



Groupe

Pierre & Vacances *CenterParcs*

HALF YEAR 2010/2011



AGENDA

I H1 2010/2011 RESULTS AND OUTLOOK FOR H2 2010/2011

II STRATEGIC FOCUSES

2.1. 2011/2013 TRANSFORMATION PLAN

2.2. GROUP DEVELOPMENT BY 2015

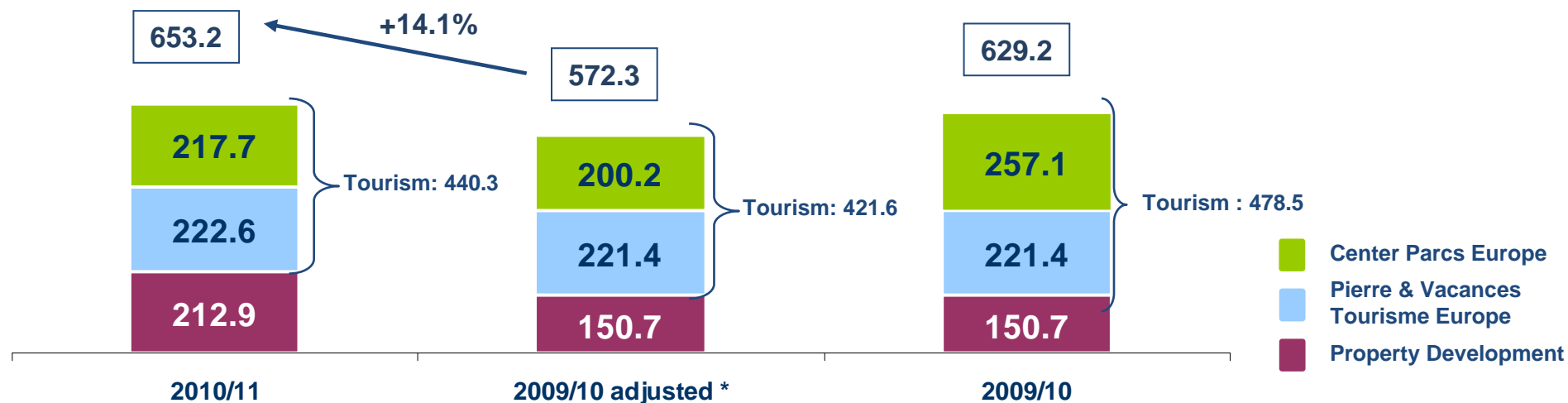


I – H1 2010/2011 RESULTS AND OUTLOOK FOR H2 2010/2011



H1 2010/2011 turnover up 14.1%*

(Euro millions)



Tourism turnover : +4.4%*

- Slight increase of PV Tourisme Europe (+0.5%), The performances of city residences offsetting the effect of the decline in the mountain offering
- Growth of Center Parcs Europe (+8.7%)*, stemming from the Domaine des Trois Forêts

Property Development turnover: +41.3%

- Significant growth driven by property renovation programmes at the Center Parcs Bois Francs and Hauts de Bruyères villages (€100 million generated over H1 2010/11)

- Excluding the effect of the outsourcing of catering activities at the Center Parcs villages (€55 million in H1 2009/10) and of the shift in the Easter holidays from March in 2010 to April in 2011 for most of German customers.



H2 2010/11 Turnover - Outlook

TOURISM

❑ Tourism reservations for the summer season (to date) :

✓ **Pierre & Vacances Tourisme Europe : reservations are in advance**

compared to the year-earlier period, with, for the seaside destination :

- an advance in the beginning of the season (from April 1 to June 30), primarily linked to a rise in occupancy rates,
- a slight withdrawal in the core summer period (July – August), due to the commercial policy of reducing early booking offers for the high summer season, thus allowing a good level in average letting rates over this period, factor of growth in the final turnover.

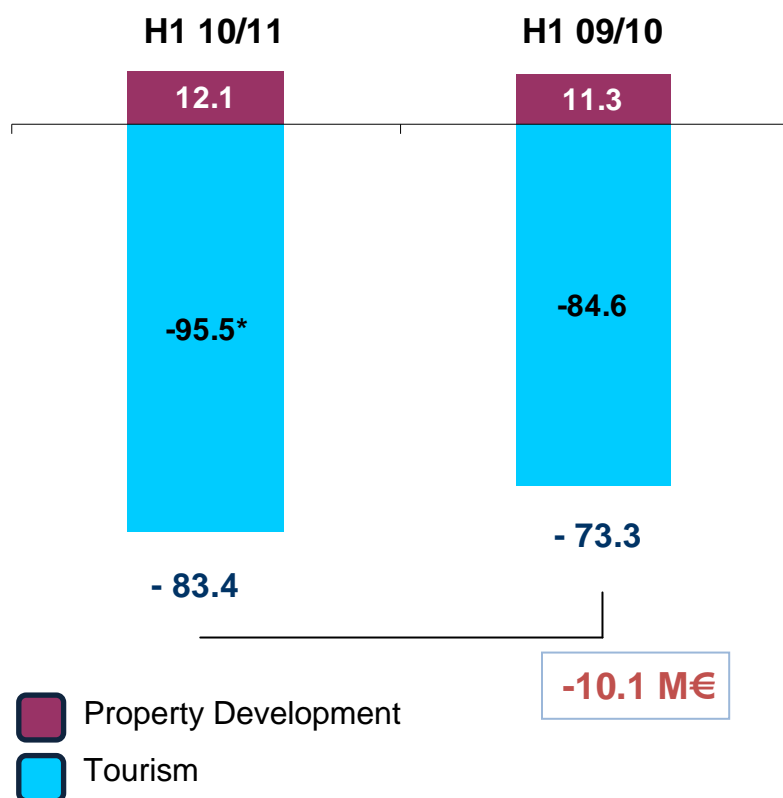
✓ **Center Parcs Europe : reservations are in advance** compared to the year-earlier period (excluding Domaine des Trois Forêts).

PROPERTY DEVELOPMENT

❑ FY 2010/2011 **Property Development** turnover should keep a **significant growth rate** compared to FY 2009/2010



H1 current operating income structurally loss making due to the seasonal nature of tourism business



Seasonal structure of tourism business in H1 :

- around 40 % of turnover...
- but 50 % of fixed costs

Main change factors compared with H1 2009/10 :

- Contribution of Trois Forêts: +€3m
- Contribution of the Latitudes hotels sold off: - €1m
- Rents savings: +€2m
- Cost inflation: - €6m
- New IT tools: (rents / personal costs) - €4m
- Ailette litigation: - €4m

* Of which €(66.0) million for PVTE and €(29.5) million for CPE



H1 2010/11 attributable net earnings

(Euro millions)

	H1 2010/11	H1 2009/10
Turnover	653.2	629.2
Current operating earnings	-83.4	-73.3
Financial expenses	-8.4	-6.7
Taxes	24.0	22.4
Attributable current net earnings	-67.8	-57.6
Other operating income/expense net of tax	-6.9*	-0.3
Attributable net earnings	-74.7	-57.9

* Of which €7 million net of restructuring costs



II – STRATEGIC FOCUSES



Confirmation of our strategic focuses

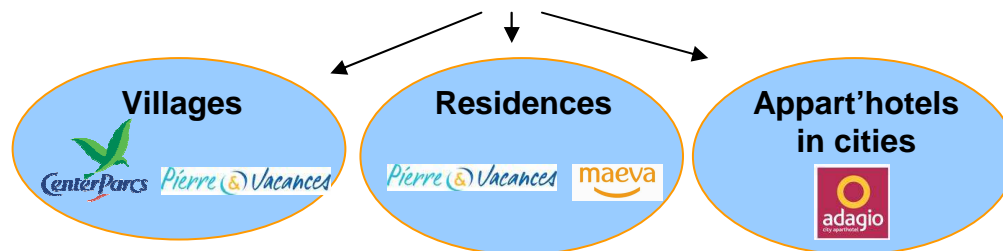
PROPERTY DEVELOPMENT



Construction and sale of
apartments and cottages in
tourism residences in Europe

TOURISM

Operating of short and long-stay tourism offerings for a
European leisure and corporate client base with three types
of product :



Roll-out of three-year transformation plan in order to create an organisation with
optimised costs and generating growth



Turning around earnings from the tourism business and making them last



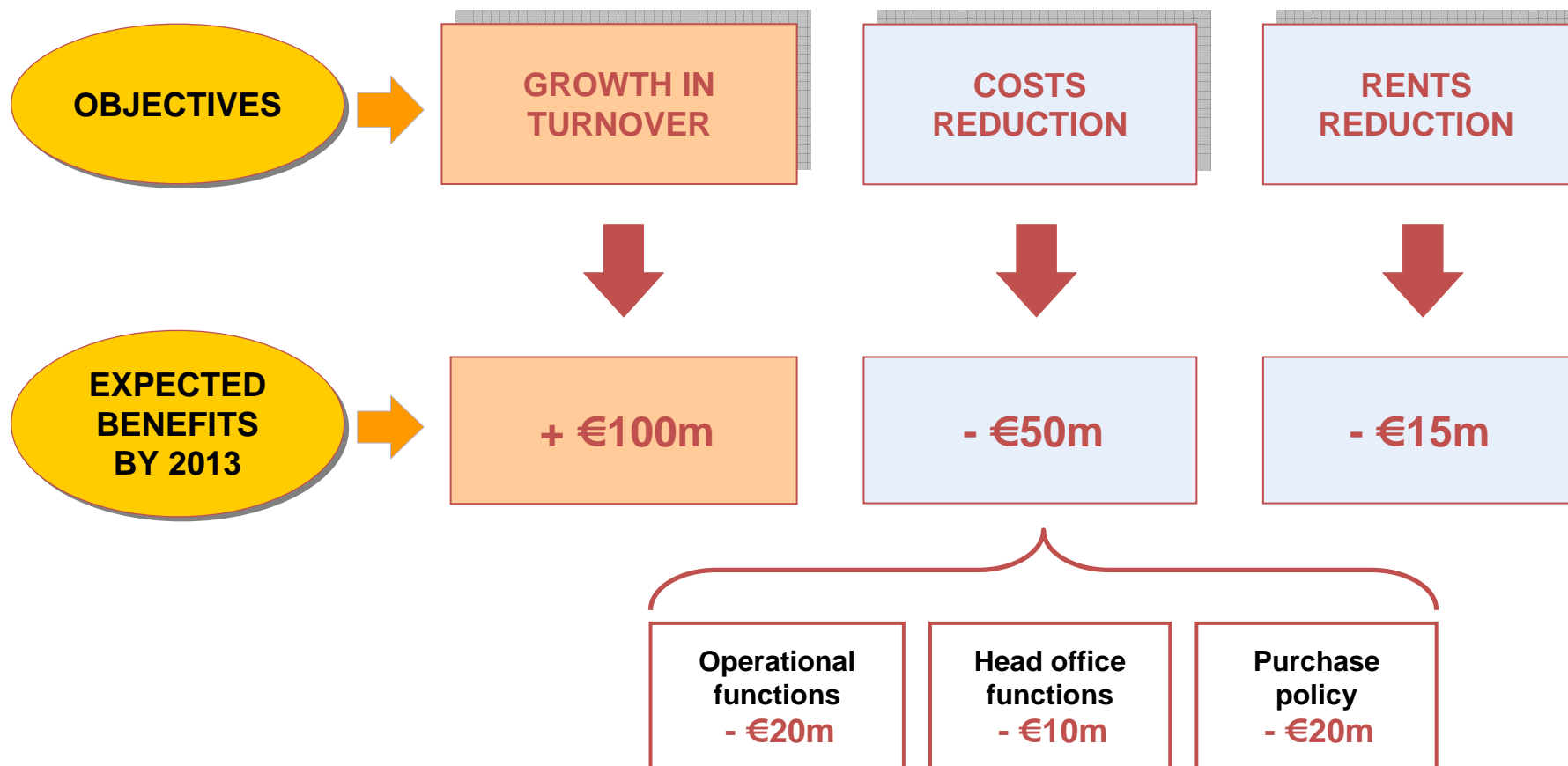
Further selective expansion



2.1 - 2011/2013 TRANSFORMATION PLAN



Confirmed objectives by 2013





A radical transformation

A full merger...

... of the two organisations, PV and CP, having their own brands, systems, infrastructure and head offices

Overall mobilisation of organisation

- An implicated Group Management in charge of transformation
- Making managers responsible
- Top management bonuses in line with targets

A first year of managing the transition in 2011

Launch of numerous projects, notably IT, in a context of closure of head office in Rotterdam and merger of organisations

Stages crossed

- Outsourcing of catering
- Organisation/structure
- IT
- Commercial
- Purchases
- Rents



Major cost-cutting items in transformation plan

Operational and head office functions

- ❑ **Outsourcing of catering:** 16 villages at CPE so far (to Elicor and Albron)
- ❑ **Organisation / structure:**
 - Closure of Rotterdam head office and merger of organisations started during summer 2010 due to be completed on 1 July 2011
 - ⇒ Around 120 staff leaving Rotterdam
- ❑ **IT:**
 - Launch of virtually all IT convergence projects (maturity 12-36 months)
 - In the meantime, all current systems are in production, thereby causing temporary overlaps
- ❑ **Commercial:**
 - Web: cut in traffic acquisition costs (optimisation of ranking, new site)
 - Call center: merger of PV France and CP France call centres undertaken
 - Marketing : elimination of Sunparks in N/G, pooling of means



€30m

Purchasing policy

Creation of single and smaller base of referenced suppliers

Increase in penetration rate ⇒ gains secured in mid-April of €3.5m



€20m

Rents

Gains secured of €4.5m for 2010/11



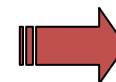
€15m



Turnover growth targets

**€100m over three years on same-structure basis,
i.e. around +10%**

**Optimising distribution channels
Revenue management
Short-stay offerings**



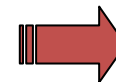
3.5%

Product renovation/optimisation of brand portfolio



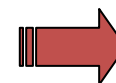
2.5%

New international markets



2.0%

Segmentation/customer relations management



2.0%



Roll-out stages Focus on turnover growth

Cross - selling

- Cross-selling offers in place on websites
⇒ 150,000 cross sell hits since 1 October



- Development of PV brand sales in Belgium, The Netherlands and Germany
 - Strengthening the brand's reputation via TV campaigns, e-mailings and PV adverts in brochures destined for CP clients
 - Developing partnerships with foreign tour operators in order to promote the PV brand:
 - ⇒ Operations launched with Thomas Cook, Neckermann and Jetair (Belgium), OAD Reizen (The Netherlands)
 - ⇒ So far, PV sales with BNG clients have risen 12% relative to the previous year
- Marketing for six PV Resort villages on CP websites as of mid-March 2011:
 - ⇒ So far, sales generated at these six villages have risen almost 7%



Roll-out stages Focus on turnover growth

Optimisation of distribution channels

- No prices in Center Parcs brochures in the Netherlands and in Belgium and increased use of yield management
⇒ Growth in average letting rates of 3-4% so far in H2 2010/11
- Launch of new Pierre & Vacances website on 5 May 2011: <http://www.pierreetvacances.com>

Optimisation of brand portfolio

- Transfer of five Sunparks to CP brand as of 1 January 2011
⇒ sales to date (turnover plus reservations) for period from 1 January 2011 to 30 September 2011 up more than 15%
- Disposal of Hôtels Latitudes in Val d'Isère, Arc 1800 and Menuires (FY 2009/10) and Trouville (Dec. 2010)
⇒ full-year turnover from hotels sold off or about to be sold of almost €10m (accommodation turnover)

Customer relations

- CRM Group project: a single client reference base, new web marketing and mailing tools
- Creation of a single customer satisfaction management system (July 2011)
- Creation of social pages for brands: blogs and Facebook pages for PV, Maeva and CP
⇒ more than 50,000 fans on CP France
⇒ 500,000 views on YouTube for viral marketing campaign for Maeva in less than a week



Roll-out stages Focus on turnover growth

Renovation policy

□ Annual CAPEX:

- €40m in normalised CAPEX
- €20m as part of lease renewals

□ Multi-year investment plan over three years:

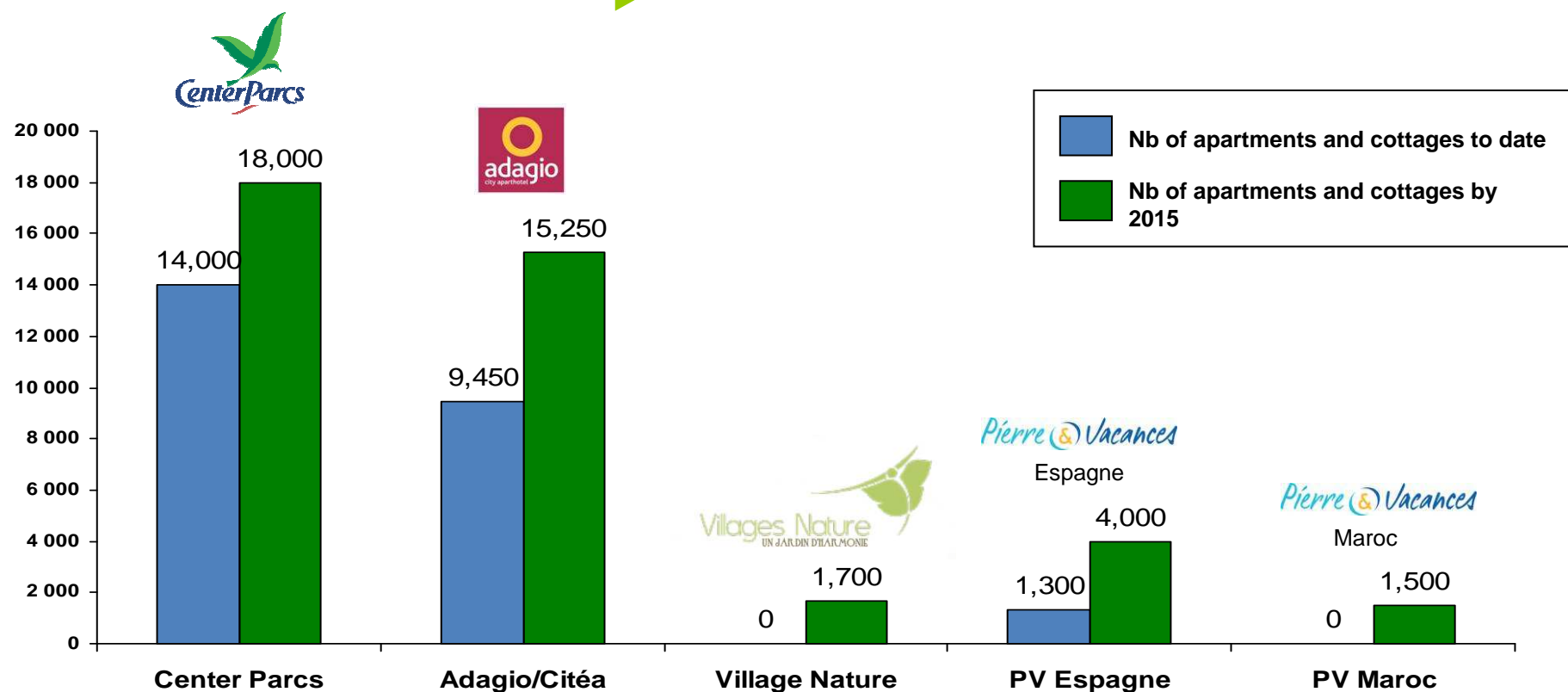
- €100m (CP Netherlands, Belgium, Germany, CP France Bois Francs et Chaumont) financed by:
 - property renovation operations
 - institutional investors
- €38m to invest by Elior and Albron in catering at CP villages



2.2. GROUP DEVELOPMENT BY 2015

Further selective expansion in core businesses

Target by 2015:
Growth in tourism portfolio of 30%



Development at Center Parcs



CP des Trois Forêts (Moselle-Lorraine)



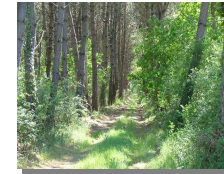
- Opening of first lot of 800 cottages in May 2010
- ⇒ 2nd lot of 107 cottages delivered in 2013
- ⇒ 3rd lot of 200 cottages by 2014

CP at Forêt de Chambaran (Isère)



- 1000 cottages
- Project worth €350m

CP project in Vienne region



- 264 ha close to Poitiers
- 800 cottages + 200 cottages for extension potential
- Project worth €300m
- Opening planned for spring 2015

CP at Bostalsee (Sarre)



- 500 cottages in first phase (+ 200 potential cottages)
- Signing of definitive agreements with local authorities and the Sarre region on 29 March 2011
- Opening planned for 2013

CP project at Leutkirch (Badenwurttemberg)



- 800 cottages in first phase (+ 200 potential cottages)
- Purchase of land and signing of framework contract with local authorities on 2 May 2011
- Opening planned for 2015

CP at Sandur (Netherlands)



- Management contract
- Natural site of 40 hectares with lake of 130 hectares, close to Emmen
- 328 cottages

Development of city residences

With the acquisition of Citéa, Adagio has become the European leader in city tourism residences

Operation

- ☐ The group, owner of 50% of Citéa (49 management contracts for 2* city tourism residences) acquired from Lamy:
 - 1) the 50% of Citéa owned by Lamy => the group owns 100% of Citéa
 - 2) businesses for 31 tourism residences management by Citéa
- ☐ Secondly, the group is to sell off 100% of Citéa to Adagio
- ☐ After the operation, Adagio will manage 84 tourism residences, thereby becoming the European leader with almost 10,000 apartments and sales volumes of around €160m.



**Strategic
interest**

Development of city residences

- ❑ **Leading position in city tourism residences in Europe**
⇒ increased visibility for Adagio brand
- ❑ **Benefiting from services of both Adagio shareholders who are leaders in their respective sectors:**
 - ✓ **Contribution to Adagio's marketing by both parent companies in Europe :**
Sales teams, websites, European calls for tender, brochures
 - ✓ **Power of a double electronic distribution:**
Group Accor and Group PV/CP electronic distribution systems distribute Adagio residences
 - ✓ **Logistical and operational aid:**
Human resources, purchases, back office, IT



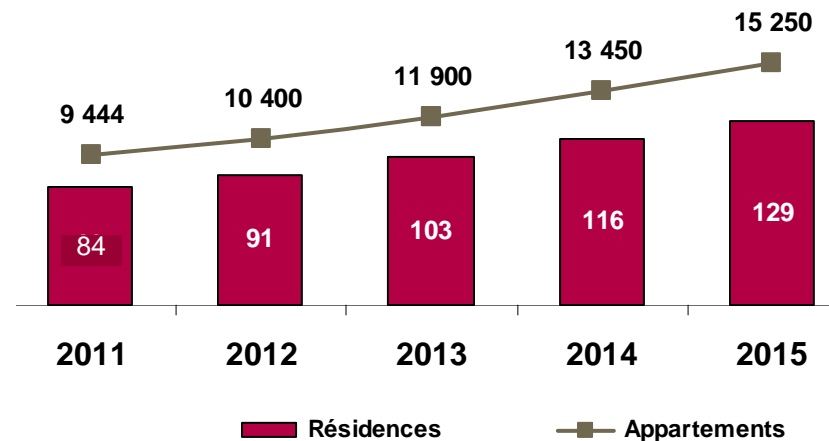
Citéa
Apparthôtels et Villas en France



Development of city residences

- ❑ Development in Europe principally focused in Europe (France, Germany, UK), as well as Russia and the Middle East.
- ❑ By 2015, Adagio will manage almost **130 residences** and have a business volume of **330 million Euros**

Development





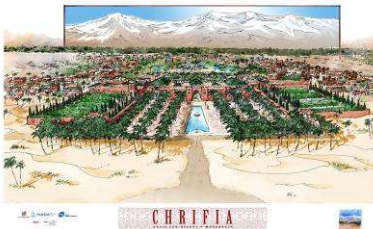
International development – Spain and Morocco

Spain



- Leases and management mandates for 2,000 apartments
- Target for 3,000 apartments managed by 2013
- Opening of main Spanish seaside resorts

Morocco



- Land of 47 hectares, 10 minutes from Marrakech airport and medina
- 480 apartments and homes in tourism residences
- 580 second homes
- **Partnership project** with Caisse des Dépôts et de Gestion du Maroc

Villages Nature



Concept

A new concept based on the harmony between Man and Nature :

- ❑ A 530 ha domain, 6 km from the Paris Disney parks
- ❑ Public-private partnership with the State, Ile de France region, Seine & Marne department and local authorities
- ❑ Joint-venture 50/50 PVCP/Eurodisney

Overall projet

- ❑ **Overall project : €1.8 billion**
- ❑ **Capacity : 7,000 houses and apartments, for a capacity of 25,000 people**

1st phase

- ❑ **2 lakeside villages and a forest village over 175 ha**
 - Geothermal lagoon
 - **1,730** apartments and homes in tourism residences, in 2 tranches
 - **€700** million project (€17 million of Group equity spread over 3 years)
 - Opening scheduled for **2015** and **2016**



CONCLUSION

- **The transformation plan is underway :**

Confirmed objectives by 2013:

- ✓ **Growth in tourism turnover : €100 million**
- ✓ **Cost-cutting program : €65 million**

- **Further selective expansion :**

- ✓ **Growth in tourism portfolio of 30% by 2015**