Groupe
Pierre & Vacances
CenterParcs

Paris, 1 December 2011

Note: This press release presents consolidated earnings established under IFRS accounting rules, currently being audited by the Group's auditors and closed by the Pierre & Vacances SA Board of Directors on 29 November 2011.

Year ending 30 September 2011

- **Turnover and earnings growth**

– **Turnover: €1.4696 billion, up 11.2% like-for-like[1]**
– **Underlying operating profit: €29.3 million, up 8.5%**
– **Net result: €10.5 million, up 44.3%**

- **First positive effects of transformation plan**

– **Operating and legal reorganisation of the tourism businesses into a single division**
– **Investments in modernising IT systems**

FULL-YEAR 2010/2011 TURNOVER AND EARNINGS (1 October 2010 – 30 September 2011)

1) Turnover of €1.4696 billion, up 11.2% like-for-like.

Euro millions	2010/2011	2009/2010 Like-for-like	Like-for-like change	2009/2010
Tourism	**1 097.0**	**1 057.9**	**+3.7%**	**1 163.7**
o/w accommodation turnover	*702.9*	*662.5*	*+6.1%*	*640.8*
Pierre & Vacances Tourisme Europe (1)	569.9	560.5	+1.7%	564.1
Center Parcs Europe (2)	527.1	497.4	+6.0%	599.6
Property development	**372.6**	**263.5**	**+41.4%**	**263.5**
TOTAL FULL YEAR	**1 469.6**	**1 321.4**	**+11.2%**	**1 427.2**

(1) Pierre & Vacances Tourisme Europe includes the Pierre & Vacances, Adagio City Aparthotel, Maeva and Latitudes Hôtels brands.
(2) Center Parcs Europe includes the Center Parcs and Sunparks brands

➢ **Like-for-like full-year 2010/2011 Group tourism turnover** rose 3.7% to €1.097 billion.

Like-for-like accommodation turnover rose 6.1% to €702.9 million, driven by a 3.4% increase in net average letting rates and a 2.7% increase in the number of nights sold. The average occupancy rate rose 0.4% to 66.6%.

Turnover rose during H2, having remained stable in H1 excluding Domaine des Trois Forêts.

[1] ***Like-for-like turnover is adjusted for the following:***

a) *As of 1 July 2011, the acquisition from Lamy of 31 Citéa residence businesses (or €10.5 million in 2009/2010, including an additional €10 million in accommodation turnover). Accommodation turnover at the 11 Citéa residences operated by the Group prior to this acquisition and previously accounted for under "supplementary income" has been reclassified under "accommodation turnover" (i.e. €11.7 million in 2009/2010).*

b) *The outsourcing of catering services at the Center Parcs villages (i.e. €102.2 million in 2009/2010).*

c) *The reclassification as "Other operating income" of rebilled expenses incurred under the framework of external mandates.*

Growth in turnover generated by foreign clients and especially Dutch, German and Belgian clients, was particularly high at French seaside resorts (+22.9%) and stemmed especially from cross-selling and partnerships set up with foreign tour operators in order to promote the Pierre & Vacances brand in international markets.

Sales generated by Internet websites grew by more than 10%, including almost 7% for direct sales, to account for 42% of accommodation turnover.

- **Pierre & Vacances Tourisme Europe** generated like-for-like turnover up 1.7% to €569.9 million.

  Accommodation turnover rose by 4.9%, or €17.9 million, to €380.7 million, with growth primarily driven by:

– City residences: +€15.7 million (+17.6%), including +€3.5 million prompted by the operation of five new residences.
– Seaside resorts: +€10.3 million (+6.3%), including +€3.2 million prompted by the lease of five new residences in Spain and +€1.1 million generated by the first year of operation of the Houlgate residence.

- **Center Parcs Europe** generated like-for-like turnover up 6% to €527.1 million.

  Accommodation turnover rose by 7.5%, or €22.5 million, to €322.2 million, with growth driven primarily by the Domaine des Trois Forêts, where accommodation turnover totalled €31.7 million, up €19.8 million relative to 2009/2010.

  Excluding the Domaine des Trois Forêts, accommodation turnover rose by 1%, or €2.7 million.

➢ **2010/2011 property development turnover** totalled €372.6 million, stemming from the renovation of the Center Parcs Bois Francs and Hauts de Bruyères villages (€107.9 million), the Avoriaz extension (€78.2 million) and the contribution from Les Senioriales (€75 million).

2) FULL-YEAR 2010/2011 EARNINGS

Euro millions	**2010/2011**	**2009/2010**
Turnover	1 469.6	1 427.2
Tourism	*1 097.0*	*1 163.7*
Property development	*372.6*	*263.5*
Underlying operating profit	**29.3**	**27.0**
Tourism	***-2.8***	***3.2***
Property development	***32.1***	***23.8***
Financial expenses	-16.6	-14.2
Tax	-4.6	-5.4
Attributable underlying net profit[2]	**8.1**	**7.4**
Other operating income/expense net of tax[3]	2.4	-0.1
Attributable net profit	**10.5**	**7.3**
Net financial debt	102.6	92.2
Shareholders' equity	493.7	486.8
Net debt/equity	**20.8%**	**18.9%**

[2]Attributable underlying net profit corresponds to underlying operating profit, financial items and current tax before exceptional items which have been reclassified under Other operating income/expense.

[3] Other operating income/expense net of tax includes earnings items which given their non-recurring nature, are not considered as being a component of underlying profit (non-recurring tax expenses or savings, update of Group tax position, restructuring costs etc.).

2.1 Underlying operating profit of €29.3 million, up 8.5%

Note: During the year, the Group's transformation plan led to the merger of the operating and legal organisations of Pierre & Vacances Tourisme Europe and Center Parcs Tourisme Europe. Given the pooling of all back office facilities and functions as well as the corresponding costs, underlying performances at each of the former divisions are now considered as a whole.

- **The tourism businesses generated an operating loss of €2.8 million** vs. a €3.2 million profit in 2009/2010.

- 2010/2011 operating profit benefited from the €5 million increase in the contribution from the Domaine des Trois Forêts and growth in accommodation turnover excluding the impact of new offerings (city residences, Spain), which added around €8 million to operating profit.
- In addition, the transformation plan implemented by the Group generated gains of €4.5 million from the reduction rents and €1 million from purchases. Savings prompted by the overhaul of the organisation (around €3 million) were wiped out by additional staff costs caused by the transition period. In addition, costs for rolling out new front and back-office systems led to a further expense of €8.5 million.
- Finally, operating profit was dented by costs associated with inflation (almost €12 million) and the disadvantageous outcome of a legal dispute concerning delivery delays for the Domaine du Lac d'Ailette in 2007 (€2.3 million dent to tourism earning).

- **Operating profit in the property development division totalled €32.1 million** vs. €23.8 million in 2009/2010.

  This increase was prompted by turnover growth and gains made as part of the transformation plan in terms of construction costs (€4 million), which helped generate average operating margin on operations over the year of 8.6%.

2.2 Attributable net profit of €10.5 million, up 44.3%

- **Financial expenses** totalled €16.6 million in 2010/2011, vs. €14.2 million in 2009/2010. This increase was primarily due to interest expenses on new financing sources contracted by the Group since 2009/2010 in order to strengthen its liquidity and extend debt maturity:

- Refinancing of corporate debt in June 2010: a new €100 million credit line to refinance the existing line of €37 million.
- A €115 million convertible/exchangeable bond issue in January 2011.

- **Other operating income** net of tax totalled €2.4 million.

  This included all restructuring costs prompted by the closure of the Center Parcs Europe head office in Rotterdam (-€12 million net), offset by the gains made on the disposal of Latitudes hotel businesses and the acquisition operation for businesses managed by Citéa (+€8.4 million net), as well as non-recurring tax savings associated with the update of the Group's tax position.

2.3 Low net debt/equity ratio

On 30 September 2011, net debt represented just 20.8% of the Group's equity, thereby confirming the solidity of the Group's balance sheet.

2.4 Dividend

A dividend of €0.70 per share is to be proposed to the AGM, representing an overall payout of €6.2 million, which is stable relative to 2009/2010.

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PROGRESS IN TRANSFORMATION PLAN

In May 2010, the Group implemented an extensive plan to transform its organisation, aimed at expanding its businesses within an integrated Group, optimising costs and generating growth.

During 2010/2011, a number of actions were taken concerning two major focuses:

- **Turnover growth:**

- Sales operations were implemented in order to develop sales at the Pierre & Vacances brand, especially outside France in the Netherlands, Belgium and Germany (mailing campaigns, TV adverts, cross-selling offers on Internet websites, development of partnerships with foreign tour-operators etc.). Sales generated by Belgian, Dutch and German clients in the Pierre & Vacances Tourisme Europe division therefore rose by almost 20% relative to the year-earlier period.
- As part of the framework to optimise the Group's brand portfolio and the appeal of its offerings: five Sunparks villages in Germany and the Netherlands were transferred to the Center Parcs banner, three Latitudes hotels were sold off. The acquisition of the Citéa tourism residences and the ensuing creation of the Adagio Access range has enhanced the Group's prospects in these high-potential market segments.
- A new Pierre & Vacances reservation website was launched in May 2011, thereby contributing to growth in the share of sales derived from the Internet.

- **Cost cutting:**

- The operating organisations and group-wide functions of Pierre et Vacances Tourisme Europe and Center Parcs Europe have been pooled. The teams have been re-housed in Paris, thereby prompting the closure of the Center Parcs head office in Rotterdam and the departure of around 100 staff members.
- The lease renewal policy with a reduction in rents and the Group's purchases department generated the first savings over the year.

In addition, significant investment efforts were made in order to modernise the front and back-office systems. Virtually all the IT convergence projects have been launched with a maturity of 12-36 months (ERP, CRM project, joint web platform etc.). These projects should help boost turnover and enhance operating efficiency.

In an uncertain backdrop, the Group is more than ever maintaining its strategy to cut costs and modernise its brands as well as its distribution and management tools.

Development is the driving force behind Group growth and is set to continue with diversified financing methods.

The financial targets set in 2010 for growth of €100 million in tourism turnover and a €65 million reduction in costs have been confirmed for 2014.

RESERVATIONS TRENDS FOR 2011/2012

- **Tourism reservations to date are at a similar level** to those last year, with a higher amount in city residences and mountain destinations.
- **The pace of reservations for property programmes currently being marketed** has remained robust since the start of 2011/2012.

Information on full-year 2010/2011 earnings includes this press release and the presentation document available on the Group's website: www.groupepvcp.com

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