

Overview

- Acquisition of one of the major property development companies specialised in the high-potential segment of active and independent elderly people.
- The market already has some 7 million people and is set to grow at an average annual pace of 10% as those born during the baby-boom era reach old age, namely 800,000 people a year.
- Les Senioriales has developed a novel concept in specialised residences meeting the specific requirements of this client group.
- The concept is in a rapid expansion phase. 11 Senioriales residences are currently being built or marketed, while building permit requests have been filed for 12 others.
- Sales of €31m on 31 March 2007.
- EBITDA of €4m on 31 March 2007, twice this amount expected on 31 March 2008.
- Acquisition price of €23m.
- P/E multiples of 11.5x on 31 March 2007 and 5.6x on 31 March 2008.

16 May 2007 - 3

The home residence market for elderly people

The market
Competition

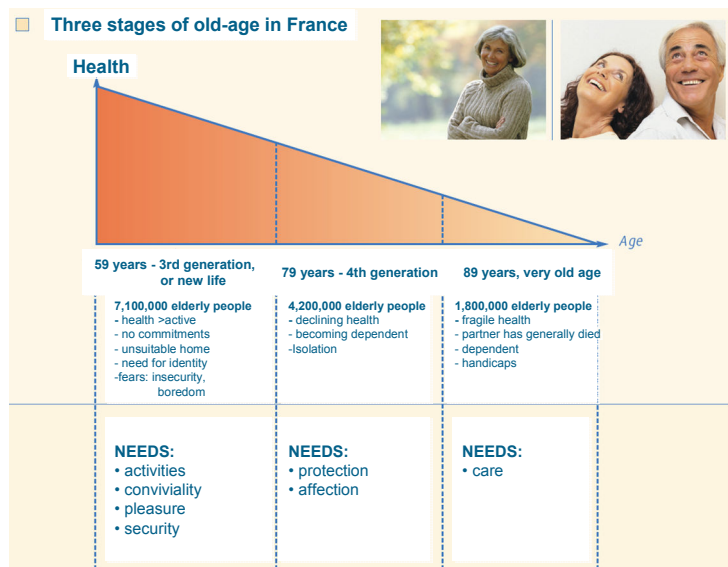
16 May 2007 - 4

The market

- Les Senioriales' target market: active and independent elderly people in the 55-75 age-group, i.e. 7.1 million people at present.
- The baby-boom generations (people born between 1946 and 1974) are set to feed the target market, at a pace of more than 800,000 people a year (+10% a year).
- The "senior" age group boasts purchasing power more than 20% higher than that of the under-50 age group (DGI estimate).
- Newly-retired people (60-69 years) are among the most mobile age group of the population, far more so than the 30-34 or the 40-44 age groups, and far higher than the 45-59 age group – Source: INSEE (Housing survey).
- Newly-retired people prefer to own their own homes.

16 May 2007 - 5

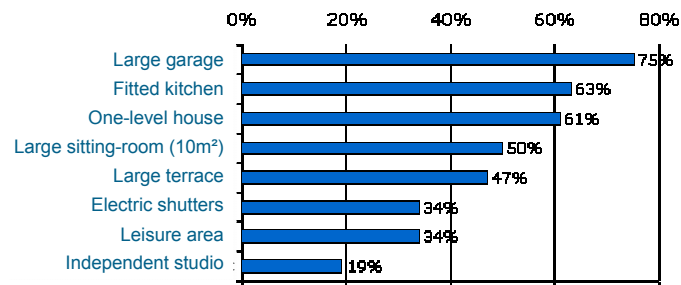
The Market



16 May 2007 - 6

PROPERTY EXPECTATIONS OF OLD-AGE PEOPLE

(IPSOS study 2003)



This study helped Senioriales create its concept.

16 May 2007 - 7

The Market

● Expectations of retired and active elderly people analysed by Les Senioriales

Conviviality: Spending time with other active elderly people, in an attractive and friendly environment where meetings are facilitated in order to avoid isolation and boredom.

Security: guaranteed by the residence entry system, the warden and also the presence of neighbours.

Comfort: No slopes or steps in the houses, air-conditioning etc.

Mobility: Some people are prepared to leave their environment whereas others like the idea of the concept only if it is "close to home".

● The addressable market (source: INSEE - ODDO)

- Out of a total market of 350,000 houses in 2005 (marketing and construction), 60,000 units for second-home buyers
- In the market for second homes, 36,000 individual houses
- Share of elderly people in new housing: 43%

→ **An addressable market of around 15,500 homes in 2005**

16 May 2007 - 8

• Property players destined for elderly people

- 55-75 year age-group:
 - Retirement residences: Senioriales, Domitys, Villages d'Or;
 - Individual home builders: Maison France Confort, Dalis;
 - Major property developers (Nexity; K&B ...) do not have a product aimed specifically at elderly people.
- Over 75 age-group:
 - Retirement homes/nursing homes: Orpea, Medica, Medidep ;
 - Services residences: Domitys.

Presentation of Les Senioriales concept

Concept
Offering

Concept

- A concept of non-medicalised residences specifically aimed at active and independent elderly people (around 65 years at the time of purchase), focused on three themes: **conviviality, comfort, security**.
- Residences located very close to medium-sized towns in southern France, LES SENIORIALES AU SOLEIL, but also launch of several SENIORIALES in northern and western France in order to meet demand for LES SENIORIALES PRES DE CHEZ VOUS (close to home concept).
- Surface area of the houses, which are three-room only, ranging from 60-90 sq.m.
- Sold under full ownership, with no management commitments from the property developer.
- Acquisition price of €180,000-270,000.
- Co-ownership costs limited to €1,500/year on average.

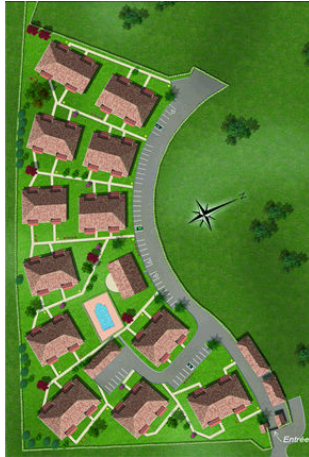
16 May 2007 - 11

Offering

- **Residences comprised of 60-70 houses on average, grouped together in lots of 4, offering:**
 - Proximity and conviviality between the residents, while maintaining individual independence.
 - Security: residences fenced off, electrically controlled gate.
- **Detached houses on one level and with no steps, equipped with practical equipment: rolling shutters, dressing rooms, air-conditioning etc.**
- **Equipment and services:**
 - Club house: a convivial activity centre for the residents with a swimming pool or jacuzzi.
 - A warden housed at the site all year round and a part time supervisor for the activity centre.
 - An events manager at the Les Sénioriales company responsible for organising karaoke and dinner dance evenings in the residences.
 - A free transport service managed by the co-ownership committee.

16 May 2007 - 12

• A standard village



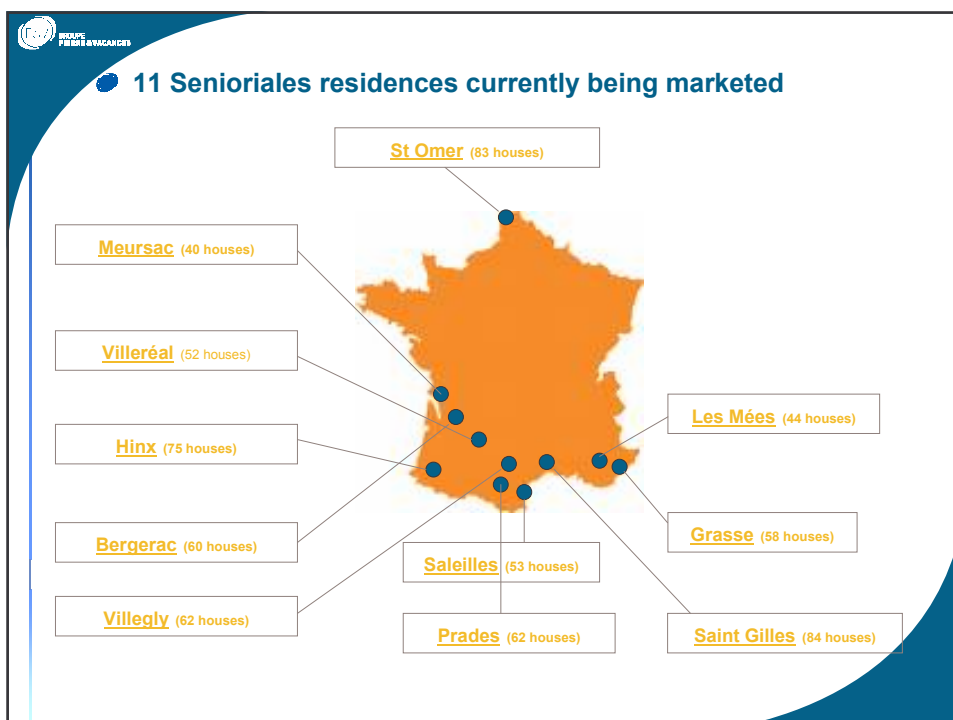
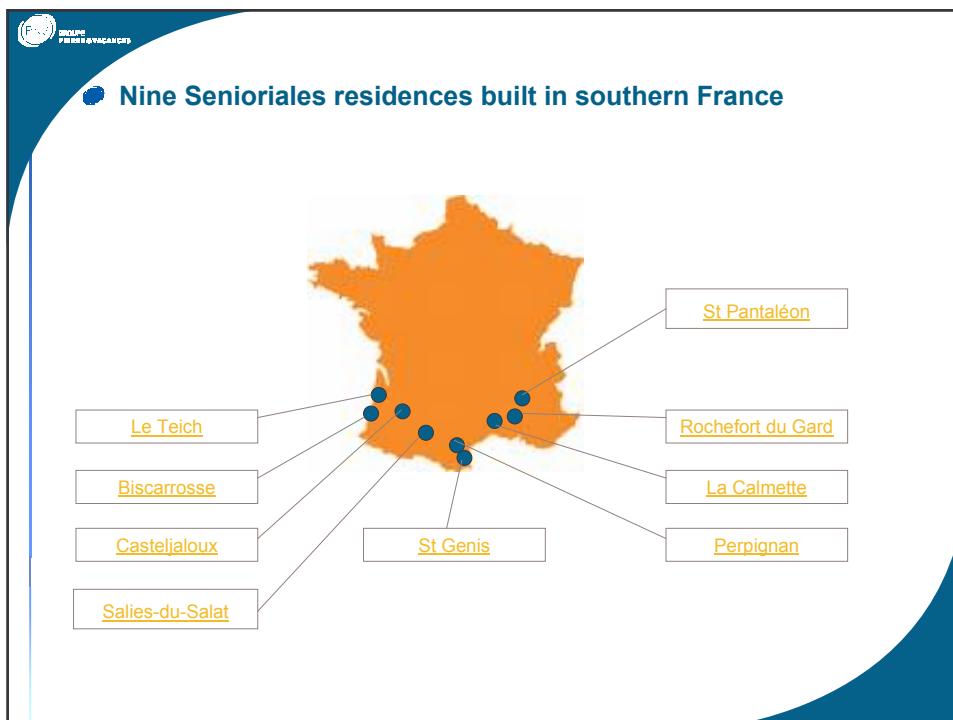
• Example of a three-room house



● The Club House



Residences completed and projected



Acquisition by the Pierre & Vacances Group

Strategic interest of the deal

16 May 2007 - 19

Strategic interest of the deal

- A rapidly-expanding target market of active retired elderly people (more than 10% a year in new retirements).
- A specific concept and positioning which has proven the extent to which it meets requirements of active and independent elderly people.
- Considerable assets: access to property companies, standardised product and controlled costs, limited competition.
- Good visibility on 2007/2008 sales prospects.
- A rapidly expanding and profitable company.

16 May 2007 - 20

Strategic interest of the deal

● Synergies with the Pierre & Vacances Group:

- Looking for land;
- Offering tourism holidays to new clients;
- Prospect of extension into rental market with sale to investors via the Pierre & Vacances Conseil Immobilier network;
- Potential developments in Spain and in Morocco.