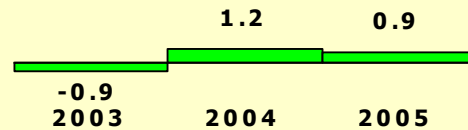
➤ **Center Parcs Europe**

- Continued decline in Dutch customers
- Increase in French, Belgian and German customers

Key figures for the Dutch economy

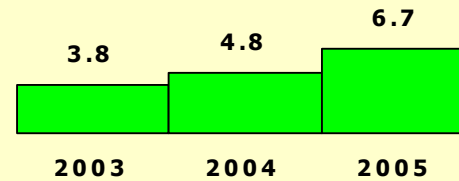
Economic growth

Annual change in GDP (as %)



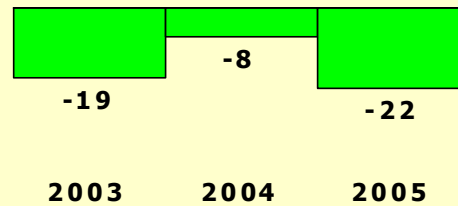
Employment market

Number of unemployed
(as % of active population)



Consumer confidence

Consumer confidence index



Source: Euroframe / CBS – Central Marketing 27.05.2005

Excellent performances for the property development

➤ **More than 500 apartments/homes to be delivered in H2**

Bourgenay, Branville, Deauville, Trouville, Antibes, Moliets, Flaine, Les Arcs, Paris (Haussmann), etc.

➤ **Forecast « reservation » turnover of around € 450m (including VAT) for 2004/2005**

Outlook for 2004/2005

- With no recovery in the home markets of countries that send tourists to France, and a decline in Dutch visitors, which is affecting the performances of Center Parcs Europe, the Group has reduced to €30 m. its 2004/2005 estimate of attributable net income before extraordinary items

Outlook for 2004/2005

➤ **The financial structure will be strengthened**

- Net debt Group equity ratio of 0.6 at 30/09/04
- Estimated net debt Group equity ratio of 0.4 at 30/09/05 (only property development debt).

Strategy and expansion

P&V

Strategy and expansion

- 1 – A dynamic property development activity
- 2 - Reinforcing our strategy and exploiting synergies in the tourist business
- 3 – Continuing our expansion policy in France and Europe

I. Property development

The background of the slide features a large, faint, light blue circular logo. Inside the circle, the letters "P&V" are written in a white, bold, sans-serif font. The logo is partially obscured by the text "I. Property development" in the upper left and the "P&V" text in the lower right.

P&V



Property renovation

- **Increasing and improving the quality of PV/Maeva/Latitudes residences portfolio through property renovation**
 - Renovations in 2005/2006
Antibes, Avoriaz, Deauville, Flaine, Grimaud, Le Rouret, Les Arcs, Haussmann, Saint-Laurent du Var, Les Coches...
 - Acquisition of tourist and urban residences for renovation in France and Europe



➤ Increasing the offering residence portfolio

- Deliveries in 2005/2006 for PV/Maeva/Résidences MGM/Latitudes Hotels
 - Château d'Olonne, Eguisheim, Le Rouret village, Port en Bessin, Soulac, Var...
- Center Parcs developments in France
 - village of Ailette in the Aisne region;
(840 cottages, opening in 2007)
 - extension of the village of Bois Francs in Normandy;
(200 cottages, opening in 2006)
 - plan for a new village in Lorraine;
- Future expansion plans:
 - Village Nature in partnership with Disney...



PIERRE & VACANCES
CONSEIL IMMOBILIER

Buoyant property activity over the next 2 years

- **Maintaining a high level of « reservation » turnover for 2004/2005 (estimated at € 450m) guarantees a high level of activity and high margins in property development for the next 2 years.**

Progress of the main property developments

NEW	sold		RENOVATION	sold	
	no.	%		no.	%
Ailette (840)	628	75%	Paris Côté Seine (375)	338	90%
Bonmont (215)	163	76%	Le Rouret résidence (116)	111	96%
Le Rouret village (354)	354	100%	Flaine (131)	82	63%
Bois Francs (203)	78	38%	Antibes (40)	28	70%
Château d'Olonne (120)	120	100%	Deauville (71)	63	85%
Eguisheim (98)	12	12%	Grimaud (53)	42	79%
Port en Bessin (100)	98	98%	Haussmann (53)	22	42%
Soulac (76)	76	100%	Les Arcs (93)	48	52%
			Saint-Laurent du Var (75)	23	31%

II. Strategy for Pierre & Vacances/Maeva/Résidences MGM/ Latitudes Hotels

The logo consists of the letters 'P&V' in a white, bold, sans-serif font, centered within a light blue circular background. The background of the entire slide features a large, faint, light blue circular graphic with concentric rings and a stylized 'P&V' logo in the center.

Growth of results in a sluggish economic environment in Europe

1 – Turnover growth

- segmented pricing policy
- stepping up direct sales
- increase in occupancy rates

2 – Reducing costs



Segmented pricing policy



➤ Increased brand/product/pricing segmentation:

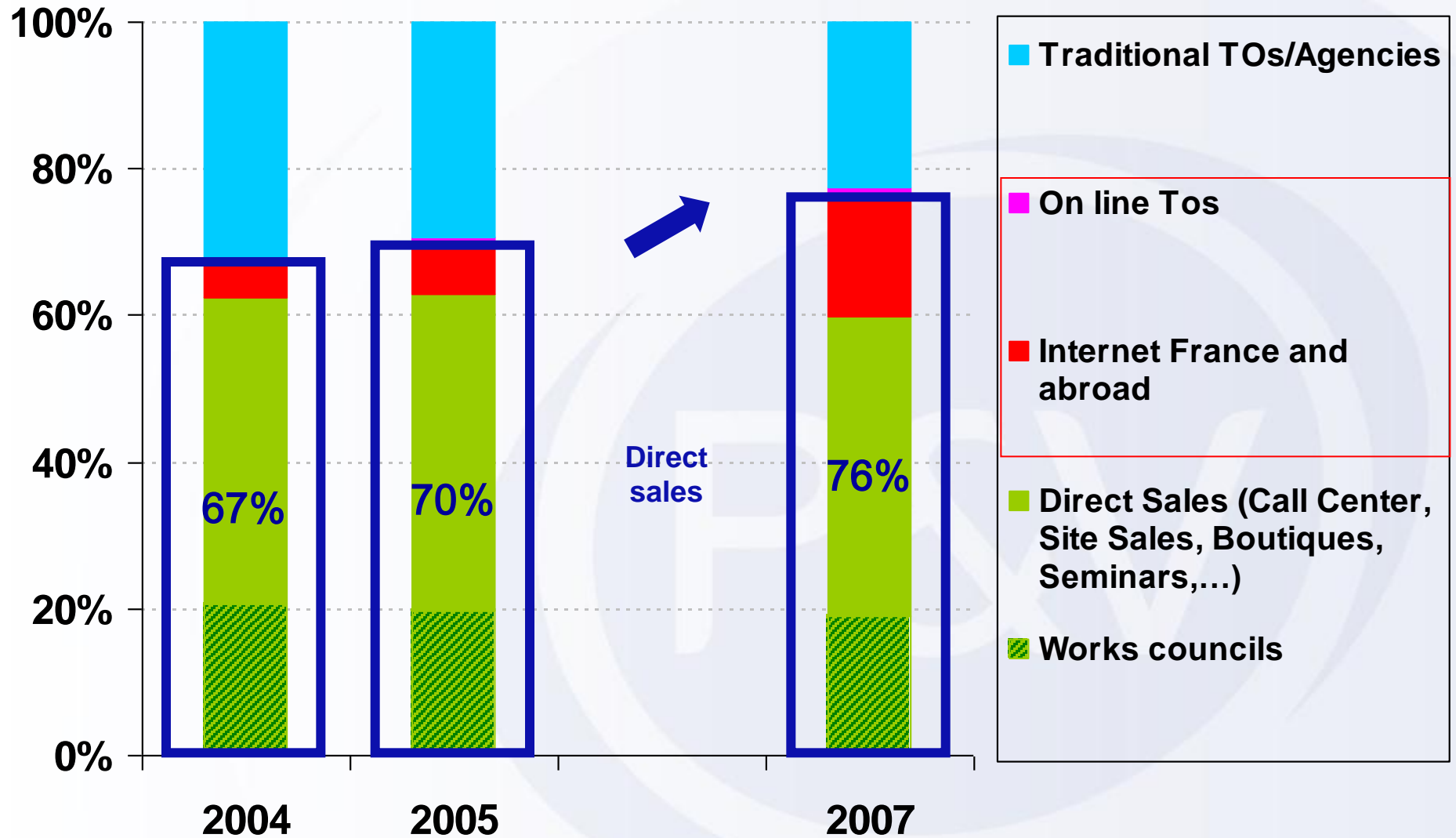
- Maeva: entry range/price
- Pierre & Vacances and Résidences MGM: added value



➤ Simplifying tariffs



Stepping up direct sales



Stepping up direct sales

1. Increasing direct sales with foreign customers



- German and Dutch call centers
- Brochures and flyers in English, German, Spanish and Dutch
- Sales offices in the United Kingdom and Spain

Stepping up direct sales

Setting up a joint sales structure with Center Parcs in the Netherlands and Germany:



- Cross marketing, cross selling (in particular with 2.7 million customers in the Netherlands, Belgium and Germany),
- Joint sales teams in Germany and the Netherlands.

Stepping up direct sales

2. Growth in Internet turnover



2003/2004



2004/2005



2005/2006

5% of turnover

7% of turnover

11% of turnover



2006/2007

17% of turnover



Stepping up direct sales

2. Growth in Internet turnover



➤ Increased resources

- **A dedicated Internet team**



- **Boosting sales**

- boosting sales through theme-based offerings, setting up a customer database
- launch of Dutch, English and German sites



2. Growth in Internet turnover

➤ Increased traffic



- **Affiliation, recommendation**, sponsored links, purchase of key words

Developing e-marketing, advertising



- **Partnerships/BtoB**

- Continue to sign partnerships with Internet distributors (travelclick, bookings.nl...)
- Test BtoB interfaces with Works Councils and web-based tour operators
- Strengthen partnerships with low-cost airlines in the UK, Germany and Scandinavia



Boosting occupancy rates



- **Promoting short-stays at the start and tail-end of the season**
- **Growth in the seminar business**
- **Conquering new customer segments**
 - Golfers, business customers, senior citizens
 - Eastern Europe

Reducing costs



➤ Optimising purchases (Annual savings of € 3m)

- Operational: household, maintenance, food...
- Commercial: brochures, advertising, mailing



➤ Optimising internal costs

III. Strategy for Center Parcs Europe

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Growth of results in a sluggish economic environment in Europe

1. Product development

2. Turnover growth:

- promoting the Internet
- broader distribution
- country-specific policy

3. Reducing costs



Developing more attractive products

- Village/brand-specific offering
- Adapting supplementary activities and revamping restaurant menus
- New “soft” products aimed at:
 - Families
 - Teenagers
 - Senior citizens
- Boosting the attraction of one whole week holidays
- Flexibility regarding arrival dates and length of stay

Promoting the Internet

2003/2004

12% of
turnover

2004/2005

17% of
turnover

2005/2006

21% of
turnover

2006/2007

25% of
turnover

- **Strengthening the dedicated teams** and supplementing them with external experts
- **Improved sites:**
 - new functionalities: last minute sales, holiday preparation...
 - theme-based access by customer type
 - rapid reservation
- **Boosting traffic and on-line communications:** affiliations, extending geographical coverage, key words, viral marketing

Broader distribution

- Strategic partnerships both off- and on-line
- Expansion of B2B: seminars, conventions...
- Prospecting new territories: Scandinavia, Central Europe ...
- Boosting the productivity of call-centers
- New distribution/prescription methods

A country-specific commercial policy

➤ The Netherlands:

Loyalty programme

Communications/promotion:

- Focus communications on the wealth of products as a means of differentiation
- Increased communications and visibility (partnership with the Dutch football league)
- Theme-based, seasonal and specific promotions
- **Revenue management favouring early reservation**

➤ Belgium:

- Increased communications
- Prospecting the Walloon market



A country-specific commercial policy

➤ **Germany:**

Broaden our market coverage

- Management structure shared with Pierre & Vacances
- Multi-channel approach (direct/indirect)
- Promoting a customised offering
 - adapting the Dutch village of Heijderbbos for the German market
 - upgrading the Hochsauerland village to Center Parcs “Originals”

➤ **France**

Optimise and acquire new prospects

- Optimisation of revenue by yield management (individuals/groups, direct/indirect sales...)
- Targeted on-line promotions
- Acquisition of new prospects



Reducing costs

➤ 2004/2005:

Short-term savings plan for the current year: € 5m

- Purchases, maintenance
- Regrouping the villages' administrative functions (Finance and HR)

➤ 2005/2006

Additional savings programme: € 12m

- Full-year impact of organisational and purchasing specification changes
- Flexibility of site costs
- Review of maintenance specifications
- Group purchasing policy
- Adapting the supplementary services offering

IV. Sustainable development and corporate governance

P&V

Sustainable development

➤ Environment

- Implementation of a dedicated cross-functional unit
- Property and tourism initiatives (innovative and environmentally-friendly projects on new and old sites)

Examples: The Ailette Center Parcs,
Village Nature project with Disney,

- P&V – WWF partnership

➤ Social

- Initiatives in conjunction with HRD (immigration, equal opportunity, employment of young people, part-time, etc.)

The P&V Group, a player with strong social and environmental values

Corporate governance and internal control

- Setting up of an Executive Committee a year ago
- Continued modernisation of internal control tools (*cf Chairman's report in the 03-04 Annual Report*):
 - Implementation under way of the Board of Directors self-assessment policy, unveiled last year with the Charter
 - More efficient monitoring of costs and commitments (ARIBA software)

V. Expansion

P&V

International expansion

Pierre & Vacances

maeva



latitudes
HOTELS

➤ Italy

- Operating 7 residences and 3 villages ;
- Prospecting in the art and business cities of Northern Italy and the major tourist locations
- Property marketing of Cefalù to individual investors

➤ Spain

- Opening of the first Pierre & Vacances residence for summer 2005: Club de Bonmont (Tarragonia) ;
- Development of a village with 330 homes in Manilva on the Costa del Sol (in partnership with Bouygues Immobilier) ;
- Prospecting to take over the management of residences (as a priority on the Costa Brava).

Continued external growth

- **Northern Europe: prospection/acquisition of villages similar to Center Parcs**
- **Offer to acquire VVF**
- **Development of urban residences**
 - Management contracts for tourism residences: Boulogne Billancourt, Rome, Brussels
 - Look for partnerships with property developers in France and Europe (capital cities in the French regions, Barcelona, Madrid)

Conclusion

- While actively pursuing:
 - Property development in France and Spain
 - Its targeted external growth policy

The Group is pursuing a proactive strategy of increasing turnover and reducing costs in order to boost the income from its tourist activities