

Full-year results for the financial year ending 30 September 2015

Paris, 25 November 2015

This press release sets out consolidated full-year results established under IFRS accounting rules, currently being audited and closed by the Pierre et Vacances SA Board of Directors on 24 November 2015.

Sharp growth in full-year results

- Current operating profit up 74%, showing a return to profitability in the tourism businesses
- Operating cash generation of almost €50 million

I. Full-year 2014/2015 turnover and results (1 October 2014 – 30 September 2015)

IFRS 11 "Joint Arrangements", applies to the Group as of 2014/2015, and implies the consolidation of joint operations by the equity method and no longer by proportional integration (Adagio and Villages Nature partnerships primarily).

For its operating reporting, the Group continues to integrate joint operations under the proportional integration method, considering that this presentation is a better reflection of its performance.

The income statement items and sales indicators commented on below stem from operating reporting. The reconciliation tables with IFRS income statements are set out in paragraph III.

1.1. Growth in turnover

Euro millions	2014/2015	2013/2014	Evolutions	<i>Evolutions excluding stock effects (*)</i>
Tourism	1 180.7	1 141.1	+3.5%	
- Pierre & Vacances Tourisme Europe	594.5	590.4	+0.7%	
- Center Parcs Europe	586.2	550.7	+6.4%	
<i>o.w. accommodation turnover</i>	<i>779.9</i>	<i>763.0</i>	<i>+2.2%</i>	<i>+3.2%</i>
- <i>Pierre & Vacances Tourisme Europe</i>	<i>401.6</i>	<i>405.9</i>	<i>-1.1%</i>	<i>+3.4%</i>
- <i>Center Parcs Europe</i>	<i>378.3</i>	<i>357.1</i>	<i>+5.9%</i>	<i>+3.0%</i>
Property development	255.6	274.4	-6.8%	
Total FY	1 436.3	1 415.4	+1.5%	

(*) Pierre & Vacances Tourisme Europe: a net reduction in the network operated prompted by withdrawals from loss-making sites (Adagio Access residences and seaside locations in particular) and the non-renewal of leases.

Center Parcs Europe: growth in the network operated prompted by the opening on 29 June 2015 of the new Domaine du Bois aux Daims in the Vienne department.

- **2014/2015 turnover from the tourism businesses rose 3.5% to €1,180.7 million, higher than levels seen over the past two years.**

Accommodation turnover was up 2.2% (+3.2% adjusted for supply effects), stemming primarily from an increase in net average letting rates (+2.7%).

Occupancy rates rose in the two divisions (Pierre & Vacances Tourisme Europe and Center Parcs Europe), to 71% vs. 70% in 2013/2014.

International customers accounted for 55% of the Group's accommodation turnover, up 2.7% relative to the year-earlier period.

Pierre & Vacances Tourisme Europe posted turnover of €594.5 million, including €401.6 million in accommodation turnover. Adjusted for supply effects, turnover growth stood at +3.4%, benefiting from an improvement in net average letting rates and higher turnover in all destinations: +4.7% at the seaside locations, +3.4% at the mountain destinations and +1.9% in city residences.

Center Parcs Europe contributed turnover of €586.2 million, including €378.3 million in accommodation turnover, up 3.0% excluding the impact of the new Domaine du Bois aux Daims.

Turnover growth was driven by the domains in Belgium, Holland and Germany (+4.3%) with a slight increase at the French domains.

Turnover from the other tourism businesses increased by 6.0%, driven by the success of marketing mandates, primarily in Spain.

- **2014/2015 property development turnover stood at €255.6 million.**

Property development turnover stemmed especially from the Center Parcs domains in the Vienne (€110 million) and at Bostalsee (€14 million), as well as Villages Nature (€24 million), Flaine (€14 millions) and Les Seniorales programmes (€54 million).

As of 15 October 2015, **property reservations** with individual and institutional investors represented turnover of €327 million compared with €291 million in the year-earlier period.

1.2. Sharp growth in full-year results

<i>Euro millions</i>	2014/2015	2013/2014	Evolutions
Turnover	1 436.3	1 415.4	+1.5%
Current operating profit	21.2	12.2	+74%
<i>Tourism</i>	6.1	-6.9	
<i>Property development</i>	15.1	19.1	
Financial expenses	-18.3	-18.3	
Current operating profit (loss) before taxes	2.9	-6.1	+148%
Other operating income / (expense) net of tax	-3.8	-13.5 (*)	
Share of net income of equity-accounted investments	0.3	0.0	
Taxes	-12.1	-7.2	
Net profit (loss)	-12.7	-26.9	+53%
Change in the fair value of ORNANE	1.2	3.6	
Net profit (loss) after the change in the fair value of ORNANE	-11.5	-23.3	+51%
<i>Attributable to the owners of the Company</i>	-11.6	-23.4	
<i>Non-controlling interests</i>	0.1	0.1	

*In 2013/14, other income and expense net of tax including €4.2 million in costs prompted by the buy-back in February 2014 of 96.5% of the number of OCEANE bonds initially issued in February 2011.

Current operating profit

- Current operating profit in the tourism businesses stood at €6.1 million, restoring profitability levels in line with the target announced at the start of the year.

This result was achieved especially via turnover growth (+€11 million) and the reduction in rental expenses (€12 million, in line with forecasts). These gains were higher than the impact of inflation in charges (estimated at €10 million).

- Current operating profit in the property development businesses stood at €15.1 million, implying a margin of 6% on turnover.

In all, current operating profit was up 74%.

Net profit (loss)

- Other income and expense net of tax primarily included the following non-recurring items:
 - €2.2 million in closure costs of loss-making sites,
 - €1.2 million in restructuring costs.
- After taking account of the change in fair value of the ORNANE share allocation right (income of €1.2 million), the net loss was -€11.5 million, a huge improvement relative to the year-earlier period (-€23.3 million).

1.3. Significant reduction in net debt

The Group's net debt was reduced by €47 million, benefiting especially from high growth in tourism operating performances and the cash generated by the property development businesses (Center Parcs Domaine du Bois-aux-Daims notably).

This debt reduction contributed to the clear improvement in the Group's net bank debt/equity ratio, which stood at 34% on 30 September 2015, compared with 46% on 30 September 2014.

<i>Euro millions</i>	30.09.15	30.09.14 adjusted ⁽¹⁾
Net bank debt ⁽²⁾	125,2	170,5
Equity	364,9	374,3
Net bank debt/equity	34%	46%

(1) data adjusted for the impact of the first application of IFRS 11

(2) Net financial debt adjusted for rental commitments for facilities at the Center Parcs de l'Ailette

II. Outlook

Growth in tourism reservations to date for first quarter 2015/2016

In view of the level of reservations to date, the Group is forecasting first quarter 2015/2016 tourism turnover higher than the level posted in the year-earlier period:

- for the Pierre & Vacances Tourisme Europe division, turnover should increase at all destinations.
- for Center Parcs Europe, growth is set to stem from the domains in Belgium, Holland and Germany and from healthy performances at the new Domaine du Bois aux Daims.

Post-closing events

- **On 6 November 2015, the Pierre & Vacances-Center Parcs Group and Chinese group HNA Tourism signed strategic partnership agreements** including two parts:
 - 1. The development of tourism destinations in China inspired by the Center Parcs and Pierre & Vacances concepts.

The projects are to be implemented by a joint-venture 60% owned by the HNA Tourism Group and 40% by the Pierre & Vacances-Center Parcs Group, which is to provide property and tourism services on behalf of the investors in each development.
 - HNA Tourism pledges to mobilise financing for the first five developments over the next three years for a total investment of around €1 billion. It is also to participate in the search for property developments and the delivery of administrative authorisation. Via its travel agency subsidiary, it is to foster tourism distribution for Pierre & Vacances-Center Parcs' European destinations with Chinese customers.
 - The Pierre & Vacances-Center Parcs Group is to contribute its property development and tourism know-how to the joint venture by steering the planning, architectural and landscaping conception, as well as the design of each project, property sales to individuals and tourism management (distribution and operation) of the projects developed.
 - 2. HNA Tourism is to take an equity holding in Pierre et Vacances S.A.

HNA Tourism is to subscribe to a reserved rights issue representing 10.00% of the capital of PVSA after the operation, at a price of €25.18 per share. Following this capital increase, SITI (holding company controlled by Gérard BREMOND) is to remain the majority shareholder in terms of capital and voting rights.

For further information, see the press release published on the Group's website on 9 November 2015: www.groupepvcp.com
- **In 20 November 2015, Pierre & Vacances-Center Parcs Group and Eurosic signed an agreement concerning financing of the sixth German Center Parcs** located in the Allgau region in Bade-Wurtemberg.

Eurosic is to acquire the future domain located in forestland of 184 hectares, made up of 750 cottages and recreational facilities. The project represents an investment of €255 million before tax.
The domain's facilities and accommodation are to be leased to an operating company belonging to the Pierre & Vacances-Center Parcs Group under the framework of a long-term lease.
The domain is due to open in 2018.

Strategic directions

2014/15 was another important stage for the Group, with a return to current operating profitability in the tourism businesses, further growth in consolidated earnings and significant cash generation.

These performances reflect the relevance of strategic directions for the Group's two businesses:

- **A strategy of growth and differentiation in the tourism businesses**, based on a number of focuses:
 - Enhancing the tourism offering with increased segmentation and tailor-made services and offers.
 - The development of digital services benefiting customer relations and performance.
 - Optimising distribution methods by brand and by market.
 - New marketing and rental management models (Maeva.com).
 - Further cost cutting, especially on rental expenses in the Pierre & Vacances and Adagio networks (reduction estimated at €67 million⁽⁵⁾ between 2012/2013 and 2018/2019).
- **Ongoing targeted property development** in contributing brands/markets in order to generate property margins and for tourism operations:
 - Internationally, with huge prospects in China following the creation of strategic partnerships with the HNA Group.
 - In Belgium, Holland and Germany, with the development of the Group's business model on the existing Center Parcs domains by off-plan renovation sales to individual investors,
 - In Germany, with the financing by Eurosic Group of the Center Parcs domain in Allgau,
 - In France, the continuation of projects to develop Villages Nature, three midsize Center Parcs as well as the Center Parcs in Roybon in the Isère department. Meanwhile, development of the Pierre & Vacances brand focuses on the "premium" label (Deauville, Méribel).

Strengthened by the momentum that is underway, the Group's actions are aimed at delivering a current operating margin of 5% in 2016/17, in a stable European economic environment.

⁽⁵⁾ (including indexation - forecast change in the RRI of 2% a year - excluding expansion in the offer)

III. Reconciliation table – IFRS Income statement

<i>Euro millions</i>	FY 2014/2015 operating reporting	IFRS 11 adjustments	FY 2014/2015 IFRS
TURNOVER	1 436.3	-53.8	1 382.5
CURRENT OPERATING PROFIT (LOSS)	21.2	-5.1	16.1
Financial income (expense)	-18.3	0.2	-18.1
CURRENT NET PROFIT (LOSS)	2.9	-4.9	-2.0
Other income and expense net of tax	-3.8	0.0	-3.8
Net profit attributable to joint operations	0.3	2.8	3.1
Tax	-12.1	2.1	-10.0
NET PROFIT (LOSS) ⁽¹⁾	-12.7	0.0	-12.7

⁽¹⁾ excluding change in fair value of ORNANE bond share allocation right

<i>Euro millions</i>	FY 2013/2014 operating reporting	IFRS 11 adjustments	FY 2013/2014 IFRS
TURNOVER	1 415.4	-36.9	1 378.5
CURRENT OPERATING PROFIT (LOSS)	12.2	-4.8	7.3
Financial income (expense)	-18.3	0.4	-17.9
CURRENT NET PROFIT (LOSS)	-6.1	-4.4	-10.6
Other income and expense net of tax	-13.5	0.0	-13.5
Net profit attributable to joint operations	0.0	3.1	3.1
Tax	-7.2	1.3	-5.9
NET PROFIT (LOSS) ⁽¹⁾	-26.9	0.0	-26.9

⁽¹⁾ excluding change in fair value of ORNANE bond share allocation right

Information on 2014/2015 earnings includes this press release and the presentation document available on the Group's website: www.groupepvcp.com

For further information:

Investors Relations and Strategic Operations

Emeline Lauté
+33 (0) 1 58 21 54 76
infofin@fr.groupepvcp.com

Press Relations

Valérie Lauthier
+33 (0) 1 58 21 54 61
valerie.lauthier@fr.groupepvcp.com