



Annual Review

2013/14

Center Parcs is all about family time

Center Parcs targets the premium end of the UK family short break market, offering an escape from the stresses and strains of modern life. With recent trends showing an increase in family short breaks, particularly in the UK, the Center Parcs concept is as relevant today than at any point in its 27 year history in the UK market.

We have invested heavily in ensuring that we continue to deliver high quality accommodation and facilities, combined with an unrivalled array of activities that cater for the most discerning of families, as well the most changeable of British weather. And there's nothing prescriptive about a short break at Center Parcs, with each family free to choose to do as little or as much as they like.

Center Parcs remains a unique proposition for families in the UK market and proves more popular every year with a longstanding run of growth in terms of visitor numbers, revenue and profits, as well as guest feedback scores and consistently high levels of returning guests.



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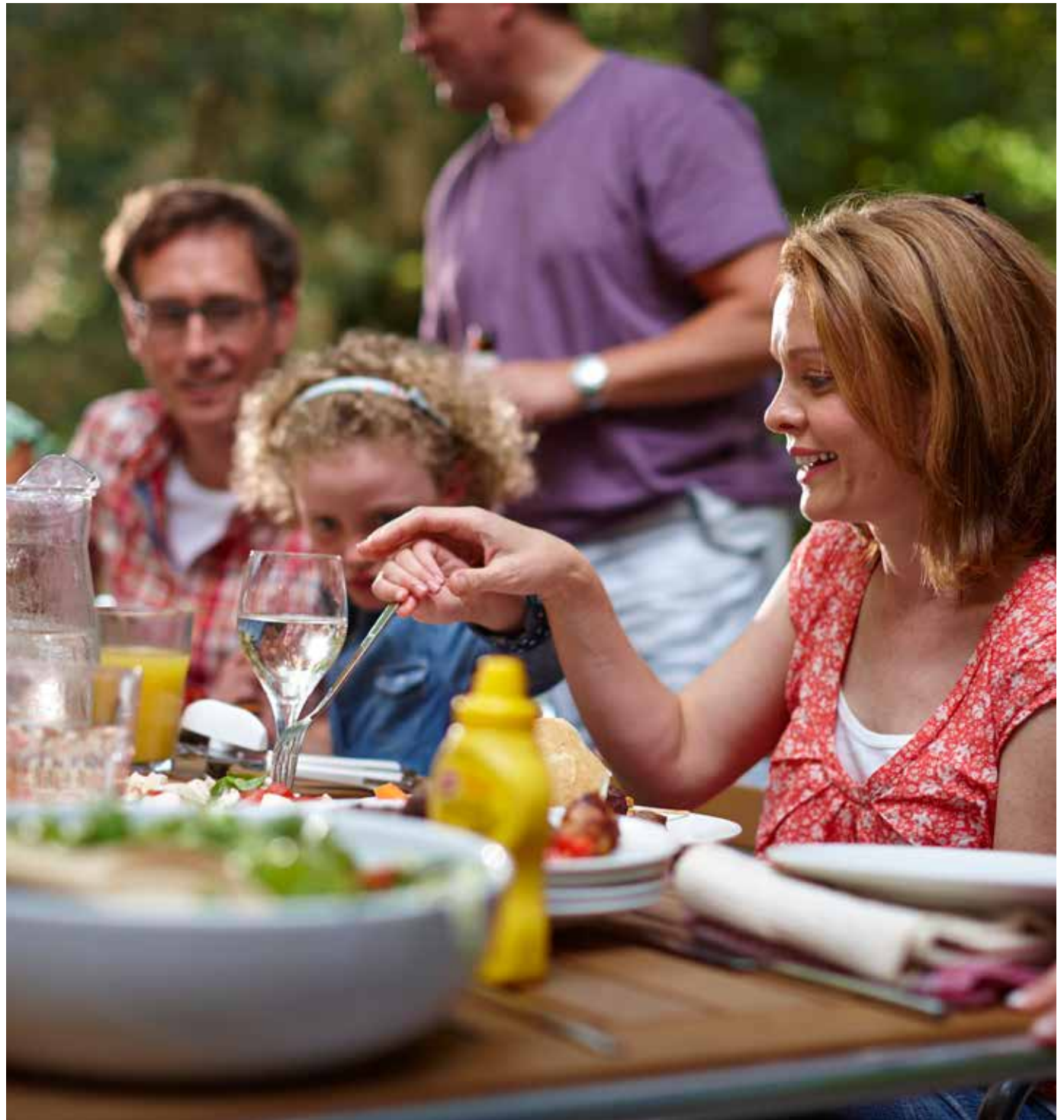
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The Year in Numbers

	2013/14	2012/13
Occupancy (%)	97.2	97.2
Sleeper nights (m)	5.9	6.0
Number of guests (m)	1.7	1.7
Capital investment (£m)	39.6	39.9
Revenue (£m)	314.6	303.5
Adjusted EBITDA (£m)	146.8	140.0
Profit before tax (£m)	20.6	18.6
Average daily rate (£) (net of VAT)	153.67	148.36
RevPAL (£) (net of VAT)	149.38	144.22
Accommodation bookings via web (% of total)	81	79
Guest satisfaction (% of guests ranking their break as excellent or good)	96	96
Prompted brand awareness (% of people that when asked recognise the Center Parcs brand)	98	99
Employee turnover (%)	25	23

* All figures relate to the original four Villages and exclude the Woburn Forest Village, which opened in June 2014.



Overview and Key Performance Indicators



Overview and Key Performance Indicators



The Center Parcs business operated four holiday Villages, during the year in the UK:

- Sherwood Forest in Nottinghamshire
- Elveden Forest in Suffolk
- Longleat Forest in Wiltshire;
- Whinfell Forest in Cumbria

The existing 4 Villages are owned and operated by the group headed by Center Parcs (Holdings 1) Limited. The Woburn Forest Village, which opened in June 2014, is owned and operated by CP Woburn (Operating Company) Limited, a separate legal entity.

The Villages are set in forest surroundings, typically 400 acres in size and provide high quality accommodation in fully equipped Lodges and Apartments. Each Village offers an extensive range of sports and leisure activities plus numerous restaurants, bars and retail outlets and a superb Aqua Sana Spa facility. Woodland, water and a natural, healthy environment are the essential characteristics of the Center Parcs experience.

Center Parcs operates in the short break holiday market, which consists of three segments:

- traditional holiday centres;
- holiday parks based on caravan or lodge accommodation;
- forest villages.

The Board of Directors and the Operating Board receive a range of management information on a periodic basis. The principal measures used to monitor the progress and

performance of the business are as follows:

Revenue

Revenue for the period was £314.6 million (2012/13: £303.5 million).

Adjusted EBITDA

Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation and owners' costs. Adjusted EBITDA for the period was £146.8 million (2012/13: £140.0 million).

Occupancy

Occupancy is the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 97.2% (2012/13: 97.2%). The average number of units of accommodation was 3,421 during the period (2012/13: 3,416).

ADR (Average Daily Rate)

ADR is the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total number of units of accommodation nights sold.

ADR for the period was £153.67 (2012/13: £148.36).

The year-on-year increase in the ADR is a strong performance, particularly given the challenging market and economic conditions.

RevPAL (Rent per available lodge night)

RevPAL is the average daily rent (excluding VAT) achieved based on the total accommodation income divided by the total available number of units of accommodation nights.

RevPAL for the period was £149.38 (2012/13: £144.22).

Forward bookings

Forward occupancy at 24 April 2014 at existing 4 Villages was 41% (2012/13: 40%). This gives good forward visibility of future occupancy levels.

Prompted brand awareness

Prompted brand awareness was 98% (2012/13: 99%).

Guest satisfaction

We track guest satisfaction using questionnaires completed by guests online. 96 % (2012/13: 96%) of respondents rank their break at Center Parcs as excellent or good.

Employee Turnover

The average labour turnover for the business during the period was 25% (2012/13: 23%).

Chief Executive's Review



"A landmark year...history in the making for Center Parcs. During the year, construction work at our fifth Village at Woburn Forest was virtually completed and the existing 4 Villages maintained the high quality service that is synonymous with the Center Parcs brand and continued to deliver strong performance against all their key performance indicators.

To maintain our high standards, we continued our capital investment programme in the existing 4 Villages investing, in aggregate, £39.6 million. In addition, we invested £174.3 million in the construction of Woburn Forest (taking the total to approximately £250 million).

Against a back drop of challenging but improving economic conditions, the Center Parcs business went from strength to strength; average occupancy was 97.2%, an exceptional level for the leisure and hospitality sector, and approximately 1.7 million guests enjoyed the Center Parcs experience during the year.

Woburn Forest opened to guests on 6 June 2014. The addition of Woburn Forest to the Center Parcs family provides us with the perfect springboard as we move in to the next chapter of the Center Parcs story."

Martin Dalby
Chief Executive Officer

Chief Executive's Review

Progress Against Strategic Objectives

Our business strategy is to be the leading provider of short break holidays in the UK.

2013/2014 was an exceptional year for Center Parcs as we prepared for the opening of Woburn Forest, our fifth holiday village in the UK. In addition to building Woburn Forest, it was imperative that we maintained and enhanced the high standards that we deliver to our guests at the other 4 Villages. We therefore focussed on 3 key elements and we made excellent progress in each area:

Maintain focus on our existing four Villages

Center Parcs has worked hard to build a reputation for providing high quality breaks across the existing four Villages and it was essential that the construction and opening of Woburn Forest did not impair the service delivery nor slow the rate of capital investment at the existing 4 Villages.

We invested £40 million across the 4 Villages during the year. For example, we completed the £2.5 million investment in the "Venture Cove" children's play area in the Subtropical Swimming Paradise at Elveden.

Good progress was also made on the upgrade of the dome roof at Longleat Forest where we spent £3.5 million in the year. We again invested heavily in our accommodation with a further 286 units being upgraded to the new style during the year at a cost of £16.6 million. We improved on last year's guest satisfaction scores demonstrating that our guests benefitted from our continued focus on the existing Villages.

Open the fifth Village, Woburn Forest

Woburn Forest welcomed its first trial guests on 16 May 2014. The trial guests put the Village through its paces and allowed us to make the finishing touches before opening to guests on 6 June 2014.

Our Human Resources team, along with our concessionaire partners, successfully recruited and trained 1,500 colleagues in readiness for opening.

The specification and quality of Woburn Forest is testament to the exacting standards set by Center Parcs.

We launched a comprehensive PR and marketing campaign across a number of media channels including national TV, cinema, regional and national

newspapers and we sponsored regional weather reports on TV. The marketing campaign underpinned our strong brand awareness amongst our target audience and bookings have been in line with expectations.

Our People

We continually recognise that our people are at the heart of our business; delivering what is important to us and our guests.

We successfully implemented a new recruitment and selection system, which was instrumental in the recruitment drive for Woburn Forest. We also implemented the Auto-Enrolment Pension Scheme during the year.

With a staff turnover rate of 25% across the Villages, our ability to recruit, retain and motivate staff is very high. Our staff turnover rates, which compare favourably against the leisure and hospitality sector, demonstrate the stability we have in our employee base and that our investment in our people is paying dividends.



Chief Executive's Review continued

Objectives for the Coming Year

Now that Woburn Forest has welcomed its first guests, 2014/2015 is a year for Center Parcs to consolidate, enhance and to continue the innovation within our business. With this in mind, Center Parcs has 3 essential objectives for the forthcoming year:

Continued Capital Investment

In the coming year, we expect to invest a further £40 million of capital, including £13 million on upgrading our accommodation. We are aiming to refurbish 162 units of accommodation during the year which will mean that, by the year end, 84% of accommodation will have been upgraded.

Our commitment to improving our guest and leisure facilities will continue. For example, we will refurbish the changing rooms in the Aqua Sana at Sherwood Forest. Design work will also commence on improving the swimming pool facilities at the other Villages. To reinforce our commitment to sustainability, we will invest in a Combined Heat and Power unit at Longleat Forest and we will be

installing a solar panel system at our Head Office.

Product Innovation

It is imperative that we continue to improve and upgrade our facilities and activities. During the year, we shall open a new high adrenaline zip-wire across the lake at Elveden Forest and open a low ropes course at Longleat Forest for our smaller guests who can't quite manage the high ropes challenge! We have undertaken a full review of our activities for our younger guests and will roll out a new programme within our children's activities. Technology continues to drive innovation within our business. At the time of writing, we have launched the Center Parcs mobile app in relation to Woburn Forest. This app allows guests to book activities, check their itinerary and find their way round the Village. Our aim is to roll this out to the other Villages. We shall also be rolling out free Wi-Fi connectivity across all accommodation types at Elveden Forest and Longleat Forest. During the year, we will be reviewing the activities and facilities at Woburn and, once the concepts have been proven, we will select elements and then commence a roll out programme at the other Villages.

Our Guests, Our People and Our Environment

Center Parcs cannot achieve its objectives without its guests, its people and its tranquil natural surroundings. We are focussed on ensuring that each of our Villages maintains the very high level of guest satisfaction scores that they have achieved. We are committed to ensuring that our considerable investment in recruiting, training and retaining our people is not wasted and lost to the business. We are aiming to keep staff turnover in line with prior years.

We will ensure that we remain focussed on meeting our ambitious carbon reduction target of 20% by 2020 (compared to our baseline 2009/2010 year) and to ensure that we remain committed to producing or sourcing 10% of our energy requirements from renewable sources by 2020.

2014/2015 will see our unique Home Energy Savers programme, aimed at employees, in its second year. Through this scheme, we encourage our people to save energy at home for a range of rewards. Last year's winner received a cash lump sum to spend on home improvements related to sustainability.



Chief Executive's Review

"Center Parcs has delivered another fantastic year for its guests, its people and the local communities. The opening of Woburn Forest opens a new chapter in the story of Center Parcs UK. I have every confidence that the combination of 5 Villages gives us the perfect platform to provide the highest quality short breaks as we expect to welcome over 2 million guests to Center Parcs in the coming year.

As the economic conditions continue to improve in the coming months, I believe that Center Parcs will continue to grow and deliver on its key objectives in the forthcoming year."



Martin Dalby
Chief Executive Officer



Group Financial Review



Financial highlights

- Net revenue up 3.7% to £314.6 million
- EBITDA (before owners' costs) up 4.9% to £146.8 million
- Cash generated from operating activities of £146.2 million
- Capital investment of £39.6 million in the original four Villages
- Profit before tax of £20.6 million

Financial Review

During the 2011/12 financial year, Center Parcs restructured its debt facilities in order to commence the construction of the fifth Village at Woburn Forest.

Under the current corporate structure, the 4 existing holiday Villages are owned and operated by the Center Parcs (Holdings 1) Limited group of companies (the "Group"), and Woburn Forest is owned and was developed by CP Woburn (Operating Company) Limited, a separate legal entity.

During the year under review, capital investment of £174.3 million was incurred by CP Woburn (Operating Company) Limited in respect of the construction of Woburn Forest.

This year has seen the Group produce another good trading performance, despite the ongoing challenging economic conditions.

This success reflects the level of service delivered and the attractiveness of Center Parcs as a short break destination in the UK.

Profit before tax increased from £18.6 million to £20.6 million during the year as a result of higher EBITDA off-set to some extent by higher depreciation and finance costs.

The results have been prepared on a going concern basis consistent with the view, formed after reviewing the Group's cash flow forecasts and trading budgets and making appropriate enquiries, that the Group is operationally and financially robust and will generate sufficient cash to meet its debt service requirements for the next 12 months.

Group Financial Review

continued



Group Income Statement

The following income statement is extracted from the audited consolidated financial statements of Center Parcs (Holdings 1) Limited:

	Year to 24 April 2014 £m	Year to 25 April 2013 £m
Revenue	314.6	303.5
Cost of sales	(31.3)	(31.4)
Gross profit	283.3	272.1
Administrative expenses	(136.5)	(132.1)
Adjusted EBITDA	146.8	140.0
Owners' costs	(1.5)	(1.7)
EBITDA	145.3	138.3
Depreciation	(28.8)	(25.4)
Amortisation	(2.2)	(1.8)
Operating profit	114.3	111.1
Finance income	0.4	0.3
Finance expense	(94.1)	(92.8)
Profit before taxation	20.6	18.6
Taxation	(4.0)	0.6
Profit for the period	16.6	19.2

Group Financial Review

continued



Revenue

Revenue increased by £11.1 million or 3.7% during the year. This increase was driven by an improvement in ADR, combined with an increase in underlying on-Village spend. ADR increased by 3.6% in the year, reflecting both inflationary price increases and the benefits of increased yield from upgraded accommodation. Revenue growth was seen at all four Villages during the year.

Cost of sales

Cost of sales of £31.3 million in the year was virtually unchanged in comparison to the prior year (£31.4 million) as a result of good cost management.

Administrative expenses

Administrative expenses were £136.5 million in the year, an increase of £4.4 million in comparison to the prior year. This rise was mainly as a result of increases in payroll, insurance and energy costs.

Adjusted EBITDA

As a result of the factors outlined above, adjusted EBITDA grew by £6.8 million or 4.9% in comparison to the prior year. Consistent with the revenue trends, all Villages saw increased adjusted EBITDA.

Depreciation and amortisation

Depreciation and amortisation increased by £3.8 million during the year, driven by the ongoing significant levels of capital expenditure in recent years, particularly on upgrading units of accommodation.

Cash inflow

The Group continues to be highly cash generative, with a net cash inflow from operating activities during the year of £146.2 million (2012/13: £140.9 million).

This year has seen £34.5 million spent on capital projects and £80.1 million on interest payments. Cash balances increased by £29.5 million to £58.2 million during the year.

Borrowings

At 24 April 2014 the borrowings of the Group totalled £1,021.7 million, being £1,020.0 million of secured financing raised during the 2011/12 financial year and a mortgage of £1.7 million on the Group's head office.

The secured borrowings were issued in three tranches with differing interest rates and expected maturity dates. The earliest expected maturity date relates to the Tranche A1 borrowings of £300 million, which have an expected maturity date of 28 February 2017. The Tranche A2 borrowings of £440 million have

an expected maturity date of 28 February 2024 and the Tranche B borrowings of £280 million have an expected maturity date of 28 February 2018.

The secured financing agreement includes a number of covenants that Center Parcs is required to comply with, including the maintenance of certain minimum ratios of free cash flow to debt service, which it does with a comfortable amount of headroom. The borrowings are secured on the assets of the Group.

The £250 million construction cost of the fifth Village at Woburn Forest was funded by a capital injection of £110 million from the business owners, the Blackstone Group and £140 million of loans from a syndicate of UK banks.

Corporate Responsibility



Corporate Responsibility

Our Villages are built deep within the forest, enabling our guests to enjoy acres of unspoilt woodland where they can interact directly with nature. This close link with the natural environment means we have always been committed to the protection of our surroundings.

However, our responsibilities go far beyond this. As a sustainable business, we seek to benefit and improve the communities in which we operate, by sourcing local services and produce, where ever possible. We aim to minimise our impact on the environment and encourage biodiversity when caring for Center Parcs forests but also the wider surroundings.

We understand the importance of a sustainable community too and work closely with our employees, local suppliers, communities and charities across the UK to improve the way we operate.

Sustainability

The Center Parcs experience is built around enabling our guests to enjoy the natural environment. It is therefore vital that we protect it. Through the rigorous adherence to our Environmental Management System, (which is independently audited under ISO14001), we continue to make

progress in our efforts to reduce the impact of our business on the environment. Our Sustainability Strategy sets out our commitments for the next ten years.

During the past year we have made progress towards our Sustainability Strategy targets.

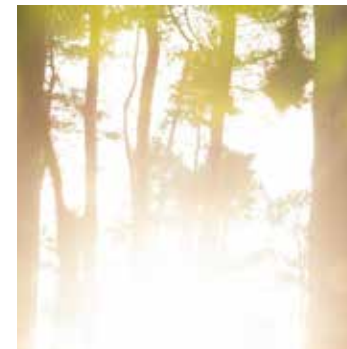
- **Electricity usage reduced by 10%, whilst gas usage reduced by 8%;**
- **Recycling increased by 11% (289 tonnes) and General Waste was down 12%**
- **We also introduced dedicated food waste collection which diverted 375 tonnes of food waste from landfill**
- **Overall Center Parcs' carbon emissions decreased by 9% (5,656 tonnes).**

The warmer winter helped to achieve the energy reductions, particularly in gas usage. When adjusted for the weather, we estimate we reduced our overall usage by 5% compared to the previous year. We remain committed to our strategic targets and have a range of measures in place to help us achieve our ambitious targets including the introduction of a Combined Heat and Power plant at Longleat.

During the past year in order to help reduce our carbon footprint, we have also installed a Combined Heat & Power Unit at Elveden and solar thermal heating at the Lakeside Apartments at Whinell, as well funding over £200,000 of energy saving initiatives across the Villages, such as installing LED lighting and heat recovery systems, and undertaking infra-red heating trials.

Carbon reduction targets continue to be an important part of our employee bonus schemes, and during the year we completed the first period of the Home Energy Savers, a scheme designed to help our employees reduce the carbon footprint in their own homes.

This pilot scheme is one of the first of its kind in the UK and rewards employees by matching any savings they make on their gas, electricity and water usage over 12 months. The employee who reduced their energy consumption the most won a cash lump sum to spend on home improvements related to sustainability.



Corporate Responsibility continued

Nature and Biodiversity

We are committed to improving and caring for our forest surroundings and work hard to create and maintain biodiversity at Center Parcs – nurturing and attracting nature and wildlife.

Center Parcs was again awarded The Wildlife Trust's Biodiversity Benchmark for all its sites this year, in recognition for its continual efforts to protect and enhance the natural environment at its Villages across the UK.

Community

We have an extremely close relationship with the communities surrounding our Villages and support the local communities by sourcing local services and produce where ever possible. Our volunteer programme allows our employees to spend a working day on a local community project helping schools, community centres and nature projects. We have also supported the local schools through donations, work experience and skills development.

During the construction of Woburn Forest, the Senior Management team volunteered time with The Greensand Trust helping to prepare a natural play area at Maulden Wood, close to the Village.

Our People

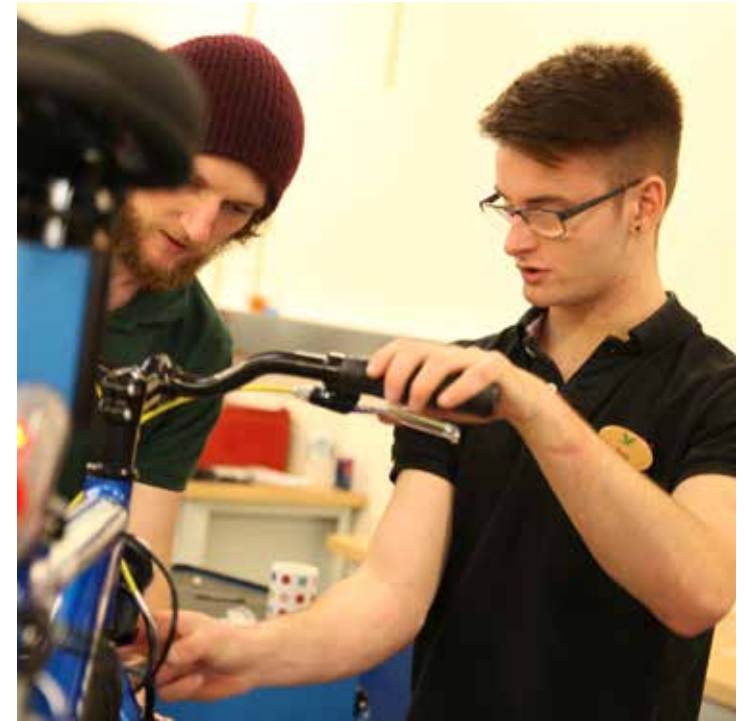
Our people are our most important asset and critical to our success. They directly interact with our guests and make sure they enjoy their stay with us, and come back again. We employ over 7,000 individuals and naturally understand the importance of delivering initiatives that support, develop and reward all our employees, whatever their position in the company.

Center Parcs is recognised by Investors in People, and we encourage our employees to develop their skills and we reward them when they are successful. Our training & development programmes offers our colleagues the opportunity to develop their technical and professional skills as well as their leadership potential from entry level to Managers. This year our Leisure activity team completed a 2-day 'Activities to Inspire' workshop, we have trained up an additional 24 Cycle mechanics to the industry standard CYTECH qualification to keep our 15,000 bike fleet in good working order, over 150 colleagues have achieved an industry specific NVQ work-based qualification and our Guest Services teams completed Deaf Awareness training to ensure we can offer a warm welcome all our guests.

Our ASPIRE Leadership Development Programme supports managers and potential managers by developing each individual to his or her full potential. The ASPIRE programme is the main route to developing individuals to the next level of management and contributes to attracting and retaining talented individuals who want to progress in the business. During the year, 125 individuals across the business completed one of the three levels of this programme, with those colleagues completing the higher level Diploma also achieving the CMI Level 5 Certificate in Management and Leadership

We are proud of our employees and each year our Star Performers programme rewards the top contributors to the business from each Village and from Head Office with a cash prize.

We believe that all employees should be treated equally. Our dedication to our people has resulted in a committed workforce. Our annual employee turnover was 25% which is below the leisure industry average, 30% of our employees have been with us for three years or more and our diversity levels reflect the local population. We are pleased to have given a pay increase and bonus payment to all eligible employees.



Corporate Responsibility continued

Our Charitable Partnerships

Center Parcs has a strong background of charitable support, offering donations in both financial terms and gifts in kind, to a range of charitable organisations.

We have long been involved with a number of charities and appeals, both nationally and in the local areas surrounding our UK villages and Head Office.

We recognise our responsibility to support the communities in which we operate and equally it's important for us to help organisations whose values, ethos and aims align with our own which focus on family health & wellbeing, children and the protection of the natural environment.

Every few years we make a commitment to a long-term charitable partnership and also pledge our support by donating breaks across a number of charities supporting families during difficult times.

Charities

Center Parcs has started a two year partnership with ChildLine and The Wildlife Trusts to support children and the natural environment; both of which are at the heart of a Center Parcs break. Guests will be able to make a donation when booking a

break and we will match the donations made. The donations will be split equally between the two charities.

The partnership with ChildLine has seen us supporting the ChildLine Schools Service, a ground-breaking service that aims to protect a generation of children. The goal is to get specially trained volunteers visiting every primary school in the UK to help children understand abuse. This will give children the confidence to talk about abuse, show them some ones ready to listen and help more children to have a safe and happy childhood.

We will also be raising funds for, and awareness of, The Wildlife Trusts' Real Life appeal which aims to recover our natural environment and create 'Living Landscapes' across the UK. The Real Life appeal hopes to inspire people about the natural places that are important to their own communities and encourages families to bring nature and real 'Living Landscapes' into their daily lives. The partnership will help make nature not just something for holidays, but a part of everyone's 'real life' back home, too.

Since June 2013 we have raised over £78,000 for our corporate charities.

In addition to our corporate charities the employee representative bodies, at each Village and the Head Office,

which are known as 'Councils', have locally nominated charities and donated over £9,000 during the year and our employees donated nearly £4,000 to local charities through our employee payroll fund.

Break Donations

We have offered break donations to a variety of charities supporting children and families going through difficult times.

During the year we donated short breaks to charities, such as Make-A-Wish Foundation UK, the Rainbow Trust Children's Charity and more specialist charities including The Lily Foundation and Nicola's Fund providing much needed holidays for seriously ill children and their families.



Center Parcs *Charity Partners 2013/14*



Ownership and Management Structure



Ownership and Management Structure



Our History

- The first Center Parcs Village opened in the Netherlands in 1968.
- The first UK Village was opened in 1987 in Sherwood Forest, Nottinghamshire.
- Further Villages were opened at Elveden Forest, Suffolk in 1989 and Longleat Forest, Wiltshire in 1994. Whinfell Forest, Cumbria was acquired in 2001.
- The fifth Village at Woburn Forest, Bedfordshire was opened in Spring 2014.
- In 2001 the Center Parcs Europe and UK businesses were split and the UK business was sold to Deutsche Bank Capital Partners.
- In 2003 the UK business was floated on the London Alternative Investment Market and moved to a main stock market listing in 2005.
- In 2006 funds advised by the Blackstone Group acquired Center Parcs UK.

Our Ownership

The Center Parcs business is ultimately owned by investment funds advised by the Blackstone Group.

The ownership split is as shown in the table below:

Funds advised by the Blackstone Group	92.4%
Funds advised by Lexington Partners UK Limited	5.9%
Management	1.7%

Our Management

The Center Parcs business is managed in the UK by the Board of Directors which comprises representatives of its principal shareholder, the Blackstone Group, together with three executive members.

Day to day operational management is the responsibility of the Operating Board which is made up of two executive members and five members of senior management.

Ownership and Management Structure

continued



The Board of Directors

Martin Dalby

Chief Executive Officer

Martin joined Scottish and Newcastle in 1978 where he held various accounting positions before joining Center Parcs UK in January 1995 as Financial Controller. In 1997 he became Finance Director of Center Parcs UK and in July 2000 he was appointed Chief Executive Officer.

He has led the UK business through the change of company ownership from Scottish and Newcastle to Deutsche Bank Capital Partners (subsequently MidOcean Partners) as well as the acquisition and integration of Oasis Whinell Forest.

He then led the float of the business onto AIM in December 2003, the transition to the London Stock Exchange's main list on 1 March 2005 and the subsequent purchase by the Blackstone Group.

Paul Inglett

Finance Director

Paul joined Marston's PLC (formerly The Wolverhampton & Dudley Breweries, PLC) in 1992. He was appointed to the board as Group Finance Director in 2002, having previously held a number of senior financial roles within the group.

During his time at Marston's he had responsibility for the finance, IT, purchasing and estates teams across the group. He was Finance Director during a period of significant change for the group and was closely involved in a number of major acquisitions and disposals, which resulted in a number of significant refinancings of the group, including two securitisations.

In January 2010 he joined Center Parcs as Finance Director and is CIMA qualified.

Martin Robinson

Chairman

Martin was a management consultant at McKinsey & Co in both Chicago and London before joining S&N Retail in 1994 as Commercial Director.

Prior to this he worked for Reckitt & Coleman and Sara Lee Corporation. He joined Center Parcs as Managing Director of its European business in October 1997 and was appointed as Chairman of the Board of Management of the Center Parcs Group in November 1999.

He led the management buy-out of Center Parcs by Deutsche Bank Capital Partners in 2001 and, following the split of the European and UK businesses, was appointed Chairman of both. He left Center Parcs Europe in July 2004 and is currently Chairman of Center Parcs UK.

He is also a non-executive director of EuroDisney SCA.

Ownership and Management Structure

continued



Andrea Valeri

Andrea Valeri is a Senior Managing Director in the Tactical Opportunities Group at Blackstone Private Equity Group and is based in London.

Since joining Blackstone in 2005, he has been involved in Blackstone's investments in Kabel BW, Gardaland, and Jack Wolfskin. Before joining Blackstone, he was a Vice President at Goldman Sachs, where he spent several years in the Merger & Acquisition and Consumer and Retail groups. Prior to that, he worked at Bain & Co. as a management consultant. He serves as a director of Tragus and Jack Wolfskin.

Peter Stoll

Peter Stoll is a Senior Managing Director and Chief Operating Officer of the Blackstone European Real Estate Group based in London.

Since joining Blackstone in 2002, he has been responsible for acquisitions, asset management and disposition activities across Europe, including the Skanska Office portfolios and other assets in Sweden, the pan-European Deutsche Bank portfolio, the WCM Residential portfolio in Germany and the French healthcare platform.

Before joining Blackstone, he was an Associate Director at The Carlyle Group and a Senior Associate in the acquisitions group of the Morgan Stanley Real Estate Fund in London.

Farhad Karim

Farhad Karim is a Managing Director in the Blackstone Real Estate Group based in London.

Before joining Blackstone in 2011, he was a partner at Simpson Thacher & Bartlett LLP, where he worked on the acquisition, financing, and disposition of complex real estate investments including in the hospitality, logistics, office, residential, and retail sectors in Asia, Europe, and the United States.

Michael Pegler

Michael Pegler is a Managing Director in the Blackstone Real Estate Group based in London.

He is involved in portfolio and asset management activities across the Blackstone business. Before joining Blackstone in 2005 he worked as a Senior Manager in the Investment Management team at Deloitte and specialised in services to private equity and real estate funds.

Tania Daguerre-Lindbäck

Tania is a Managing Director in the Blackstone Private Equity Group and is based in London.

Since joining Blackstone in 2004, she has been involved in Blackstone's investments in Sulo, ICS and Pulse. Before joining Blackstone, she worked at Goldman Sachs in the Mergers & Acquisitions division in London and Paris.

Ownership and Management Structure

continued



The Operating Board

Martin Dalby, Chief Executive Officer and **Paul Inglett**, Finance Director are members of the Operating Board along with the following members of senior management:

Paul Kent

Operations and Development Director

Paul started his career in retail management with Safeway plc and joined Center Parcs in 1987, when the first holiday Village was established in the UK. During his career with Center Parcs UK he has held a variety of roles with responsibility for Retail, Leisure and Food & Beverage before moving to the position of General Manager of Sherwood Forest and then taking up the UK Operations Manager role in 2002. In January 2004 he was appointed to the position of Commercial Director and in May 2012 took over responsibility for both Operations and Development.

Judi Leavor

HR Director

Judi joined Center Parcs at its inception in the UK in November 1985 and was promoted through a number of personnel roles before being appointed to her current position of Human Resources Director in March 2002. Judi is responsible for over 7,000 Center Parcs employees, as well as Training and Development, Pensions and Payroll. She holds Chartered Fellow status of the CIPD, was a finalist in the Vitalise Business Women of the Year Award in 2013 and

is an active participant in CBI policy matters relating to HR both regionally and nationally. She actively raises issues relating to the business/sector at Government level and has helped communicate the benefits of Universal Credit.

Colin Whaley

Sales and Marketing Director

Colin joined British Airways in 1987, gaining broad experience in a number of departments before being appointed as Head of Sales and Marketing with BA Holidays in June 1998. Following the acquisition of BA Holidays by Thomas Cook Holidays he headed up Sales and Marketing for the newly merged company. In 2002 Colin left BA to take up the position of Marketing Director at Travelbag Limited. After this business was acquired by ebookers, Colin was promoted to Marketing Director of ebookers (UK). He joined Center Parcs in November 2004 as Sales and Marketing Director.

Don Camilleri

Woburn Construction Director

Don graduated as a civil engineer and held a number of senior engineering positions in the UK and overseas.

While at Ove Arup and Partners he was the senior engineer on the building of Center Parcs Sherwood Forest. In 1986, Don was appointed as Director of Development and Engineering for Center Parcs UK and has since been responsible for all development projects. He is a Chartered Engineer and member of the Institution of Structural Engineers as well as a member of the European Federation of National Engineering Association.

In May 2012 he was appointed Woburn Construction Director.

Graham White

Woburn Implementation Director

Graham joined Center Parcs in 1989 as Food & Beverage Manager at Elveden Forest having previously been a General Manager of Sodexo and the proprietor of The Malbank Hotel in Cheshire. He was promoted to Deputy General Manager for Elveden Forest followed by General Manager for Sherwood Forest and UK Operations Manager, before becoming UK Operations Director in September 2000.

In May 2012 he was appointed Woburn Implementation Director.

Principal Risks and Uncertainties



Principal Risks and Uncertainties

Center Parcs adopts a proactive approach to the management of potential risks and uncertainties which could have a material impact on the performance of the business and execution of its growth strategy.

The Operating Board are actively involved in the Center Parcs' Risk Committee. In addition to ongoing monitoring, the Risk Committee meets quarterly to oversee risk management arrangements and ensure appropriate processes are put in place to mitigate potential risks and uncertainties. The Fire, Health and Safety Steering Committee also meets bi-monthly to oversee operational risks.

There are a number of potential risks and uncertainties which could have a material impact on Center Parcs' performance and execution of its growth strategy. These risks include, but are not limited to:

Operational Risk Factors

Health and Safety

The health, safety and welfare of Center Parcs' guests and employees are central to Center Parcs' operations. Center Parcs is committed to maintaining industry leading standards in health and safety including fire and food safety and adopts a proactive approach to its safety management. All incidents are recorded and reviewed to monitor trends and capture learning points that are then integrated into the business.

The Fire, Health and Safety Steering Committee reviews major incidents and is focused on continuous improvement to mitigate this risk

Business continuity

Center Parcs operates 5 holiday Villages in the UK and a significant interruption of any one would have a material impact on the business. As a result, the Risk Committee supervises comprehensive risk management arrangements, including business continuity plans, which are regularly tested with the support of external specialists. These arrangements are supported by a broad insurance programme.

Supply chain

Center Parcs has a large number of suppliers and prides itself on the quality of its product. The business could be adversely affected by a fall in the standard of goods or services supplied by third parties or by a failure of a key partner. These risks are mitigated via a robust supplier registration system for food and safety further supported by independent advisors. In addition, the Risk Committee considers supply chain contingency arrangements and takes appropriate measures to mitigate this risk.

Contractual arrangements

Center Parcs has contracts with third parties for the supply of goods and services. Contracts are negotiated at arm's length and Center Parcs does not enter into contracts that are outside the ordinary course of business or those that contain onerous terms. Center Parcs adopts a compliance programme to ensure that it is compliant with its material contractual commitments. There is no single contractual counterparty that is critical to the running of the business. The failure of any critical contractual counterparty is managed through supply chain contingency arrangements (see Supply chain).

Employees

Center Parcs' performance largely depends on its managers and staff, both on the Villages and at head office. The resignation of key individuals or the inability to recruit staff with the right experience and skills could adversely impact the business's results. To mitigate these issues the business has invested in training programmes for its staff and has a number of bonus schemes linked to the business's results and achievement against key performance indicators linked to guest satisfaction that are designed to reward and retain key individuals.



Principal Risks and Uncertainties

continued

Input price increases

The business's margin can be adversely affected by an increase in the price of key costs to the business including, but not limited to, wages, overheads and utilities. The business takes pro-active steps to manage any such increases including cost control, forward buying and budgeting for any increase.

Brand

The Center Parcs brand could be adversely affected by a serious incident, accident or similar occurrence or just a slow decline in the brand's appeal to consumers. The business mitigates the risk of a serious incident, accident or similar occurrence by maintaining industry-leading health and safety systems and standards of training. The risk of a slow decline in the brand's appeal is managed through continuous product innovation, marketing campaigns and brand development.

Fraud

Center Parcs operates five sites across the UK. Risk of fraud exists in misappropriation of assets, including banking, theft of stock and theft of cash takings. The business mitigates this risk through the management structure and regular financial review with, and extensive use of, business systems. Regular external audits are also carried out on the business.

Market Risk Factors

General economic conditions

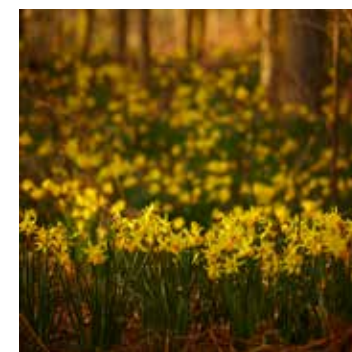
The disposable income of Center Parcs' guests and/or their holiday preferences are and will be affected by changes in the general economic environment and this may result in a fall in the number of guests and/or a decrease in on-site expenditure. Center Parcs regularly reviews its product offering and engages with guests to ensure it provides value for money to meet guest needs.

Competition

The Center Parcs brand is synonymous with high quality short breaks in a forest environment but Center Parcs competes for the discretionary expenditure of potential guests, who could choose to take short breaks at other destinations or participate in other recreational activities. This risk is mitigated by the strength of the Center Parcs brand and continual investment in the accommodation and central facilities (including retail and restaurants) coupled with the innovation amongst the leisure activities and our responsiveness to guest surveys.

Seasonality and Weather

Demand for short breaks is influenced by the main holiday periods at Easter, the Summer holidays and the Christmas/New year period. The seasonality risk is mitigated by online dynamic pricing which encourages demand outside of the peak periods. The accommodation is located within forest environments and a significant number of activities take place outdoors. Therefore, demand may be impacted by the prevailing weather. This risk is minimal because guests tend not to book on impulse and the vast majority of breaks and activities are booked in advance. Additionally, Center Parcs maintains diversity between its indoor and outdoor activities to mitigate this risk.



Principal Risks and Uncertainties

continued

Financial Risks

The Board of Directors and the Operating Board regularly review the financial requirements of the business and the associated risks.

Center Parcs does not use complicated financial instruments and where financial instruments are used they are used to reduce interest rate risk. The business does not hold financial instruments for trading purposes. The business finances its operations through a mixture of retained earnings and borrowings as required.

Historically, Center Parcs has sought to reduce its cost of capital by refinancing and restructuring the business's funding utilising the underlying asset value of the business.

Interest rate risk

Principal sources of borrowings are fixed interest rate loan notes (Center Parcs (Holdings 1) Limited) and related party and bank loans (CP Woburn (Operating Company) Limited).

CP Woburn (Operating Company) Limited holds floating rate loans. In order to limit exposure to interest rate fluctuations the Company has entered into interest rate swaps and caps. The overall policy in respect of interest rates is to eliminate exposure to interest rate fluctuations.

Liquidity risk

The business holds sufficient levels of cash to enable it to meet its medium-term working capital and debt service obligations. Rolling forecasts of liquidity requirements are prepared and monitored and surplus cash is invested in interest bearing accounts.

Currency risk

Whilst no borrowings are denominated in foreign currencies, a number of suppliers are exposed to the Euro and US Dollar. Accordingly, wherever possible Center Parcs enters into supply contracts denominated in Sterling. Center Parcs does not operate a hedging facility to manage currency risk as it is not considered to be material.

Credit risk

Center Parcs borrows from well-established institutions with high credit ratings. Cash balances are held on deposit with a number of UK banking institutions.



