



# PRESENTATION OF 2007/2008 RESULTS



Pierre & Vacances



## The Pierre & Vacances Group European leader in local tourism

### Key figures in 2007/2008:

**Turnover: €1 424.5 million**

**Current operating income: €103.5 million**

**Attributable net profit: €73.4 million**

**47.200 homes and apartments in Europe (36.200 in France)**

**7.5 million clients, including 2.5 million children**

**9.500 staff (full-time equivalent)**



## Summary

### I 2007/2008 RESULTS

### II RESERVATION TRENDS

### III STRATEGY IN TOURISM BUSINESSES

### IV TOURISM AND PROPERTY DEVELOPMENT EXPANSION

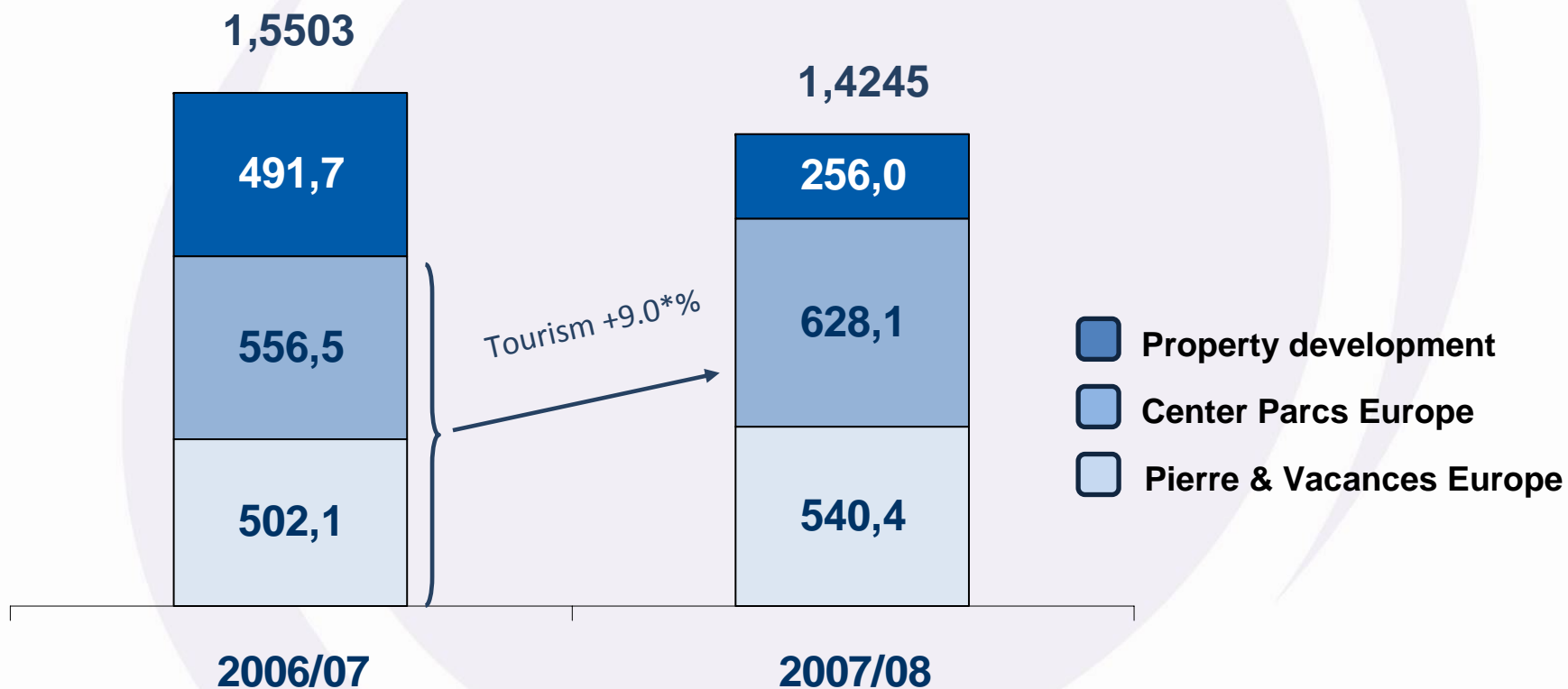


## I 2007/2008 RESULTS



## 2007/2008 turnover 9% GROWTH IN TOURISM BUSINESS TURNOVER

(Euro millions)



\* like-for-like data. 2006/2007 turnover is adjusted for the consolidation of Sunparks acquired on 1 April 2007



## 2007/2008 tourism turnover

### PIERRE & VACANCES EUROPE

**Accommodation turnover: +6.6% \***

- **ALR: +3.9%. OR +65.2%**
- **Seaside France: +3.6%. mountain +7.6%. cities +26.1%. French West Indies +1.3%**
- **Internet sales +36% to 18% vs. 14% of turnover. Direct sales accounted for 75% of sales vs. 73% in 2006/2007**
- **Sales to French clients: +6.8%. foreign clients: +6.1%**

\* like-for-like data



## 2007/2008 tourism turnover

### CENTER PARCS EUROPE

**Accommodation turnover: +11.7%\***

- **ALR: +4.8%. OR stable at 79.7%**
- **The Netherlands: +0.9%. France: +52.6%. Belgium: +3.8% and Germany: +3.3%.**
- **Internet sales +41% to 45% vs. 36% of turnover. Direct sales accounted for 87% of sales vs. 85% in 2006/2007**

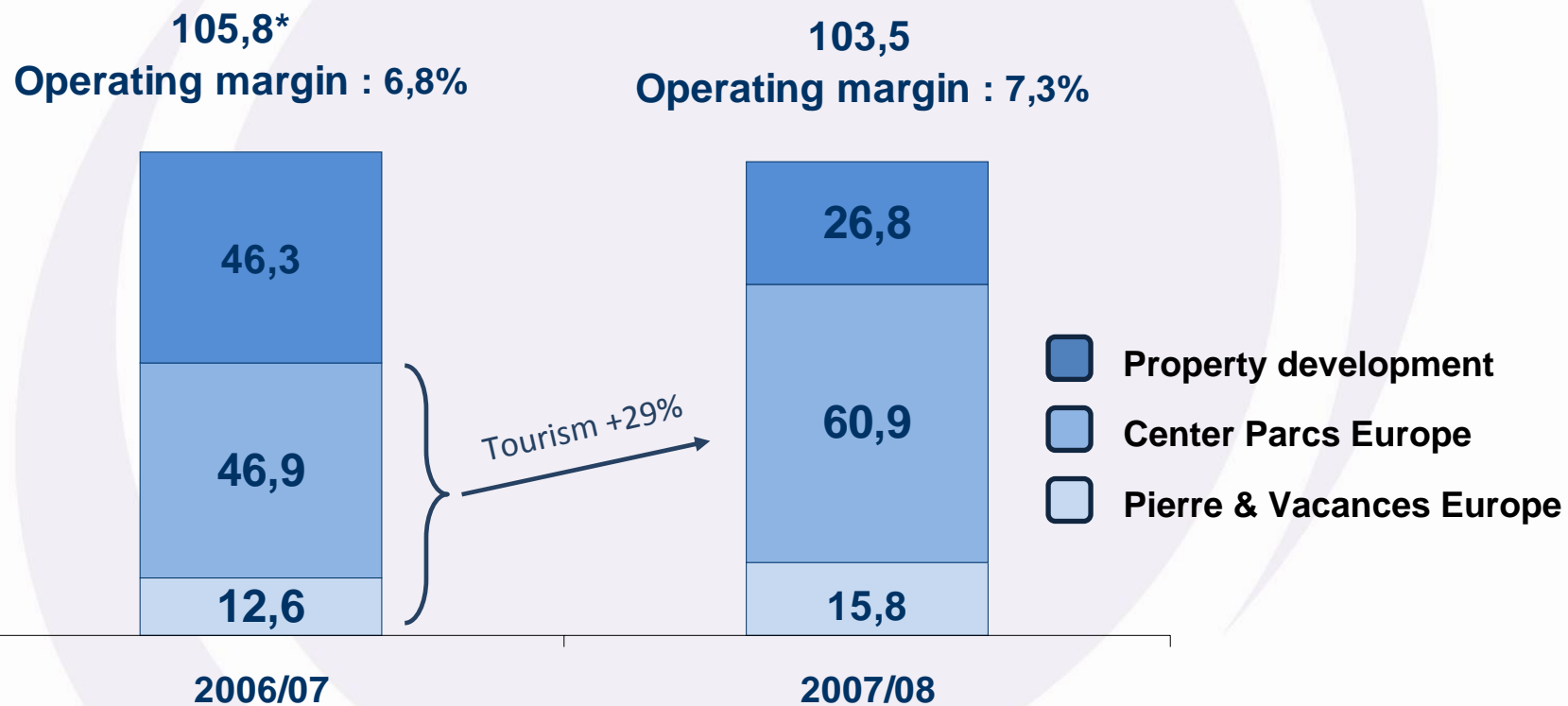
\* like-for-like data





## 2007/2008 current operating income of €103.5 million

GROWTH IN TOURISM CONTRIBUTION OF 29%



(Euro millions)

\* After change in accounting method for advertising spend, now booked as each campaign is completed





## 2007/2008 attributable net profit: €73.4 million

(Euro millions)

	2007/08	2006/07*
Turnover	1 424.5	1 550.3
<b>Current operating income</b>	<b>103.5</b>	<b>105.8</b>
Financial expenses	-10.8	-4.2
Taxes	-29.1	-34.3
<b>Attributable current net profit</b>	<b>63.6</b>	<b>67.3</b>
Other operating income and expense net of tax	9.8	8.2
<b>Attributable net profit</b>	<b>73.4</b>	<b>75.5</b>

\* After change in accounting method for advertising spend, now booked as each campaign is completed



## 2007/2008 cash flows

	2007/08	2006/07*
Cash flow	129.5	125.3
Change in WCR	-63.5	130.0
<b>Cash flows generated by operations</b>	<b>66.0</b>	<b>255.3</b>
Investment flows	-86.2	-183.1
Capital increase	0	1.3
Acquisition/disposal of treasury stock	-4.6	-0.6
Dividends paid	-23.5	-21.9
Change in debt	12.3	43.5
<b>Cash flows generated excl. acquisitions</b>	<b>-36.0</b>	<b>94.8</b>
Impact of acquisitions	41.0	-52.5
➤ <i>Senioriales</i>	0	-20.5
➤ <i>Sunparks</i>	41.0	-34.9
<b>Change in cash position</b>	<b>5.0</b>	<b>42.0</b>

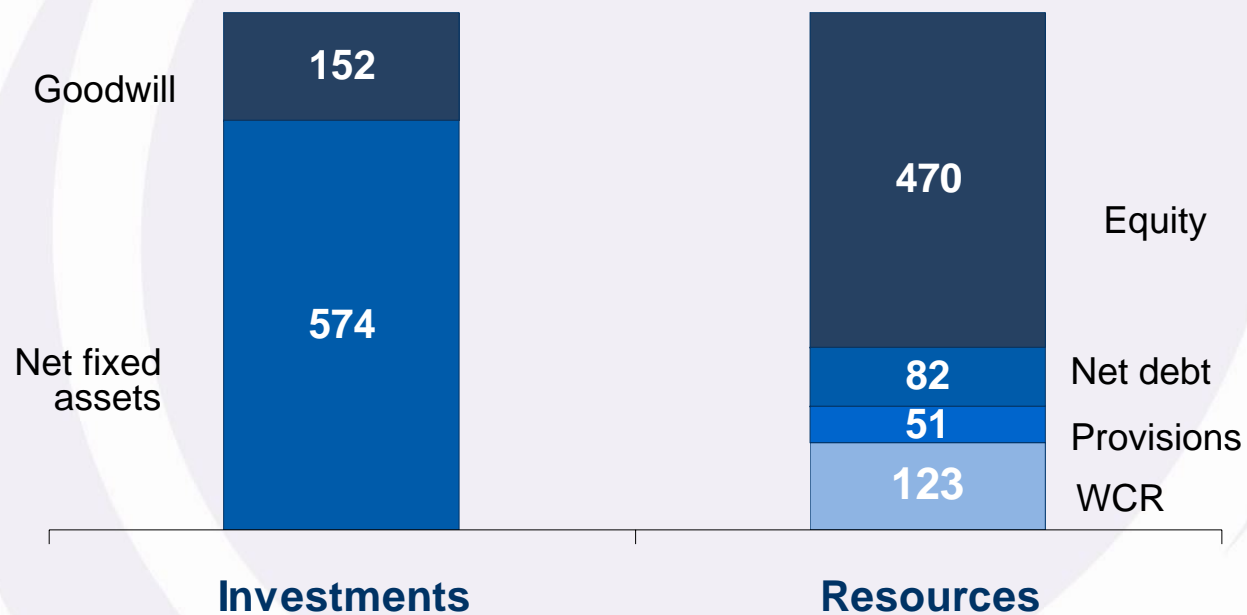
\* After change in accounting method for advertising spend. now book as each campaign is completed



## Solid balance sheet Simplified balance sheet on 30 September 2008

Gearing (net debt/equity): 17.5 %

(Euro millions)





## Dividend proposed to AGM

**Proposed dividend of €2.70 per share  
representing a yield of 8%**

**(overall payout of €23.8 million, or 37% of current net income)**



## II RESERVATION TRENDS



## Winter reservations in tourism businesses

- In all brands combined, current winter reservations are in line with the year-earlier level, which provided a high benchmark
- Pierre & Vacances Europe
  - Growth in reservations for school holidays
  - Growth in French clients, decline in UK and Spain. Growth in eastern European clients.
- Center Parcs Europe
  - Growth in reservations over first three months of the year





## Property reservations

- Pierre & Vacances' assets:
  - A leading position, which is a measure of security for investors and banks.
  - Wide diversification in sales formulas (LMNP, ZRR...) and strengthening of formulas for owner occupancy
  - Market mistrust for rental investment products (de Robien) and decline in rival leisure property offerings
  - Bolstered partnerships with property developers.
- Reservations and signatures for programmes currently being marketed and more specifically for Center Parcs Moselle and Avoriaz, benefiting from the Group's leadership position and the specific nature of the offering which combines personal usage and profitability.





### III STRATEGY IN TOURISM BUSINESS



# TO STRENGTHEN OUR POSITION AS THE EUROPEAN LEADER IN LOCAL TOURISM



## Leader in terms of offering

### Two businesses boasting leadership positions

#### RESIDENCES / DESTINATIONS

FULLY EQUIPPED APPARTEMENTS  
AND HOUSES ←

EXTENSIVE CHOICE OF  
DESTINATIONS ←

SEASIDE, MOUNTAIN,  
COUNTRYSIDE, CITY ←

REFERENCE BRANDS ←

FOR HOLIDAYS AND FOR BUSINESS ←

#### VILLAGES / CONCEPTS

→ EUROPEAN LEADER OF « NO CAR »  
AND « ALL WEATHER » (CENTER  
PARCS) CONCEPT

→ COMPLETE RANGE OF ACTIVITIES

→ VARIOUS AND BEST IN CLASS  
ANIMATIONS

→ VILLAGES IN FIRST CLASS  
LOCATIONS

Pierre & Vacances

maeva



Pierre & Vacances  
VILLAGES



## Leader in terms of offering

Unrivalled variety in offering with more than 47,000 homes and apartments in seven countries for non-hotel inter-European tourism









## Highly complementary ranges and products

North of the Loire river, majority of villages with all-weather concept, focus on short-stays

Car-free concept all year round

Residences and villages/destinations

South of the Loire river, a majority of seaside and mountain residences in top-notch destinations: focus on holidays

-  Under construction/project
-  Center Parcs
-  Sunparks
-  P&V villages/residences

**P&V Villages, Center Parcs, Sunparks:  
38 European European resorts**





## Highly complementary brands: Examples of all-weather product: CP - SP



- Client advantage: let's get together
- All activities under one single concept
- Car-free Parc in the heart of woodland



Consolidation of a  
benchmark brand



- Client advantage: discover the region
- Choice of destinations to explore
- Standardised services and activities
- Integrated tourist guide



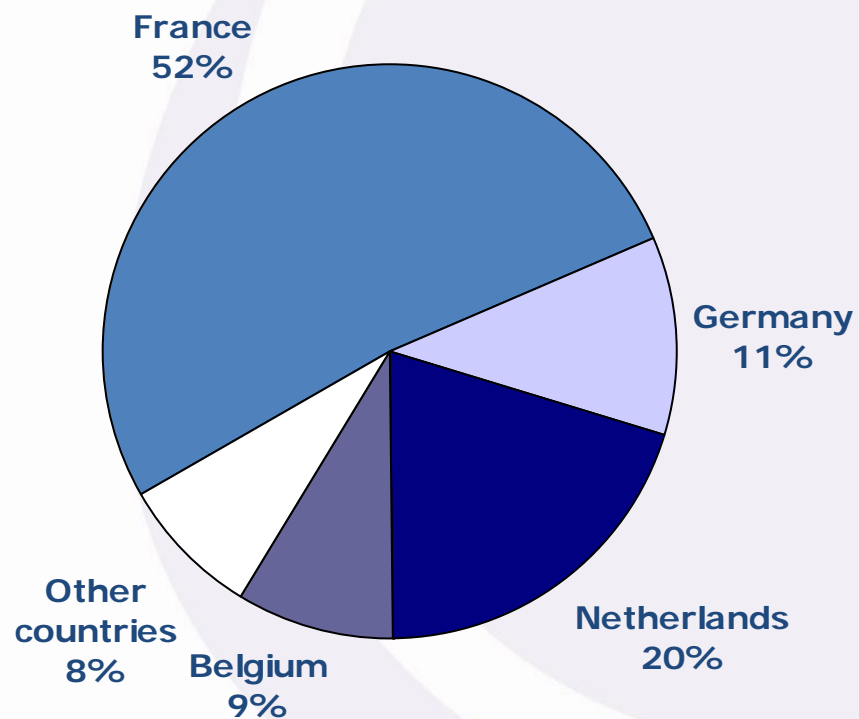
Development of  
opportunistic growth  
brand

In common:  
"All-weather"  
All-year round  
Local








## Diversification in destinations and client origins (2012/2013)

**PROSPECTIVE BREAKDOWN OF  
TURNOVER BY DESTINATION COUNTRY  
(2012/13)**



**CLIENT GROWTH PRIORITIES**

	PVT	CPE	% of client origins 2012/2013
		++	40%
	+	++	21%
	++		20%
	++		8%
	++	+	6%
OTHER MARKETS	++	+	5%



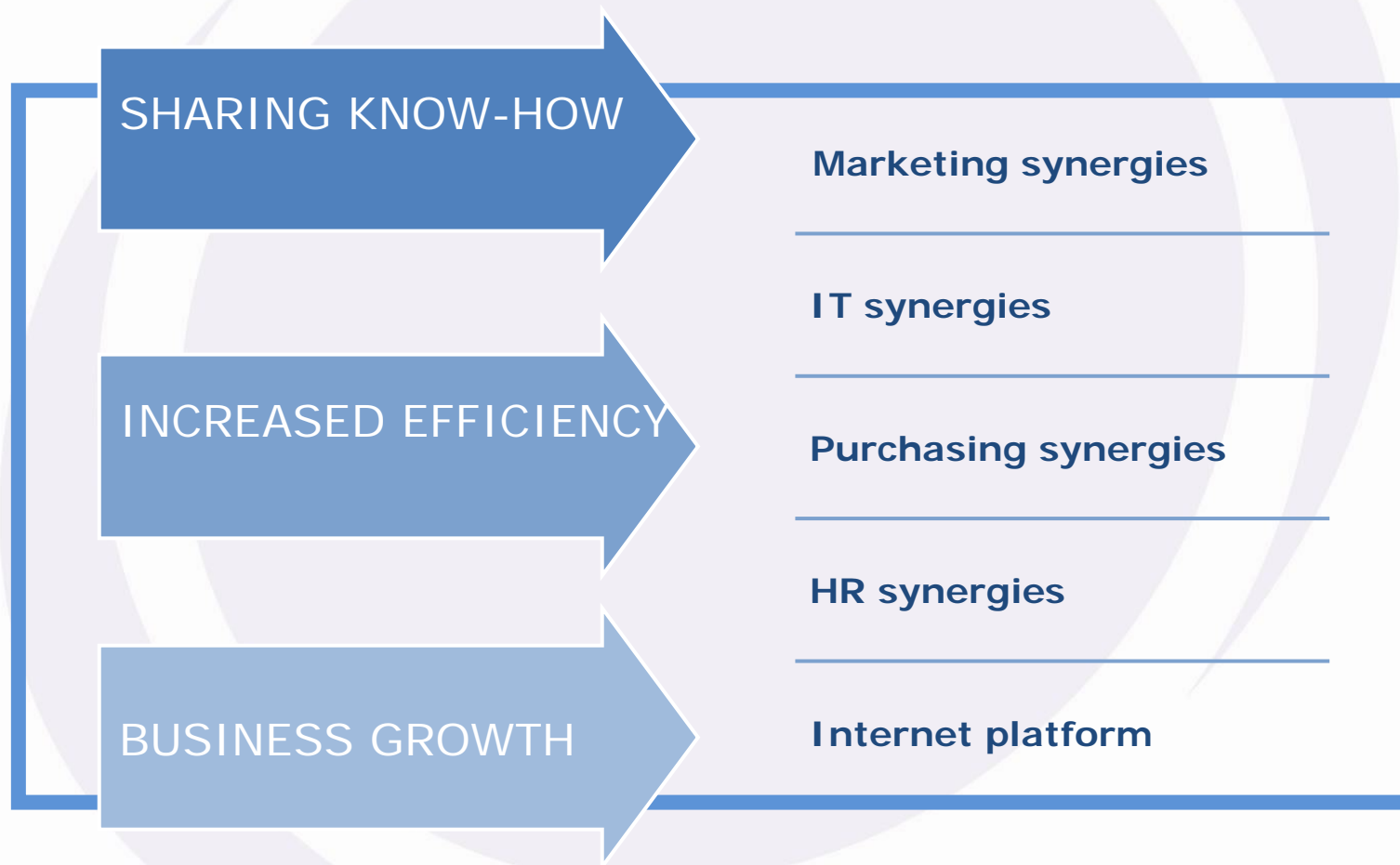


**Leader in local tourism:  
Strong values to consolidate our leadership**



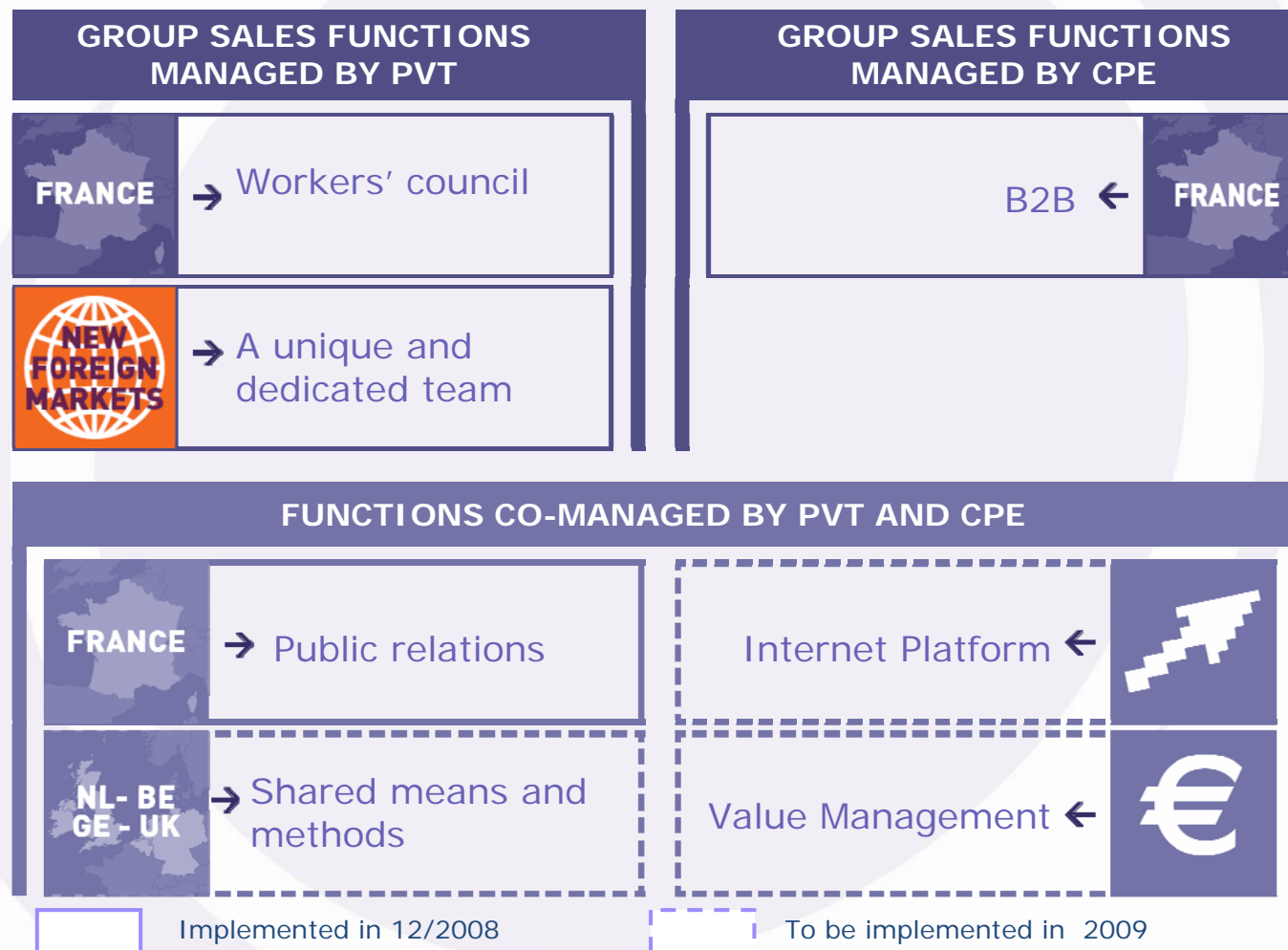


## **Bolstering efficiency: Synergies between Pierre & Vacances and Center Parcs**





## Increased efficiency: marketing synergies





## Increased efficiency: cost synergies

- **Leverage:**
  - Stepping up purchasing policies: 2009-2011
  - Rolling out integrated back-office systems: 2009-2012
  - Streamlining headquarter structures: 2009
  - Sharing investments and structures: 2009-2011
- **Expected gains over 2008/2009: €10 million**



## IV TOURISM AND PROPERTY DEVELOPMENT EXPANSION





## Expanding the tourism offering

**More than 10,000 additional apartments and homes over next 5 years**

Pierre & Vacances

maeva



Spain | 720 apts - 2009

Belle Dune | 95 apts - 2009

Houlgate | 130 apts - 2009

Chamonix | 100 rooms - 2011

Deauville | 120 apts - 2011

Avoriaz | 550 apts - 2011/12

Adagio | 3000 apts - 2012

Bioscope | 500 apts - 2012/13

Maroc | 2500 apts - 2013

Villages Nature



Moselle | 800 cottages - 2010

Bostalsee | 500 cottages - 2011

Bavière | 1000 cottages - 2012

Isère | 1000 cottages - 2012/13





## Expanding Adagio

- In 2008, **22 residences operating**, primarily in France generating 2007/2008 turnover of €70 million
- **Development** by lease contracts, management mandates or franchises
- Contracts signed:
  - Opening in 2008 of 6 residences (581 apartments): Montrouge, Annecy, Bordeaux, Basel, Paris Opera and Strasbourg
  - Opening in 2009 of 6 residences (873 apartments): La Défense, Toulouse, Brussels, Marseilles, Nantes and Vienna
  - Opening in 2010 in Munich





**Target for 50 ADAGIO residences in operation by 2012:  
turnover doubled to €140 million**



### Projects being studied:

**UK/Ireland:** Manchester, London, Liverpool, Dublin

**Germany:**  
Berlin, Frankfurt, Hamburg

**France:**  
Lille, Caen, Dijon, St-Etienne, Nice

**Southern Europe and Morocco:**  
Milan, Madrid, Barcelona, Lisbon, Tangiers, Rabat, Casablanca

**Northern and eastern Europe:**  
Stockholm, Prague, Budapest, Bratislava





## Development of 2\* residences

- **France: Cit  a**
  - French leader in 2\* city residences with 51 residences in France
  - Opening of 4 residences in October 2008, 6 in 2009 and 5 in 2010/2011
  - Management of residences under mandate in 50/50 partnership with Lamy.
- **Outside France: Orion International**
  - Development of 2\* budget residences in western Europe, Morocco, eastern Europe and Asia under management mandates or leases in European capital cities
  - Opening of 7 residences in 2008/2009





## Expansion in Morocco



Residence with 120 units  
440 beds



Residence with 120 units  
440 beds

### Orion International

Residence with 100 units  
250 beds

### Resort



Residence with 120 units  
620 beds

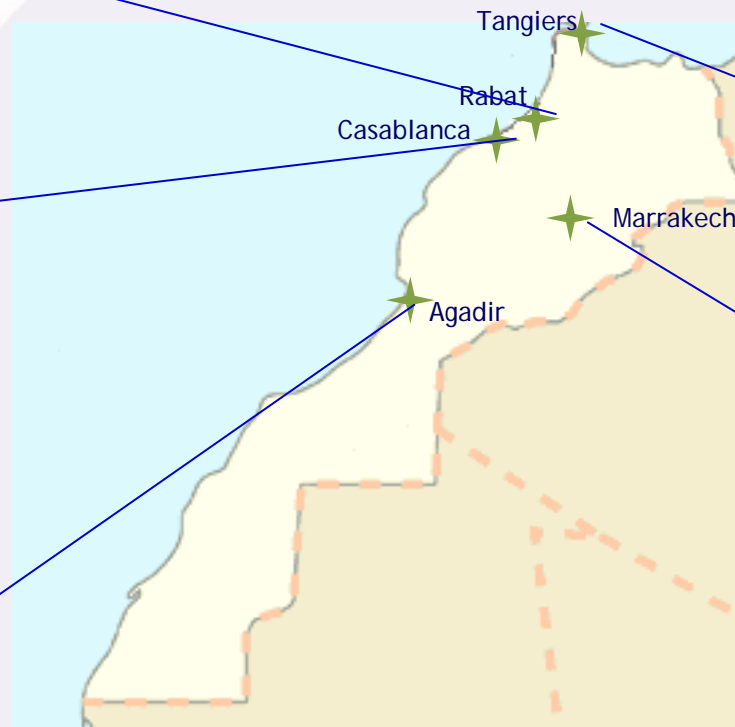


Village of 250 units  
1.150 beds



Residence of 150 units  
700 beds

312 secondary residences  
1,670 beds



Residence with 120 units  
440 beds

### Orion International

Residence with 100 units  
250 beds

### Resort



Residence with 120 units  
620 beds



Village of 250 units  
1.150 beds



Residence with 150 units  
700 beds

312 secondary residences  
1,670 beds

➡ Phase 1 of setting up in Morocco: more than **10,000 beds out to 2013**, including 7,000 tourist beds  
Opening of first residence in Marrakech in **2011**.



## Eco-Village in Alsace

- Project motivated by:
  - Attractive nature of region and proximity of German and Swiss clients
  - Existing equipment on-site at the Alsace Eco-museum and Bioscope and a future aqua-game centre
  - Partnership with land authorities, the Caisse des Dépôts and Compagnie des Alpes.
- Project for 500 homes (more than 2,500 beds) built in two phases, shops and leisure equipment.
- An ECO project which takes account of sustainable development requirements
- Global prospective investment of €110 million financed by individuals
- Opening envisaged for 2012







## Property development 2008/2009

- **Portfolio to date of 1,130 apartments and homes for delivery in 2008/2009**
  - 930 new: Houlgate., Belle Dune, Le Rouret.  
four Les Senioriales residences
  - 200 renovations: Cannes Francia, Paris La Défense, Val Thorens...
- **Other contributing programmes:**  
Center Parcs Moselle (1<sup>st</sup> phase), Belle Dune, Center Parcs in Sologne...



## Property development Outlook

### ■ Main developments underway

(set to impact turnover as of 2009/2010):

#### ■ Pierre & Vacances Europe:

- Avoriaz: extension of two districts in the ski station, La Falaise and Les Crozats; 550 apartments in 3 and 4\* tourism residences
- Deauville: presqu'île de la Touques, 120 4\* apartments
- Villages Nature: 1st phase of 800 homes and apartments
- Eco-Village Alsace: 500 homes
- Other projects: Arles, Chamonix, Belle Dune...

#### ■ Center Parcs Europe: extension of Moselle (450 cottages) and Center Parcs Isère (1,000 cottages)

#### ■ Les Senioriales: 5 residences identified

### ■ Property prospection with Group's cautious rules



## Sustainable development at the heart of our strategy

- Our aim: to promote tourism and sustainable construction as part of the 2008/2011 three-year plan
- Construction of Center Parcs in Moselle, an exemplary project in terms of sustainable development with:
  - 800 cottages built in wood, in order to reduce their ecological impact: energy performance, quality of building site, preserving biodiversity
  - Use of wood from European forests that are managed responsibly and are FSC or PEFC-certified
  - Reducing energy consumption by 20% in terms of heating, hot air and lighting in cottages in order to reach the VHEP\* level thanks to enhanced insulation and optimal orientation of homes.
  - Wood heating at the domain should cover a minimum of 90% of heating and hot water requirements for equipment.



\* Very High Energy Performance





## Conclusion

- Excellent performances in the tourism businesses in 2007/2008
- Winter reservations for tourism season in line with the year-earlier period, which was already a high benchmark
- Reorganisation of tourism businesses underway which should unlock revenue and cost synergies and international expansion of the Pierre & Vacances Group
- Sizeable potential of major projects set to underpin growth in business
- A sound balance sheet enabling acquisitions operations