Paris, le 27 mai 2010

Half Year Results

Turnover confirming the Group's resistance

An ambitious transformation and development plan aimed at significantly increasing Group earnings

H1 2009/2010 TURNOVER AND EARNINGS (1 October 2009 to 31 March 2010)

1. Consolidated turnover : € 629,2 million

Over the first six months of 2009/2010 running from 1 October 2009 to 31 March 2010, like-for-like turnover rose 2.3% to € 629.2 million

Tourism turnover

H1 2009/2010 tourism turnover totalled €478.5 million including €253.2 million in accommodation turnover, up 1.8% like-for-like.

Turnover at Pierre & Vacances Tourisme Europe rose 4.5% because Arc 1950 and Flaine-Montsoleil integration, which explain that average letting rates rose by 4.2% and the number of nights sold by 3.6%.

Like-for-like turnover at Center Parcs Europe fell by 5.2% primarily due to the decline in Dutch clients. Average letting rates dropped 1.7% and the number of nights sold by 2.7%.

Direct sales accounted for 81% of accommodation turnover. Direct internet sales continued to rise and accounted for 35% of turnover (52% for Center Parcs Europe, 20% for Pierre & Vacances Tourisme Europe).

Growth in supplementary income at Pierre & Vacances Tourisme Europe and Center Parcs Europe fell by 3.8% like-for-like and stemmed primarily from the decline in customer spending.

Property development turnover

H1 2009/2010 property development turnover totalled €150.7 million (€ 85.6 million of which from the Center Parcs Moselle – Lorraine) compared with €132.4 million in H1 2008/2009.

2. H1 2009/2010 earnings

(euro millions)	**H1 2009/2010**	**H1 2008/2009**
Turnover	**629.2**	**613.1**
-Tourism	478.5	480.7
-Property deveopment	150.7	132.4
Current operating loss	**-73.3**	**-57.1**
- Tourism	**-84.6**	**-61.5**
Pierre & Vacances Tourisme Europe	*-52.0*	*-38.0*
Center Parcs Europe	*-32.6*	*-23.5*
- Property development	**11.3**	**4.4**
Financial items	-6.7	-6.5
Taxes (1)	22.4	19.0
Attributable current net loss (1)	**-57.6**	**-44.6**
Other operating income/expense net of tax (1)	-0.3	4.4
Attributable net income	**-57.9**	**-40.2**

(1) Other operating income/expense is presented net of tax and also includes non-recurring items associated with tax (tax savings, update of Group fiscal position) which are reclassified from accounting tax.

2.1 Current operating loss of €73.3 million

The seasonal nature of revenue trends in the Tourism division (about 40% of annual turnover) and costs booked in a linear manner (50%) have the structural effect of pushing tourism operating profit into the red during H1. This is due to lower turnover at Center Parcs Europe and to specific marketing and development costs.

- Operating loss in **Tourism** businesses of € 84,6

Operating loss at **Pierre & Vacances Tourisme Europe** was affected in particular by the cost of the advertising campaign undertaken in March in order to boost sales for the summer season (- €3 million), as well as the rising momentum in Spain (- €3 million) and new Adagio residences (- €2 million).
In addition, the savings made during the period only partly made up for the increase in costs caused by inflation.

The operating loss at **Center Parcs Europe** stemmed primarily from lower turnover (earnings impact of €7 million) and the €3 million in costs caused by preparations for the opening of the Center Parcs du Domaine des Trois Forêts. The savings generated helped make up for the increase in costs prompted by inflation.

- The **property development** division contributed €11.3 million vs. €4.4 million in the year-earlier period. This increase was driven by turnover growth and the non-recurrence of exceptional costs booked in H1 2008/2009.

2.2 Net attributable loss of € 57.9 million

Financial expenses were stable at € 6.7 million.

Other operating income and expense net of taxes primarily included non-recurring tax savings and restructuring costs.

OUTLOOK FOR 2009/2010

Tourism reservations to date for the summer season are higher than those noted in the year-earlier period and show growth in the core summer period in particular. The pace of reservations has picked up in the past two months.

Property business reservations and signatures pace was extremely robust, with half of them concerning Avoriaz. Nevertheless property development turnover expected for 2009/10 as a whole is likely to be slightly lower than the 2008/2009 level in view of delivery schedules.

STRATEGIC ACTION PLAN

Given the deep-rooted and lasting deterioration in the economic and financial backdrop, the Group has decided to implement a transformation and development project based on three main focuses:

▪ **Overhauling organisation** by:

- Refocusing on two product lines: Residences and Resorts, under two major brands: Pierre & Vacances and Center Parcs,
- Converging back office and front office systems,
- Pooling Group-wide functions with a structural cost-cutting programme (streamlining back office…),
- Outsourcing catering at Center Parcs Europe…,
- Sharing sales tools (call-centers, Internet, sales teams),
- Strengthening the Group's purchasing policy.

In all, the aim is to reduce costs by €50 million between 2010/11 and 2012/13.

▪ **Increasing profitability in the tourism segment** by:

- Boosting tourism sales via
    - The rising momentum of internet sales,
    - Loyalty programmes,
    - Cross-selling,
    - Short stays.
- Controlling changes in rents (implementation of indexation cap, incentives for owner occupancy rents), with a target gain of 1.5 in the rents/sales ratio.

▪ **Continuing group expansion** in its core businesses with a target of 30% growth in the tourism residences portfolio, for 15,000 additional apartments and homes in five years time in France, Germany, Spain, Morocco and major European cities. This expansion is set to be driven by three sources:

- Property, via the sale of apartments and homes with a tourism operation lease. This business harbours potential turnover of €1.5 billion and should continue to feed the Group's tourism offering with around 6,000 apartments and homes ;
- Partnerships in city residences (Adagio) with Accor, in the Villages Nature project with Eurodisney and in Morocco with Caisse des Dépôts et de Gestion du Maroc;
- Acquisitions.

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