Groupe

Pierre & Vacances CenterParcs

First quarter 2018/2019 revenue

Paris, 17 January 2019

- Revenue* from the tourism businesses up 3.8%
- Surge in property development revenue, benefiting from signing of block sales of property renovation programmes.

1] First quarter 2018/2019 revenue

As of 1 October 2018, the Group applies the new revenue recognition standard “IFRS 15 - Revenue from Contracts with Customers”.

The main impacts on revenue are the following:

- **Tourism**: in terms of its tourism marketing mandates and various outsourcing contracts (catering, events, ski lifts etc.), the Group acts mostly as an “agent” under the terms of IFRS 15 and only its net remuneration must be recognised in revenue. Application of IFRS 15 therefore leads to a decline in tourism revenue, which so far recorded the volume of business generated by these activities, with no impact on the Group’s net profit (loss) for the year.
- **Property development**: sales operations on behalf of third parties are analysed on a case by case basis in order to establish whether the Group acts as an “agent” or a “principal”. The outcome of this analysis is a sharp increase in Q1 2018/2019 revenue, driven primarily by the signing of renovation/disposal operations at Center Parcs, for which the Group is considered as a “principal” under the terms of IFRS 15.

Under IFRS accounting, Q1 2018/2019 revenue totalled €375.7 million (€232.2 million for the tourism activities and €143.5 million for the property development activities). The Group nevertheless continues to comment on its revenue and the associated financial indicators with the presentation of joint ventures under proportional consolidation, in compliance with its operating reporting:

€ millions	**2018/2019** from operating reporting	**2017/2018 Pro-forma IFRS 15** from operating reporting	**Change**	Like-for-like change*	*2017/2018 Reported (before IFRS 15)* from operating reporting
Tourism	**246.9**	**238.0**	**+3.8%**		*247.2*
Pierre et Vacances Tourisme Europe	92.2	86.5	+6.6%		*94.9*
Center Parcs Europe**	154.7	151.5	+2.1%		*152.3*
o/w accommodation revenue	***169.7***	***161.5***	***+5.0%***	**+4.3%**	*161.5*
Pierre et Vacances Tourisme Europe	*66.0*	*60.6*	*+8.9%*	+6.8%	*60.6*
*Center Parcs Europe***	*103.7*	*100.9*	*+2.7%*	+2.7%	*100.9*
Property development	**146.1**	**67.0**	**+118.2%**		*59.5*
Total Q1	**393.0**	**305.0**	**+28.9%**		*306.7*

** On a like-for-like basis, the Group’s accommodation revenue has been adjusted for the impact of:*

- a beneficial calendar effect (one extra holiday day in December 2018 vs. December 2017), primarily favouring the mountain destinations;
- for the PVTE division, net growth in the portfolio operated, prompted by the annualisation of operation of new residences in Spain, which partially offset non-renewals of leases and withdrawals from loss-making sites in France.
- for the CPE division, net growth in the portfolio operated, prompted by the annualisation of stocks for the Center Parcs Ardennen domain and the opening of the new Center Parcs in Allgau. These effects are partly offset by the impact of the closure of Center Parcs de l’Ailette under the framework of renovation works.

**The revenue and financial indicators discussed in this press release stem from operating reporting, with the presentation of joint ventures under proportional consolidation.*

*** including Villages Nature Paris*

- ## Tourism revenue

Q1 2018/2019 revenue from the tourism businesses totalled €246.9 million, **up 3.8%** relative to Q1 2017/2018**.**

Accommodation revenue rose 5.0% to €169.7 million, driven by both net average letting rates (+3.7%) and the number of nights sold (+1.3%).
On a like-for-like basis, i.e. excluding supply and calendar effects, revenue was up **4.3%**:

✓ Pierre & Vacances Tourisme Europe contributed €66 million, up 6.8% like-for-like.

This growth was driven by all destinations:

- revenue from the Adagio residences rose by 9.3% over the quarter, driven primarily by higher net average letting rates.
- mountain residences posted growth of 7.4%, with an occupancy rate of 81% over the quarter.
- Revenue from all seaside destinations (metropolitan France, French West Indies and Spain) rose by 1.1%.

✓ Center Parcs Europe contributed €103.7 million, up 2.7% on a like-for-like basis, driven by good performances of Villages Nature Paris and domains located in the Netherlands.

Supplementary income grew by 1.0%.

- ## Revenue from property development

Q1 2018/2019 property development revenue totalled €146.1 million, driven primarily by the contribution from renovation operations for Center Parcs (€105 million) and Senioriales residences (€19 million).

Property reservations recorded with individual investors in Q1 represent sales volumes of €68.4m, similar to the level booked in the year-earlier period.

2] Outlook for second quarter

The portfolio of tourism reservations to date confirms further beneficial trends in Q2 2018/2019.

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