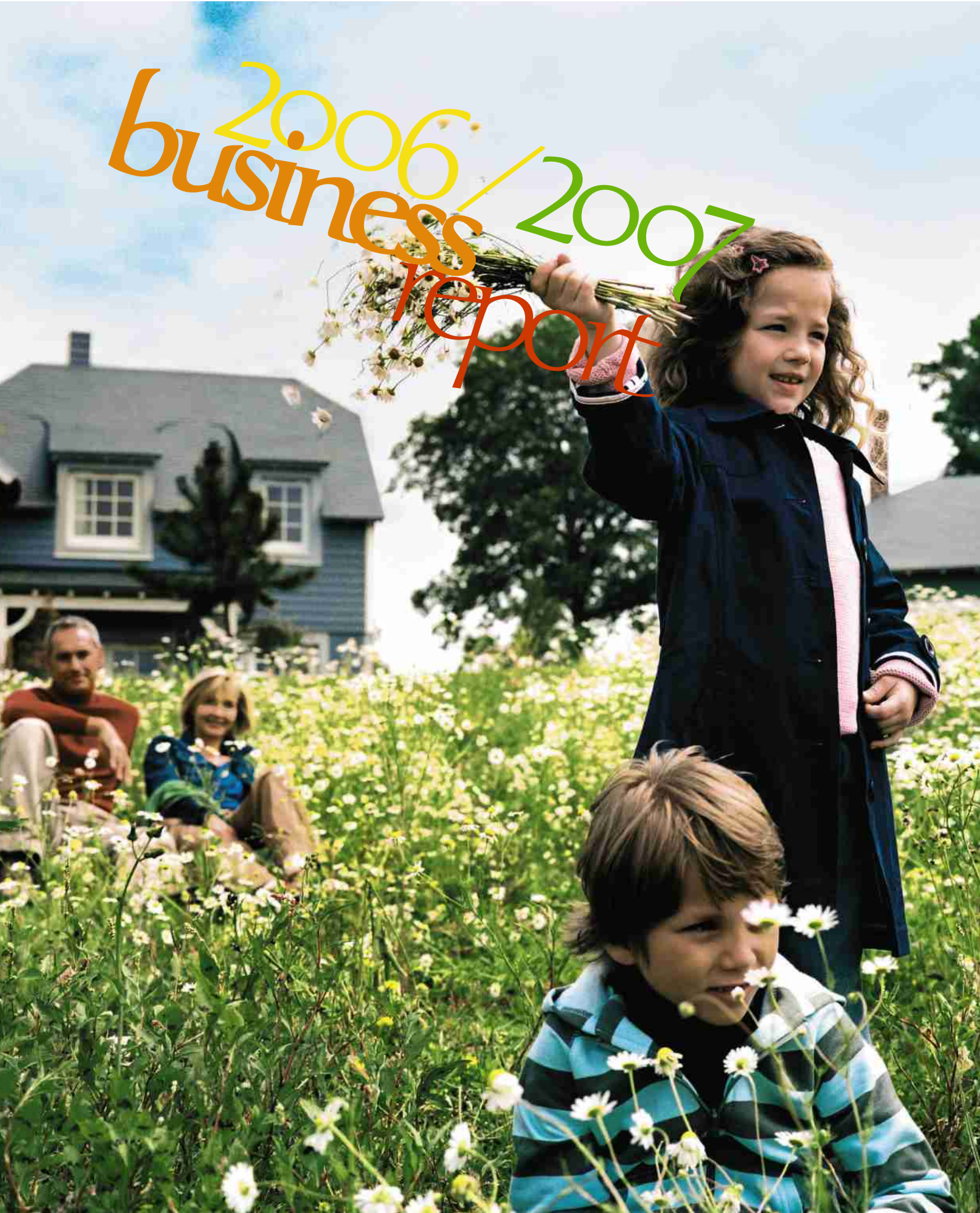


2006 / 2007 business report



EUROPEAN LEADER IN HOLIDAY RESIDENCES

02	CHAIRMAN'S MESSAGE
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The Pierre & Vacances Group is the European leader in holiday Residences. Its expansion is based on an original economic model combining property development and tourism.

Today, the Group has eight complementary tourism brands, Pierre & Vacances, Adagio City Aparthotel, Maeva, Résidences MGM, Hôtels Latitudes, Center Parcs, Sunparks and Citéa. It operates 48,300 holiday apartments and homes located in Europe.

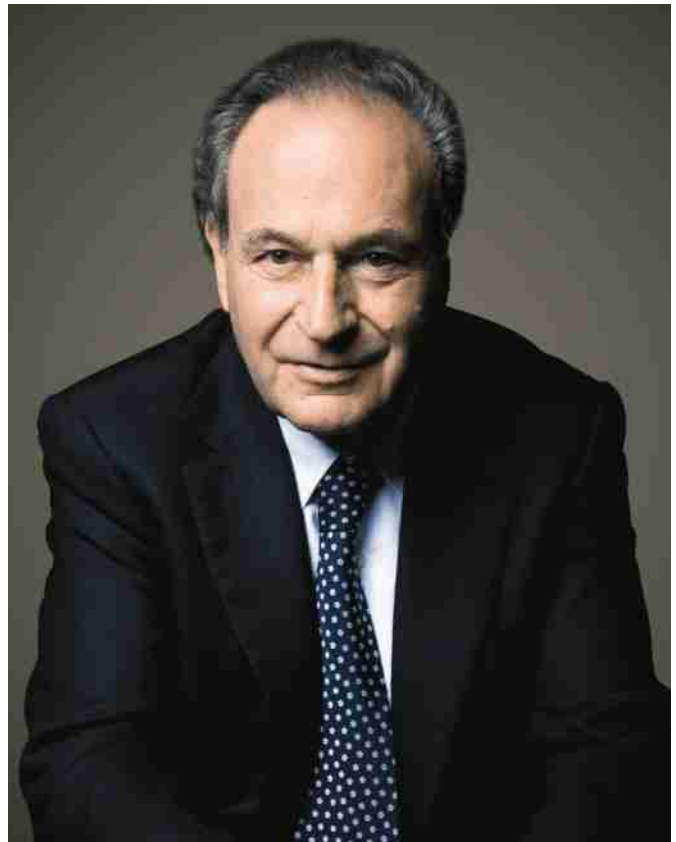
In 2007, the Group welcomed 6.9 million holiday-makers, attracted to its holiday formulas offering appealing destinations and “à-la-carte” services.

The logo for Pierre & Vacances, featuring the brand name in a blue script font with a small orange circle containing a white ampersand between the words.The logo for Maeva, featuring the brand name in a bold, orange, sans-serif font with a simple orange smile-like curve below it.The logo for Latitudes Hotels, featuring a stylized blue and green star above the word 'latitudes' in a bold, blue, sans-serif font, with 'HOTELS' in a smaller, blue, sans-serif font below it.The logo for Sunparks Villages de Vacances, featuring the brand name 'Sunparks' in a bold, blue, sans-serif font, with 'Villages de Vacances' in a smaller, green, sans-serif font below it, and a stylized green leaf to the left.The logo for Les Senioriales, featuring the brand name 'LES SENIORIALES' in a blue, serif font, with 'L'EXPERT DES RÉSIDENCES SENIORS' in a smaller, blue, sans-serif font below it.

The past three years have been spent consolidating our fundamentals. Against an ever-changing backdrop, we have maintained our course, streamlined our organisation, optimised our resources, and backed strong concepts and growth markets such as city residences.

As announced, we managed to return to the acquisitions trail and made two major acquisitions over the year. Firstly, the acquisition of Sunparks has enabled us to reinforce our positions in northern Europe by rounding out the Center Parcs villages with a clearly segmented offering between three/four-star villages and five-star villages. Secondly, via the acquisition of Les Senioriales, we have enhanced our know-how and positioned ourselves in the robust market of residences for retired and active people.

Our development has also involved partnerships with other leading players. We had already joined forces with Euro Disney in an innovative project: Villages Nature in France. We are now also associated with Accor in the European city residences market.



chairman's message

Finally, we have expanded our activities on the international market. Firstly, in marketing, by addressing our European clients directly via Internet or by setting up offices locally. Secondly, in our projects, both by developing new Center Parcs in Europe and city residences and also rolling up Pierre & Vacances in Spain and soon in Morocco.

Sources of fresh growth are therefore well in place. Without straying from our dual-focus business of tourism and property development, we are constantly renewing our approach by identifying new projects and market segments which correspond to social changes in Europe. Having just celebrated our 40th birthday, the Group has continued to display extremely robust momentum this year.



Gérard Brémont
Chairman and Chief Executive Officer

“As
announced,
we have
returned
to the
acquisitions
trail.”

corporate governance

The strategic objectives of the Pierre & Vacances Group are defined and implemented by several decision-making bodies.

BOARD OF DIRECTORS

The Board of Directors of Pierre & Vacances SA has nine members, four of whom are independent as defined by criteria in the Bouton report.

Gérard Brémont

Chairman and Chief Executive Officer

Olivier Brémont

SA SITl, represented by Thierry Hellin

GB Développement, represented by

Patricia Damerval

Éric Debry

Michel Dupont

Sven Boinet

Marc R. Pasture

Ralf Corsten

EXECUTIVE COMMITTEE

The Executive Committee has nine members, all of whom are group executives.

Antoine de Fombelle

Chief Executive Officer of Pierre & Vacances Développement

Isabelle de Wavrechin

Chief Executive Officer of Pierre & Vacances Conseil Immobilier

Patricia Damerval

Deputy Chief Executive Officer, Head of Finance

Éric Debry

Deputy Chief Executive Officer

Gérard Brémont

Chairman and Chief Executive Officer

Thierry Hellin

Deputy Chief Executive Officer, Head of Legal, Human Resources, Risk Management, Sustainable Development and General Services Department

Martine Balouka

Chief Executive Officer of Pierre & Vacances Tourisme France

Christophe Jeannest

Chief Executive Officer of Center Parcs Europe

Jean Chabert

Chief Executive Officer of Pierre & Vacances Promotion Immobilière

OTHER COMMITTEES

The Management Committee

The Committee has 35 members and covers not only the Executive Committee, but also the main senior managers of the Pierre & Vacances Group.

The Development Committee

This committee includes representatives from the tourism, property, development and finance divisions.

The Tourism Committee

The Committee houses the main managers of the Pierre & Vacances tourism and financial divisions.

The Board of Management and Supervisory Board of Center Parcs Europe

These two bodies include qualified external members.

The Property Development Committee

This Committee is composed of managers of the property development and property marketing divisions.

Antoine de Fombelle

Isabelle de Wavrechin

Patricia Damerval

Éric Debry

Gérard Brémont

Thierry Hellin

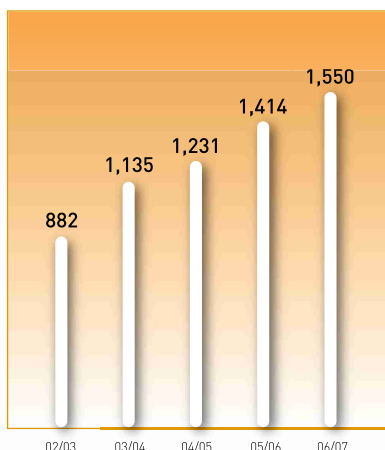
Martine Balouka

Christophe Jeannest

Jean Chabert

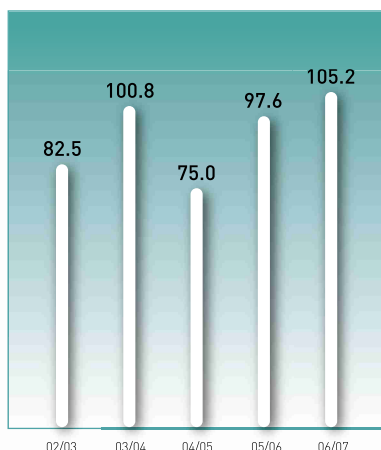


key figures 2006/2007



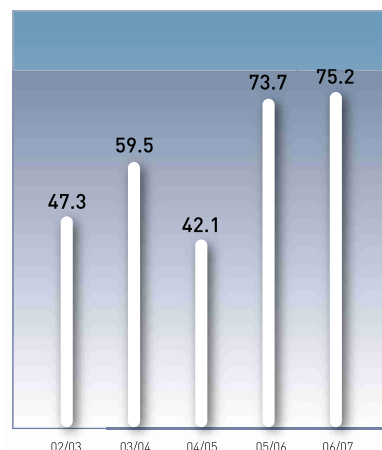
Turnover (€ million)

Like-for-like Group turnover rose 6.0% including €1,058.6 million for the tourism activities (+2.6%) and €491.7 million for the property activities (+14.2%).



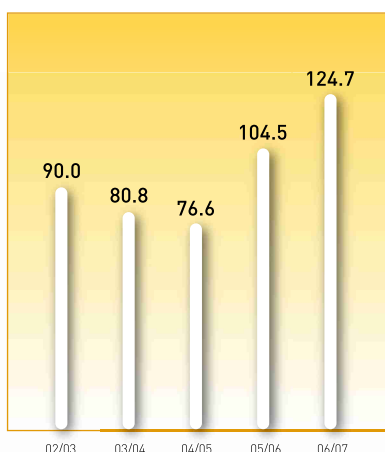
Current operating income (€ million)

Growth of 7.8% in current operating income due in equal proportions to the tourism and property divisions.



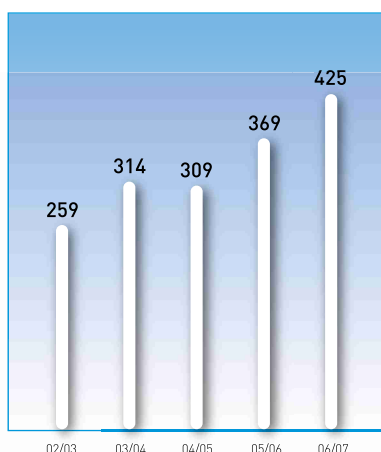
Attributable net income (€ million)

New record net income of €75.2 million, up 2.1%.



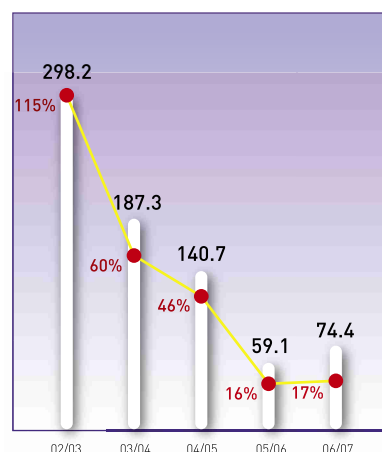
Cash flow (€ million)

Growth of 19.3% to €124.7 million, enabling financing of acquisitions and hefty investment spending in tourism operations.



Attributable shareholders' equity (€ million)

The earnings posted over the year helped increase shareholders' equity by 15.3% to €425 million.



Net financial debt (€ million and as a percentage of shareholders' equity)

Gearing stood at 17% on 30 September 2007.

Note: Years 2002/2003 and 2003/2004: French standards
Years 2004/2005 and 2006/2007: IFRS

main events 07

2 february

Pierre
& Vacances
and Accor

6 february
40th birthday

13 february
Villages
Nature



On 2 February 2007, **Pierre & Vacances** and **Accor** joined forces to develop a network of city residences in Europe with the aim of becoming the leader in the market under the Adagio City Aparthotel banner. Within five years, the network is set to boast 50 residences (6,500 apartments) in the main French and European cities.

On 6 February 2007, the **Pierre & Vacances Group** celebrated its 40th birthday in the presence of 1,500 guests focusing on the theme "Our history has a future". During the evening, the French minister delegate for Tourism, Léon Bertrand, underscored the Group's innovative ability.

On 13 February 2007, the Villages Nature project moved another step forward. A letter of intent was signed between the French state, **Euro Disney** and **Pierre & Vacances** thereby confirming the state's interest and backing for this novel project, in partnership with local authorities. During this new phase, the parties involved will together define the terms of realising the project which are set to result in a framework agreement at end-2008.

20 march

Opening of
Paris Tour Eiffel



On 20 March 2007, in the presence of the first deputy to the mayor of Paris, Anne Hidalgo, Gérard Brémond inaugurated the new **Paris Tour Eiffel** city residence. Entirely renovated by architects Valode et Pistre, the prestigious 32-storey building has 375 apartments.

15 may

Development
in buoyant
retirement
home market



On 15 May 2007, Pierre & Vacances acquired property development company **Les Senioriales**, specialised in the construction of residences for active over-fifties. The acquisition is a complementary and profitable development focus for the Pierre & Vacances Group.

28 september

Opening of third
Center Parcs in
France



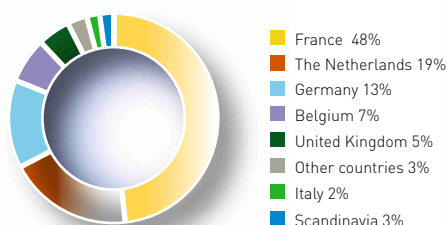
After 24 months of construction work, the third French Center Parcs, **le Domaine du Lac d'Ailette** in the Aisne region, welcomed its first individual clients on 28 September 2007. The project mobilised 40 French and European companies, including a quarter from the Picardy region. From 600 to 1,500 workers took part in building the park and the daily operating of the site led to the creation of 650 jobs, favouring local profiles.



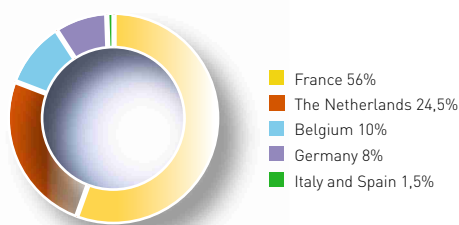
In 2006/2007 the Pierre & Vacances Group undertook two sizeable operations with the acquisitions of Sunparks in Belgium and Les Senioriales. It also created a partnership with Accor in the high-growth market of city residences. The Group confirmed the solid and dynamic nature of its business model as reflected in further organic growth, the numerous property development and tourism projects currently being completed (in particular the construction of two new Center Parcs) and an active property prospecting business.



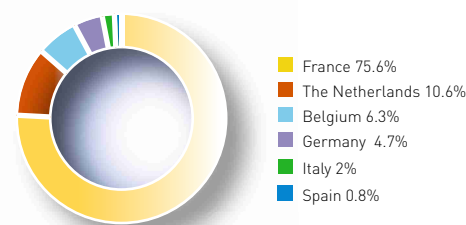
Breakdown of accommodation turnover by customer origin



Breakdown of tourism turnover by destination



Breakdown of tourist residence portfolio by destination at 30 Sept. 2007 (in number of apartments)



Total operated portfolio: 48,274 apartments

A YEAR OF GROWTH

In 2006/2007 the Pierre & Vacances Group added to its achievements in 2005/2006 and posted growth of 14.2% in current net income.

In addition, the Group returned to the acquisitions trail with two sizeable acquisitions. Accommodation turnover at the Pierre & Vacances, Maeva, Résidences MGM and Hôtels Latitudes banners rose 4.3% on a same-structure basis. The year was characterised by growth in direct sales both in France and outside France. Internet sales climbed 52% and now account for 14% of turnover. Another positive point: turnover generated by foreign clients rose by 2%, thereby bringing the share of turnover generated by non-French clients to 29% of the Group's tourism business turnover. Center Parcs Europe also enjoyed a year of growth, with accommodation turnover up 2.7%. Direct Internet sales leapt 68% and now account for 35.5% of turnover at Center Parcs Europe. Meanwhile the Group's property development business posted turnover growth of 14.2%.

PIERRE & VACANCES,
MAEVA, RÉSIDENCES MGM,
HÔTELS LATITUDES



THE BEST HOLIDAY OPTIONS IN FRANCE AND BEYOND

Attracting international clients and making them loyal

In 2006/2007, the Group rounded out its marketing efforts for foreign clients and now has a catalogue and an Internet portal in five languages, with the necessary resources to animate the websites including local webmasters, traffic managers and on-line brochures. Sales offices were also set up or strengthened in Germany, Italy, Belgium, Spain and Scandinavia. Finally, in order to improve the readability and reputation of the Group's offer throughout Europe, the umbrella brand "P&V, the best holiday options in France and beyond" was created exclusively for use in foreign markets.

MAIN FEATURES IN 2007

Two major openings

- > The Paris Tour Eiffel city residence
- > The Center Parcs village at Ailette in the Aisne

Two strategic acquisitions

- > Les Senioriales
- > The Sunparks villages in Belgium

CITY RESIDENCES, THE MARKET OF THE FUTURE



The city residences tourism market is aimed at business clients and is enjoying strong momentum. Demand is rising for medium and long-term city stays combined with both the comfort of a home and "à-la-carte" hotel services.

A partnership with Accor

In February 2007, the Pierre & Vacances and Accor groups decided to create a joint venture in order to develop a network of three and four-star city residences in Europe. The European Commission gave its green light on 5 July and the two partners launched their joint European brand in October, Adagio City Aparthotel. The partnership reflects a teaming-up of two leaders with complementary expertise. Pierre & Vacances already manages 16 city residences in Europe, while Accor has transferred its international network in both development and management. Three openings are programmed for 2008, namely Montrouge, Annecy and Paris Opéra. New residences are set to be opened in 2009 in Brussels and Nantes among other places. Over the next five years, the two partners are aiming to increase their network to 50 city residences.

A NEW STEP FOR THE PIERRE & VACANCES/ EURO DISNEY VILLAGES NATURE PROJECT

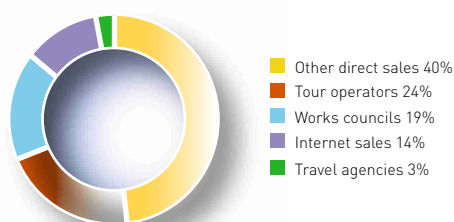
In 2006/2007, the Villages Nature project developed by Pierre & Vacances and Euro Disney moved another step forward with the letter of intent signed by state authorities and the two partners, thereby confirming the French state's interest and support for the project in collaboration with local authorities. The novel tourism concept of Villages Nature is focused on the harmony between man and nature. In a domain of 520 hectares located 6 km from the Disney parks, the project includes several complementary villages combining the themes of water, land and forest. Overall capacity is set to total 20-25,000 visitors. The first phase is set to cover 183 hectares with 2,300 holiday apartments and homes, as well as leisure facilities. A first round of construction could be launched in 2010.

STRONG INTERNATIONAL AMBITIONS

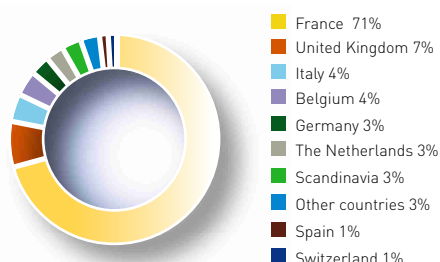
International expansion is a strategic focus for the Group, with two target countries, namely Spain and Morocco. In Spain a new project for 275 apartments in Port Aventura was signed in 2007. As soon as market conditions allow, the Group aims to bolster its development in Spain.

In Morocco, the Group is already present via the Pierre & Vacances banner with a residence of 80 apartments in la Palmeraie (Marrakech). It aims to expand all of the leisure tourism brands and city residences in the country. The strategic business plan is set to be completed in 2008.

Pierre & Vacances, Maeva, Résidences MGM, Hôtels Latitudes accommodation turnover by distribution channel



Pierre & Vacances, Maeva, Résidences MGM, Hôtels Latitudes accommodation turnover by customer origin



CENTER PARCS EUROPE

Enhancing marketing efficiency even further

The main aim is to develop Internet sales, these having accounted for 22% of 2005/2006 turnover and 35.5% in 2006/2007 and even 42% at end-2007. The target is to reach 50% in 2008. The B-to-B business also enjoyed a growth year. Finally, the "Early Bird" policy was successfully continued, favouring clients who reserve their holiday well in advance.

A sizeable acquisition in northern Europe

In April 2007, the Pierre & Vacances Group acquired Belgian group Sunparks, which operates and owns the property assets of four three/four-star villages similar to Center Parcs and located on the Belgian coast, in the Ardennes and in Kempen. The four villages have 1,686 cottages and 50 hotel rooms, as well as numerous leisure facilities. In 2006, Sunparks had 450,000 clients and marketed 80% of its holidays directly. Via the acquisition, Center Parcs has bolstered its positions in Belgium. The Center Parcs villages have been reclassified as five-star such that the Sunparks banner is to maintain the three/four-star offering and serve as a basis for expanding villages in northern Europe. The acquisition was fully refinanced by the disposal of the property assets to Foncière des Murs in September 2007. The Group's efforts in 2007/2008 are set to focus in particular on enhancing Sunparks' performances (in terms of profitability and occupancy rates).

A strengthened offering

Center Parcs is rounding out its offering. Park extensions were launched during 2006/2007, with a first phase of 330 cottages at Bispinger Heide, Het Heijderbos, De Kempervennen and in Hauts de Bruyères. New villages are also set to be built in Moselle, Rhone-Alps and Germany.

In the three/four-star category, apart from the €20 million invested in renovating the Sunparks villages, the De Haan and Butjadinger Küste villages are also due to be extended. Finally, the Group is studying the prospect of setting up a new Sunparks village.

PROPERTY BUSINESSES

Robust organic growth

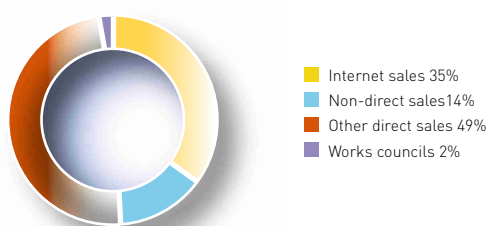
During 2006/2007, two major programmes were delivered, namely the Center Parcs village at Ailette and the Paris Tour Eiffel city residence. For 2007/2008, 650 apartments are set to be delivered, 350 of which new constructions and 300 renovated properties. The Group's teams are actively prospecting in order to generate new property business for coming years.

In addition, the property business is primarily set to benefit from the sale to individuals of the new cottages of the Center Parcs in Moselle.

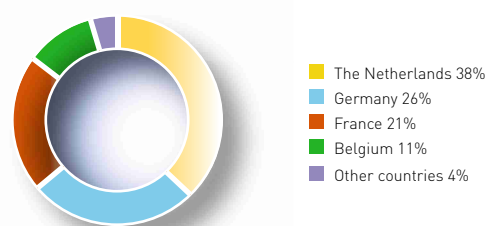
Expanding via acquisitions

In May 2007, Pierre & Vacances acquired Les Senioriales, a property development company specialised in non-medicalised residences for active and retired people. The concept meets three specific needs for this client type: comfort (single floor homes with adapted fittings: electric rolling shutters, air-conditioning, terrace, etc.), safety (warden-steward, electric entrance gate, camera, interphone) and conviviality (club house, events). The homes are sold under full-ownership. Nine Les Senioriales residences have already been built in France, while 11 are currently being marketed and a further 11 are being studied. For 2007/2008, 370 apartments are set to be built. Via this acquisition, the Pierre & Vacances Group has extended its know-how in a high-growth market (more than 800,000 people each year). The possibility of opening up the concept to the rental market is being studied and could be one of the main development focuses at Les Senioriales for coming years.

Center Parcs Europe accommodation turnover by distribution channel

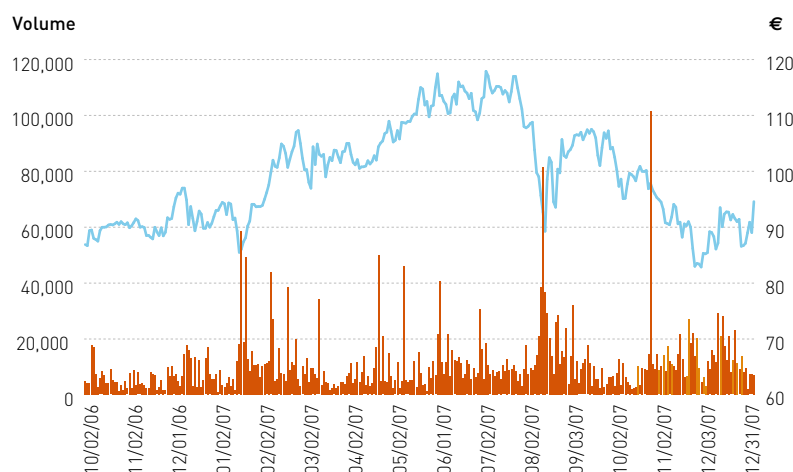


Center Parcs Europe accommodation turnover by customer origin



pierre et vacances on the stock market

Since its flotation in June 1999 at €17, the Pierre & Vacances share price has risen fivefold. The dividend proposed to the Annual General Meeting for the past year stands at €2.70.

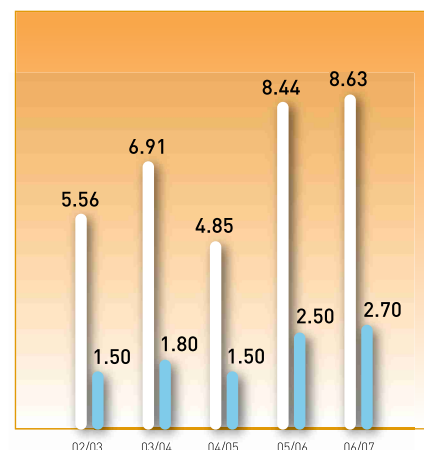


Change in share price since 1 October 2006

Pierre & Vacances' healthy operating and financial performances, bolstered by the acquisitions of Sunparks on 19 April and Les Senioriales on 16 May, prompted a rally in the share price to a peak of €118.0 on 31 May 2007.

After stabilising in a range of €110-118, the share price suffered as of August from the impact of the subprime mortgage crisis in the US and again as of November from the markets crisis affecting mid-cap stocks as a whole. The share fell to a low point of €81.88 on 21 November 2007. The publication of 2006/2007 current operating income up 7.8% to €105.2 million, together with growth in tourist reservations for the winter season and the high level of reservations for property programmes currently being marketed, helped confirm the Group's growth capacity. This capacity is recognised by the consensus of financial analysts who recommend buying the Pierre & Vacances share.

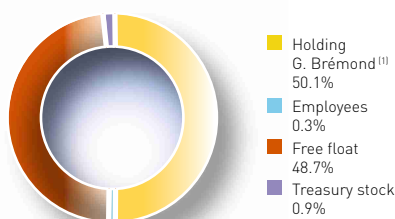
Change in attributable net income per share and dividend (€)



□ Attributable net income per share
■ Dividend

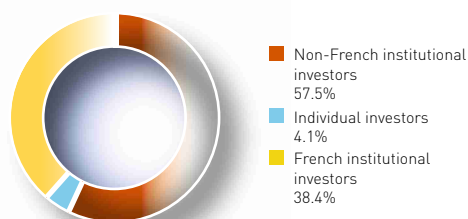
Years 2002/2003 and 2003/2004: French standards.
Years 2004/2005 and 2006/2007: IFRS.

Shareholder structure



(1) Gérard Brémont owns 66.62% of voting rights.

Breakdown of free float



THE PIERRE & VACANCES SHARE

Listing

Euronext Paris, Compartment B
Floated at €17 on 11 June 1999

Indexes

SBF250, CAC Mid 100

Codes

Euroclear: 7304
ISIN: FR0000073041
Reuters: PVAC.PA
Bloomberg: VAC.FP

On 31 December 2007

Market capitalisation

€833 million

Number of shares in circulation

8,810,911

Number of voting rights

13,247,055

shareholder information

A permanent dialogue with shareholders

The Pierre & Vacances Group communicates regularly on businesses, strategy and outlook to individual and institutional shareholders, and more generally, to the financial community.

EFFICIENT PUBLICATION AND MARKETING MEDIA

All of the Group's publications (press releases, annual reports, full-year and interim presentations, etc.) are available on simple request. The Group's website enables Internet users to subscribe to e-mail alerts in order to receive information and also to download all of the Group's publications since it was floated. It provides the list of analysts covering the Pierre & Vacances share and tracks the share price in real-time.

A COMMITMENT TO TRANSPARENCY AND QUALITY

With the aim of regularly informing the financial community, the Pierre & Vacances Group responds to questions from financial analysts, journalists and individual and institutional investors.

The Group is continuing its marketing efforts with institutional shareholders. During the past year, the Group's senior managers met more than 160 investors at roadshows in France, the UK, the Netherlands, Germany, Switzerland and the US.

Pierre & Vacances also organised visits for financial analysts and financial and economic journalists to the Paris Tour Eiffel city residence on 22 May 2007 and to the Center Parcs at the Domaine du Lac d'Ailette, when it was inaugurated on 22 September 2007.



AGENDA 2007/2008

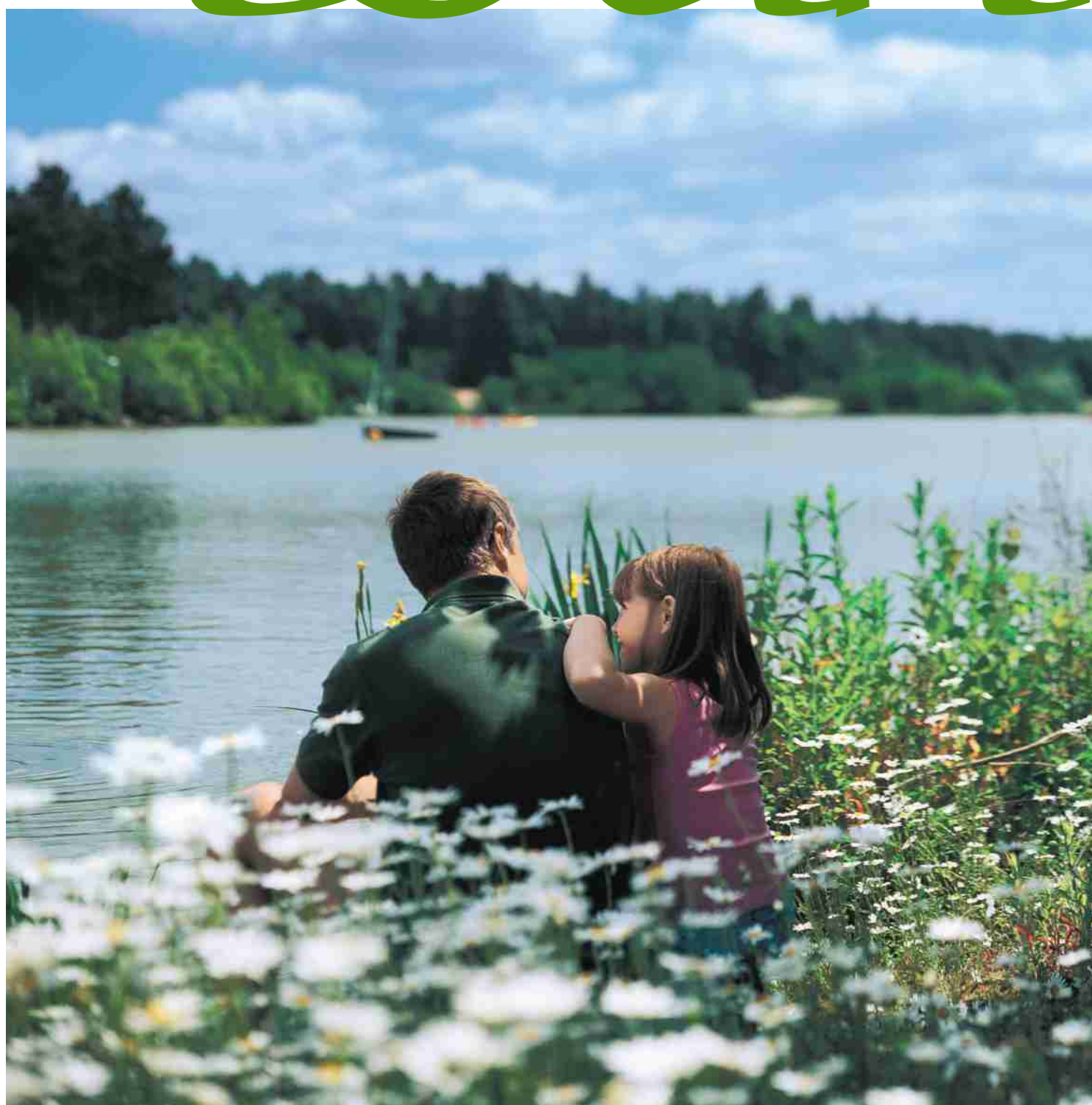
- **Financial information**
2007/2008 Q1
17 January 2008
2007/2008 Q2
17 April 2008
2007/2008 Q3
17 July 2008
2007/2008 Q4
16 October 2008
- **Annual General Meeting**
14 February 2008
- **2007/2008 H1 results**
29 May 2008
- **2007/2008 full-year results**
4 December 2008

<http://groupe.pierre-et-vacances.com>

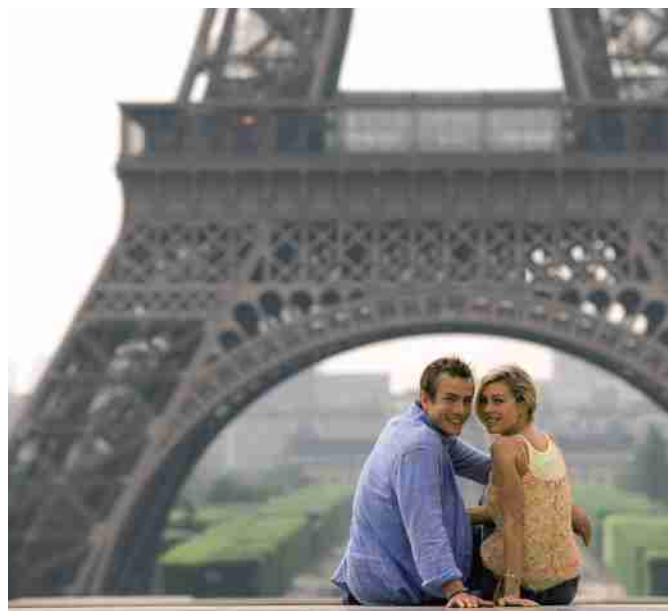
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Tel.: +33 (0)1 58 21 53 72
Fax: +33 (0)1 58 21 54 10

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- 16 PIERRE & VACANCES AND
ADAGIO CITY APARTHOTEL
- 18 MAEVA
- 20 RÉSIDENCES MGM
- 21 HÔTELS LATITUDES
- 22 CENTER PARCS
AND SUNPARKS



OVERVIEW

Activity

Rental of fully-equipped apartments and homes in holiday Residences (66%) or Villages (34%).

Location of sites on 30 September 2007

France: 96

French West Indies: 2
(Guadeloupe and Martinique)

Spain: 2

Italy: 8



Pierre & Vacances

time to rediscover

FREEDOM, TOP-OF-THE-RANGE, RELIABILITY, SERVICE AND PLEASURE

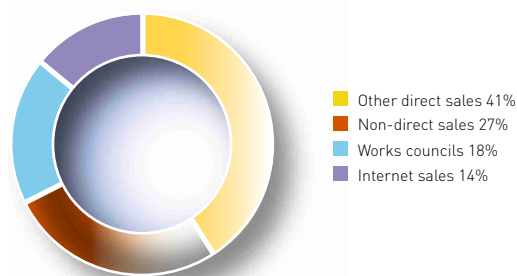
PIERRE & VACANCES CITY BECOMES ADAGIO CITY APARTHOTEL



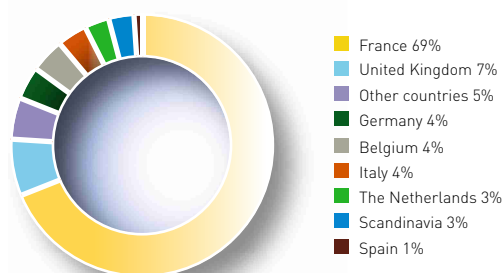
In February 2007, Pierre & Vacances and Accor created a joint venture to develop a network of city residences in Europe and to become the leader in the field. Located in major European cities, the three/four-star residences have 80-140 apartments and offer medium or long "business" or "leisure" stays ranging from four nights to several months. Designed as a home-from-home, far-from-home, each apartment has a fully-fitted kitchen, a living-room, a bathroom, storage space, an equipped office-space (direct telephone, Internet or Wi-Fi connection) and cable TV. Parking, breakfast, dry-cleaning, washing and daily house cleaning services are also offered. The network currently includes 16 aparthotels located in Paris, Aix-en-Provence, Marseilles, Monaco and Rome,

with a total of 2,300 apartments. The most recent addition, Paris Tour Eiffel, was inaugurated on 20 March 2007 and has 375 apartments on 32 floors offering magnificent views of Paris. The residence's exceptional location makes it Adagio City Aparthotel's flagship building in the French capital.

Accommodation turnover by distribution channel



Accommodation turnover by customer origin



NEW RESIDENCES

During the summer, the Pierre & Vacances offering was rounded out with one new village and five new residences (two in Spain): the new village at Branville (217 apartments and 50 houses in Normandy), the "Residence de la Plage" in Crotoy (75 apartments and 12 houses), "Le Clos d'Eguisheim" in Alsace (98 apartments), "Soko Eder" at Ciboure in the Basque country (116 apartments), and in Spain, the "Villa Birdie" residence in Torremirón (75 apartments) and "Marisma Club" in El Rompido (305 apartments).

In 2007, Pierre & Vacances celebrated its 40th birthday. The Group's historical brand cultivated its values of freedom, top-of-the-range, reliability, service and pleasure. Pierre & Vacances has two distinct holiday formats: holiday villages and residences. At the villages, residents find themselves in the heart of a pedestrian zone with all they need at their fingertips, including a fully-comprehensive range of leisure and activity facilities. The villages are family-friendly and are a genuine kingdom for children who are welcomed at the Kids' Clubs as of three months of age. The residences provide holiday-makers the freedom to choose a programme and organise leisure activities with no restrictions. Located in well-known regions and resorts, they provide an ideal base for discovering the cultural wealth and patrimony of a region.

ALMOST 3,500 APARTMENTS RENOVATED OVER THE PAST FOUR YEARS

For winter 2006/2007, Pierre & Vacances continued its renovation programme in the major ski resorts. Four residences, or more than 300 apartments were entirely renovated and extended, namely "Les Balcons de Belvedere" in Val d'Isère, "L'Ours Blanc Privilège" in l'Alpe-d'Huez, "Les Néréides" in Belle Plagne and "Les Crêts" and "Les Sentiers du Tueda" in Méribel-Mottaret.

SUMMER 2007: INCREASINGLY CHILD-FOCUSED

For summer 2007, 16 seaside residences (recommended by children!), 10 villages and five mountain residences equipped their apartments with a wide range of equipment and accessories vital for everyday life with a baby: highchair, cot, changing table, bouncy chair, bottle warmer, pushchair, bath, etc. The "Planète Attitude" activities intended for the Kids' Clubs were organised in partnership with WWF for all of the Pierre & Vacances villages in order to combine learning and fun to develop an environmentally-friendly attitude with ecogestures. In 2005, Pierre & Vacances opened its first "SpOt", an area for teenagers equipped with music mixing tables, a large screen, video games, a dance-floor and high-speed Internet. Since then, 10 villages now have a genuine HQ, open during the evenings in school holiday periods.



ADAGIO CITY APARTHOTEL, ITS OWN IDENTITY

On 3 October 2007, the two groups launched the Adagio City Aparthotel brand and revealed the new logo. The fluidity and harmony of the name "Adagio" reflects the offering's reassuring and comfortable nature. The logo has a highly symbolic impact with the circle in the square indicating a reference point in a city, reflecting both a form of stability and a feeling of being "cocooned". The colours symbolise the energy of the city, with its constant pace and motion.





OVERVIEW

Activity

Rental of equipped apartments, ranging from studio flats to three-room apartments located in the centre of, or near to, major tourist stations and close to sporting events and local leisure activities.

Location of sites

on 30 September 2007

Seaside: 101

Mountain: 65

Spain: 14



maeva

sharing more than just a holiday

SHARED EXPERIENCES, OPEN-MINDEDNESS, FREEDOM, SIMPLICITY
AND REGIONAL DISCOVERY

NEW RESIDENCES

In 2006/2007, three new residences rounded out the Maeva offering in France: "Antarès" in Avoriaz, "Les Issambres" and "Le Palais de la Marine" in Villefranche-sur-mer. In Spain, Maeva increased its portfolio of residences by 50%, adding four new residences: "Cap Roig" in Ampola-Costa Dorada, "Residencial La Sella" in Denia-Costa Blanca, "La Manga Residencial" and "Vistamar" in La Manga-Costa Calida.



Since its creation, Maeva has cultivated its convivial values of open-mindedness and conviviality, which are so precious for its clients and suit their current state of mind.

These fundamental values are now the base of the brand's positioning. Assuming from the outset that holidays are privileged moments that favour leisure and discovery, Maeva reflects this mindset in one promise "sharing more than just a holiday".

Various holiday formulas are available: weekly stays, short-stays of two nights or more, long stays with a price reduction and even à-la-carte stays with the freedom to choose arrival and departure dates.

NEW CLASSIFICATION CRITERIA: ACTIVITIES

In order to better meet holidaymaker requirements in terms of games, sports or cultural activities, Maeva enhanced its offering in 2007 by proposing two holiday formats: Residences or Club Residences offering activities and events. As such, animation has become a key part of the Maeva offering and a new classification criteria. Club Residences offer Kids' Clubs, activities for teenagers and adults during the day time and evening and are ranked ♥♥♥♥. All of these services are included in the residence rental price.

ONGOING RENOVATION POLICY

For the past four years, Maeva has undertaken an extensive renovation programme in order to standardise its rental offering. The aim has been to underscore the brand's identity by designing its apartments as genuine places of conviviality. Simplicity and efficiency are celebrated in a fresh and modern decor with hints of acid colours, sleek forms and functional and clever fittings and fixtures.

For the winter 2006/2007 season, five mountain residences (468 apartments) and four seaside residences (348 apartments) were renovated: "Le Pédrrou" in Font-Romeu, "Le Montana" in La Mongie, "La Daille" in Val-d'Isère, "Le Mont d'Arbois" in Megève, "Le Peillon" in Méribel, "La Corniche de la Plage" in Bénodet, "Les Embruns" in Deauville, "Les Palmiers" in Nice and "La Rostagne" in Antibes-Juan-les-Pins.

For summer 2007, six renovation programmes were undertaken on the Mediterranean coast, "Les Villages du Soleil" and "Le Domaine de l'Estajan" in Camargue, "Les Platanes" in Sainte-Maxime, "Promenade des Bains" in Saint-Raphaël, "Cannes Verrerie" in Cannes and "Les Agaves" in Cavalaire-sur-Mer.

NEW ACTIVITIES

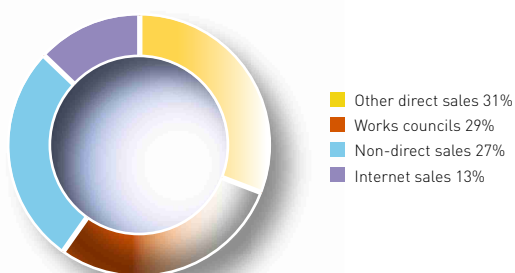
In 2006/2007, the brand rounded out its range of activities. For winter 2006/2007, Maeva offered accompanied half-day snow-shoe walks focused on the theme "discovering the environment". Five additional Kids' Clubs were opened in mountain residences, meaning a total of seven destinations now welcome children aged from three months to 16 years. At the seaside resorts, Maeva reinforced its thalassotherapy offering and launched new cures of two, three and five or six days in Bénodet, Camargue, La Baule, Urrugne and Saint-Jean-de-Luz. In the winter 2006/2007 catalogue, 13 thalassotherapy destinations were available.



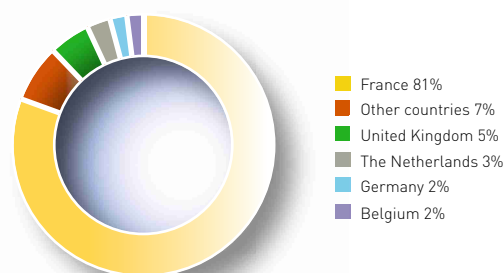
COMPLEMENTARY SERVICES

For winter 2006/2007, new services were added to the Maeva offering such as ski equipment rental when booking the holiday and SMS services notifying clients when their apartment is ready in order to facilitate their arrival.

Accommodation turnover by distribution channel



Accommodation turnover by customer origin





OVERVIEW

Activity

Rental of apartments, ranging from two rooms to five rooms, in prestigious residences.

Location of sites

on 30 September 2007

10 destinations: Chamonix, Les Carroz-d'Arâches, Les Houches, Arc 1800, Aime-la-Plagne, Tignes Val Claret, Pralognan-la-Vanoise, Méribel Village, Les Menuires and Val-d'Isère



RÉSIDENCES
MGM

authenticity, comfort and you

PRESTIGE, AUTHENTICITY, QUALITY, EXCLUSIVITY, SPACE AND WELL-BEING

The MGM residences are a symbol of upscale mountain rentals and are located in the most prestigious mountain resorts in the French Alps. They favour holidays focused on relaxation and well-being and reinvent the mountain way of life focusing on authenticity, cosiness and refinement and offering stays in traditional Savoy-style chalets.

TAILOR-MADE STAYS, FREE SPIRIT

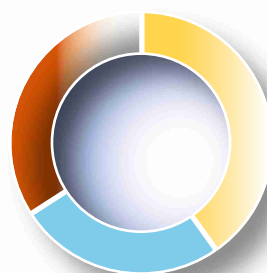
Short stays of two to six nights in all of the destinations offering the possibility of reserving last minute and arriving on the day of the visitor's choice. In order to help residents fully focus on their leisure activities, Résidences MGM guarantees high-quality services and ensures the reservation of services before arrival including ski-lift passes, ski-equipment in partnership with SkiSet and skiing lessons for all levels provided by the French Ski School, ESF, at preferential rates.

ENHANCED OFFERING AND QUALITY OF SERVICES

In order to meet the demand for quality that is specific to Résidences MGM, the majority of residences benefit from a number of personalised services. A new feature in summer 2007, Résidences MGM joined forces with the Algotherm® brand specialised in well-being and marine cosmetics to offer "Spas by Algotherm" in addition to its existing health-care centres in the six residences. Algotherm® has created around 15 face and body care treatments based on the themes "Beauty and health", "Serenity and pure relaxation" and "Specific sports" including massages with hot stones and scrubs with natural products. These treatments are

offered "à-la-carte", or as a discovery or theme package in the residences in Chamonix, Les Carroz-d'Arâches and Méribel Village. Gastronomy on demand: in Aime-la-Plagne, Chamonix and Méribel Village. Résidences MGM has also set up a delicatessen service running from Sunday to Friday. A-la-carte traditional or Savoy meals offered by top-quality services providers can be ordered the day before and are delivered directly to the apartment the next day. A bakery service is available at all of the residences enabling bread and pastries deliveries on simple demand at reception. Finally, for those arriving before 5 p.m. an SMS service informs guests when their apartment is ready thereby enabling them to wait under the best conditions and use the time in between to discover the ski-resort or rent their ski equipment.

Accommodation turnover by distribution channel



■ Non-direct sales 40%
■ Internet sales 26%
■ Other direct sales 34%



OVERVIEW

Activity

Three and four-star hotels located at seaside and mountain resorts or city centres.

Location of sites

on 30 September 2007

6 seaside: Pornichet, Deauville, Trouville, Cap Esterel, Grimaud and Valescure

4 mountain: Arc 1800, Les Menuires, Méribel and Val-d'Isère.

1 city centre: Toulouse



the way hotels should be

COMFORT, MODERNITY, TAILORED SERVICES AND INCENTIVE

Located in attractive destinations, in city, mountain and seaside resorts, the brand's 11 hotels offer holiday, business or week-end stays. Beyond the charm of their architecture and the excellent level of comfort and decoration, one of the brand's strengths is to associate integrated hotel and leisure services according to the region where the hotel is located: gastronomic catering, à-la-carte leisure activities, living spaces for relaxation as well as golf courses and thalassotherapy and balneotherapy cures.

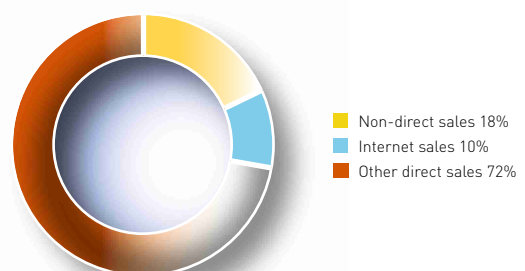
FAMILY SPIRIT

With accommodation in double, triple, quadruple or communicating rooms, as well as shared or specific leisure and sports activities and personalised services, Hôtels Latitudes designs tailor-made stays suitable for all family types, including single parents or recomposed families. In order to meet these families' requirements, Hôtels Latitudes offers attractive rates at certain periods.

NEWS AND DEVELOPMENTS

The Hôtel Latitudes "Golf de Toulouse Seilh" has been entirely renovated and now offers business and leisure stays. All of its 116 rooms and 56 apartments have been renovated and redecorated with natural materials, waxed woods, contemporary colours, engravings and accessories reflecting the golfing and aerial universe of the region as well as the hotel's aim to move upscale. At the same time, the Hôtels Latitudes brand is continuing hefty make-over and renovation works aimed at equipping all of its hotels with facilities and services suited to today's requirements.

Accommodation turnover by distribution channel





OVERVIEW

Activity

Cottage rentals for four to twelve people in the heart of woodland villages with numerous sports and leisure facilities.

Location of sites

on 30 September 2007

The Netherlands: 8

France: 3

Belgium: 6 (4 Sunparks villages)

Germany: 4

4 cottage categories

Confort, Premier, VIP and Style

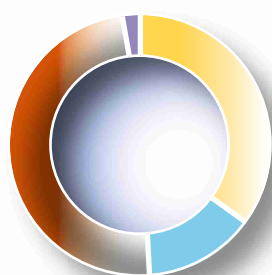


to reconnect naturally

SPECIALIST IN SHORT BREAKS IN THE COUNTRYSIDE

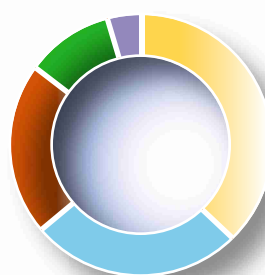


Accommodation turnover by distribution channel



■ Internet sales 35%
■ Non-direct sales 14%
■ Other direct sales 49%
■ Works councils 2%

Accommodation turnover by customer origin



■ The Netherlands 38%
■ Germany 26%
■ France 21%
■ Belgium 11%
■ Other countries 4%

Created in 1968 in the Netherlands, the success of the Center Parcs concept and its leadership in short stays in France and Europe, is based on five pillars: nature, water, cottages, leisure and services. Located in a natural and protected environment the Center Parcs domains offer "well-being" stays in comfortable and spacious cottages, centred around a multitude of relaxation and leisure activities. With top-quality services enabling activities during all seasons, the annual occupancy rate in the 17 domains in Europe stands at 84%.

INTERNET

Center Parcs continues to count on its online marketing to encourage consultation and reservations. The brand has developed a new website equipped with software for preparing the holiday online and offering targeted contents: games pages go down extremely well with younger Internet users. Since autumn 2006, the "First Minute Deal" favours early reservations up to nine-months in advance and offers discounts on all the stays. Finally, in Q1 2007, Center Parcs launched an Internet site with 3D virtual imagery together with video, integrating 21 life scenes and 360° views to present the new Domaine du Lac d'Ailette.

NEWS

The Domaine des Bois-Francis and the villages Port Zélande and Park Hochsauerland continued their make-over and extension programmes with the cottages rising upscale. Center Parcs began fundamental work on the quality of its business and leisure offerings in Europe with the Aqua Mundo at Park Hochsauerland and at Domaine des Bois-Francis now offering a Water Play House. Other innovations included the opening of a Glide'n Slide at Park Hochsauerland, and a health and beauty centre "Nature & Spa" offering treatments and relaxation at Bois-Francis and a swimming pool for discovering aquatic life and submarine environment at De Kempervennen, in partnership with WWF.



DOMAINE DU LAC D'AILETTE, AN INNOVATIVE SITE COMBINING WATER AND FOREST

Opened in September 2007, the latest Center Parcs located in the Aisne is the largest tourism project launched in France for 15 years. Set in 84 hectares of forest land with a 140 hectare lake, the Domaine du Lac d'Ailette has 800 cottages.

The new-generation domain has a number of innovative features. The Aqua Mundo water space covers 7,500 square metres and houses 350 metres of slides, four indoor and outdoor hot baths, a wild river, a still-water river and an overflow swimming pool of 100 square metres with a view of the lake and the huge outdoor terraces. More importantly, it also houses the new attraction in Europe, the 420 square metre Water Play House with a giant bucket that regularly pours 900 litres of water on swimmers in all safety.

More than 60 activities are offered to older and younger children including a nautical base, covered sports facilities, a 1,000 square metre indoor playground called the Baluba, tree adventure courses, etc. The Wannabe programme created for the 4-12 year olds is a learning game enabling children to act out a job (a fireman, an Indian, a farmer, etc.).

Another major feature at the domain is its 2,000 square metre congress and seminar centre, made up of 22 halls, 21 of which can be redistributed. This is the brand's largest business space in Europe.

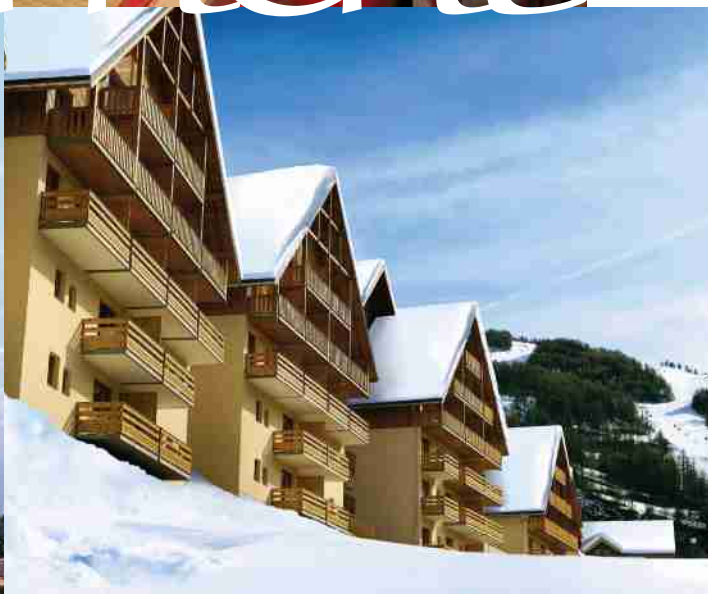
SUNPARKS

Belgian group Sunparks owns and operates four three/four-star villages in Ardennes, Kempen and on the North Sea, representing 1,686 cottages and 50 hotel rooms. The villages welcome families or groups of friends and offer numerous facilities such as an open-air sports complex, an indoor aqua-park called Aquafun with wave and bubble machines, slides and a health and beauty area, the Thermae, as well as a Kids World for children's activities and restaurant and supermarket services.



property





unique synergy in the market

The original feature of the Pierre & Vacances Group lies in the synergies existing between its two core businesses, namely **property development and tourism**. The Group is therefore able to respond to changes in client demand via a dynamic property development policy while bolstering its presence in the various tourism brands.



The property development division is divided into three subsidiaries:

**Pierre & Vacances Développement (PVD),
Pierre & Vacances Promotion Immobilière (PVPI),
Pierre & Vacances Conseil Immobilier (PVCi)**

As such, the Pierre & Vacances Group boasts an integrated chain of expertise in all property businesses, from authentication and design to construction of the property and marketing to investors, with turn-key delivery to operators in the tourism division. This organisation enables excellent quality control and standardisation of products at the various banners.

A STRICT APPROACH TO PROPERTY DEVELOPMENT

Pierre & Vacances develops property projects according to strict prudential rules.

For all land purchases, the Group obtains the official permits required and ensures that the land is free of charges. As such, it only commits itself to paying the fees required for planning permission application.

New residences are sold off-plan and construction work only begins once a minimum of 60% of the apartments have been pre-sold.

Finally, the Group systematically provides purchasers a guarantee of completion endorsed by a bank, enabling the signing of deeds at a notary before building work is completed and the collection of funds for new programmes.



OVER-FIFTIES: A HIGH-POTENTIAL MARKET SEGMENT

On 16 May 2007, Pierre & Vacances acquired Les Senioriales, a property development company specialised in residences for active people over 50. The deal has enabled the Group to bolster its positions in the property development market and to expand in the high-growth segment of active and independent retired people. Les Senioriales has developed a novel concept of specialised, non-medical, residences with 60-70 homes sold under full-ownership.

Boasting easy access to property ownership and strictly controlled construction costs given the product's standardisation, the company has stepped up its development considerably. Les Senioriales currently manages nine residences in the south of France, eleven villages of 50-80 homes are currently being built or marketed while eleven others are being studied. Pierre & Vacances has provided the new subsidiary access to its property development teams in France, as well as in Spain and Morocco. The acquisition offers a complementary and profitable development opportunity for the Pierre & Vacances Group. In a rapidly-growing target market, Pierre & Vacances' expertise and reputation in the property development business should help step up expansion of the Les Senioriales concept.

The acquisition has also provided further access to the retired people market, enabling the Pierre & Vacances Group to again enhance its know-how and thereby contribute to the development of its tourism activities.

TWO MAIN SALES FORMULAS

- Pierre & Vacances Financial Ownership, which provides investors an annual rental income over a nine-year leaseback period.
- Pierre et Vacances Ownership plus holidays, which offers buyers the possibility of combining guaranteed rental income net of charges and excluding property tax, and personal use of the property.

ADVANTAGEOUS TAXATION

In several European countries, regulations encourage investments in tourism residences. France is no exception and tax benefits are granted to buy-to-let investors, who can reclaim the VAT paid if they entrust management of the property to a single operator and on condition that the property is classified as a tourism residence, used as tourist accommodation, subject to a minimum lease agreement of nine years and marketed abroad. The acquisition of Pierre & Vacances tourism apartments in Spain also provides a VAT refund, which makes the investment equally as attractive.

FOUR TAX POSSIBILITIES

Choice of tax possibilities in France,

• Non-commercial furnished property lessor

Notary expenses, property tax, amortisation of the property and of furniture can be deducted from rental income.

• Commercial furnished property lessor

This tax status enables investors who are registered as a company and have annual revenues of at least €23,000 including VAT to:

- either create or develop an asset portfolio via regular savings, rental income and tax savings generated by the tax status,
- or receive guaranteed regular income.

In both cases, investors benefit from tax breaks in terms of wealth, capital gains and inheritance taxes, as well as long-term income tax.

• The “Rural Renewal Zone” Initiative

This provides investors a tax break of 25% on the acquisition price excluding VAT, or €25,000 for a married couple spread over six years. The tax reduction is independent of which tax bracket the investor falls in.

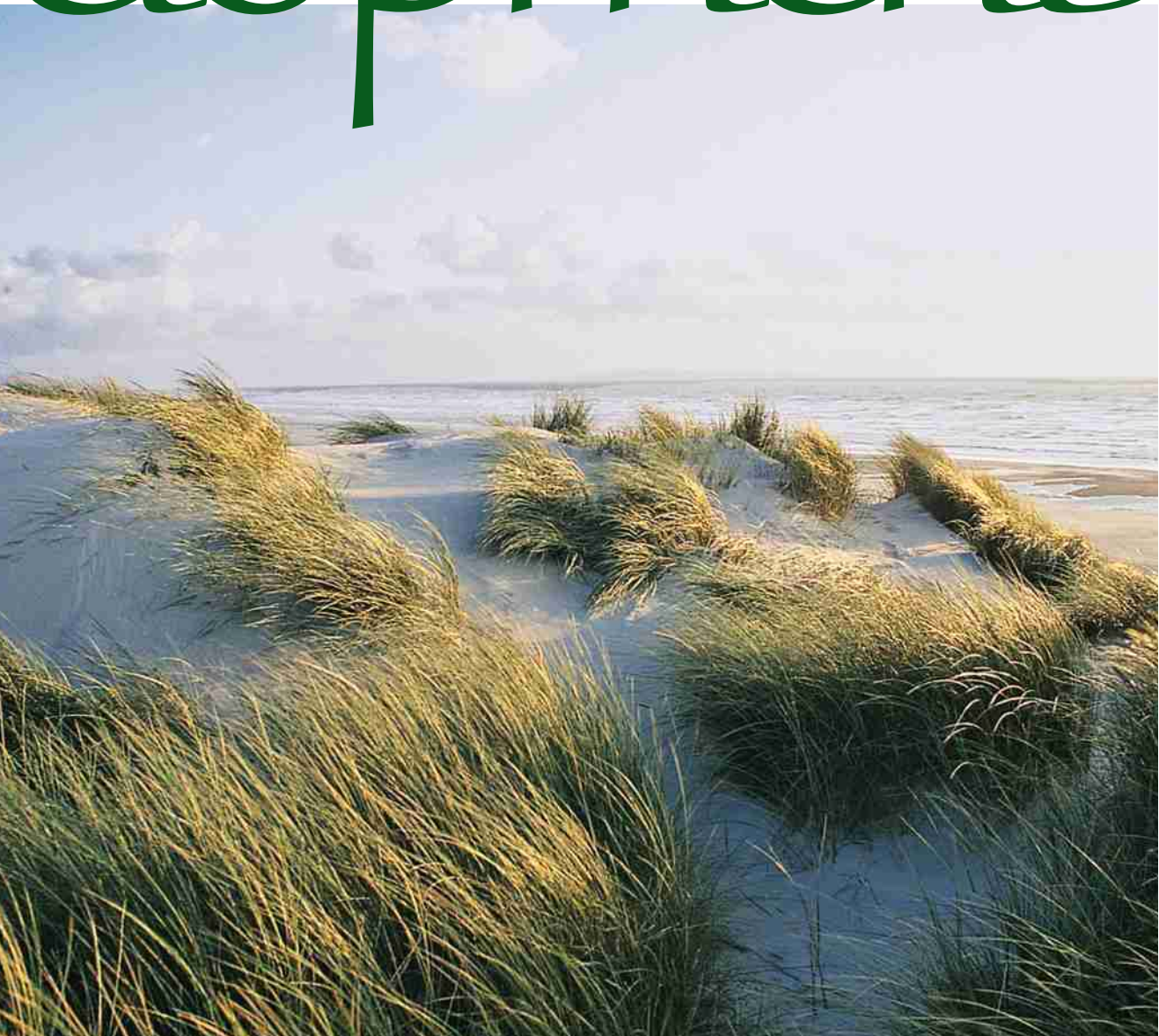
• Renovation tax credit

The acquisition of an apartment destined for rental in a tourism residence provides investors, under certain conditions (construction completed before 1989) and in certain regions, a tax credit of 20% spread over six years and calculated on the cost price of the apartment plus the cost of works, up to a threshold of €100,000 for a married couple.

sustainable dev



elopment



a strategic action plan for sustainable tourism

The Pierre & Vacances Group is a major player in leisure and tourism property. It welcomes almost 7 million holiday-makers a year, has more than 15,000 staff during peak season and is present in almost 250 destinations. The Group aims to responsibly contribute to preserving and valuing the natural and cultural patrimony of the regions where it is located, as well as to improve environmental awareness and education of its visitors. Via its actions, it also aims to create positive momentum and prompt other tourism players and partners to commit themselves alongside the Group in this approach.



In order to implement this commitment, each of the Group's major subsidiaries (Pierre & Vacances Promotion Immobilière, Pierre & Vacances Tourisme France and Center Parcs) has set itself quantified targets over three years in three major areas:

- involving employees, suppliers, partners and clients in the subsidiary's actions;
- preventing climate change;
- preserving natural resources.

For consistency and comparability's sake, our social and environmental reporting system has been organised in the same way as last year. A first part reviews the progress made in the five major commitments of our current environmental policy, while a second part concerns social policy. For each focus of our policy, the major commitments validated in the Group's action plan have been stipulated.

As of next year, the structure of the annual report's sustainable development section is to be adapted in order to provide precise and transparent communication on the state of progress of the action plan.

The entire action plan is available on our website:

<http://groupe.pierreetvacances.com>

PROGRESS OF ENVIRONMENTAL POLICY 2006/2007

Commitment	Segment	Main projects in 2006/2007	Progress
❶ Integrating environmental recommendations into the design, construction and renovation of our sites	Property development	Creation of a responsible wood purchasing guide for Pierre & Vacances with a list of banned or authorised woods depending on whether they are FSC certified	😊
		Training of all project managers in RT 2005*	😊
		Promoting use of renewable energies at sites	😊
❷ Pursuing the improvement of environmental management of our operating residences, villages and hotels	Tourism	Creation of a tool enabling reporting for environmental performances at all our sites	😊
		Assessing the environmental situation at all Hôtels Latitudes establishments as part of a pilot programme	😊
		Implementing an awareness and training programme on environmental management at Hôtels Latitudes and rolling out the action plan	😊
		Identifying the investments necessary for the priority actions to be carried out at the Hôtels Latitudes	😊
	Center Parcs	Continuing to install the thermostat system and energy-saving light bulbs	😊
		Attaining for ISO 14001 certification of the new site in the Aisne, continuing and bolstering actions aimed at optimising energy management	😊
	Head office	Implementing waste-sorting systems in offices	😊
❸ Encouraging all the Group's departments to make commitments with set goals and mobilising staff	Head office	Accompanying roll-out of sorting systems with an ecogesture guide to follow in offices	😊
		Providing specific information on sustainable development in integration modules for new employees	😊
		Continuing awareness actions for employees at the headquarters	😊
		Increasing the portion of A, B and C vehicle classes to at least 30% of the vehicle fleet	😊
	Purchases division	Establishing individual plans by purchaser and carrying out priority actions concerning packaging, washing powders available in washrooms, disposable products, paper, laundry companies, furniture	😊
❹ Prompting stakeholders to make commitments alongside the Group	Purchases division	Increasing the amount of questionnaires sent to suppliers (to reach a minimum of 10% of suppliers covered) and making sending systematic for all new Pierre & Vacances' suppliers	😊
		Implementing means to reach a minimum response level of 50%	😊
		Creation of an action plan aimed at accompanying companies with the lowest scores and imposing a minimum score on companies chosen after tenders	😊
❺ Informing clients and making them aware of environmental respect	Tourism	Continuing actions with children at the Kids' Clubs	😊
		Making communication of ecogestures systematic at sites in apartments	😊
		Multiplying messages on issues and actions in all existing communication média (Internet, brochures, holiday guides, etc.)	😊
		Reviewing location of sites related to areas of outstanding natural beauty	😊

* RT: thermic regulations

😊 Accomplished 😊 Underway 😊 Delayed



COMMITMENT INTEGRATING ENVIRONMENTAL RECOMMENDATIONS INTO THE DESIGN, CONSTRUCTION AND RENOVATION OF OUR SITES

APPLYING GOLDEN ENVIRONMENTAL RULES TO PROJECTS

The past year has seen the integration of minimum environmental requirements in specifications (architects, decorators, landscape gardeners, etc.) for all new construction and property renovation programmes. These “golden rules” have also been applied to work aimed at defining the main programming guidelines for the residences and villages at each of the Pierre & Vacances, Résidences MGM, Maeva, Hôtels Latitudes and Adagio City Aparthotel banners.

In order to improve the extent to which these specifications are integrated into the programmes and in order to reach our targets, the responsibility of project managers is to be bolstered.

REVIEW OF INTEGRATION OF ENVIRONMENTAL SPECIFICATIONS IN PROJECTS

	% of PVPI programmes taking account of environmental specifications		% of tourism renovation programmes taking account of environmental specifications	
	2005/2006	2006/2007	2005/2006	2006/2007
ENERGY				
Energy-saving light-bulbs	21%	45%	Unavailable	19%
Movement detectors	79%	88%	Unavailable	NA
Class A electrical goods	100%	100%	Unavailable	92%
WATER				
Water-saving taps and showers	75%	95%	Unavailable	91%
Double toilet-flush systems	100%	100%	Unavailable	80%
WASTE				
Waste-sorting bins	71%	84%	Unavailable	10%
Waste-sorting at building site	Unavailable	89%	Unavailable	64%

Number of PVPI programmes delivered: 19

Number of tourism renovation programmes delivered: 26

ENERGY EFFICIENCY OF BUILDINGS AND PROMOTING USE OF RENEWABLE ENERGIES

The new Center Parcs, Domaine du Bois des Harcholins, is a good example of the Group's aim to commit itself to improving the energy efficiency of buildings and promoting the use of renewable energies.

This site includes the construction of 870 cottages and 20,000 square metres of equipments and is set to open in 2010 in Moselle (Lorraine). The design of the cottages with their wooden frames is aimed at obtaining the French high-energy performance label THPE (*Très Haute Performance Energétique*). Targets to minimise energy requirements have also been taken into account upstream to guide architectural

and technical choices in equipment building (restaurant, greenhouse, aqua-centre, etc.): building of wood/gas heating system being studied to cover 80% of the facilities' energy requirements, bioclimatic design of greenhouse in order to favour natural ventilation, choice of efficient equipment and systems, etc.

A carbon footprint study is also being carried out in order to help better assess the CO₂ emissions caused by the building of a project of this type and identify the corrective measures for future projects.

TARGETS APPLICABLE TO ALL PROJECTS AS OF 2008

Preventing climate change

- 100% of new projects being studied with high-energy performance label THPE (*Très Haute Performance Energétique*)
- 100% of new projects being studied including a portion of renewable energies
- Creation of two passive pilot buildings, virtually autonomous for heating requirements by 2010

Preserving natural resources

- 100% of wood used in construction stemming from European or certified forests
- 100% of building sites to include "green site" approach (waste management on building site)
- Promoting choice of products and materials used with environmental valued-added

2 COMMITMENT PURSUING THE IMPROVEMENT OF ENVIRONMENTAL MANAGEMENT OF OUR OPERATING VILLAGES, RESIDENCES AND HOTELS

ENERGY AND WATER MANAGEMENT

At end-2006, Pierre & Vacances committed itself alongside Gaz de France to creating a development fund to help finance projects favouring

responsible energy management in the Pierre & Vacances villages and residences as well as promoting innovative solutions in the field of renewable energies.

The first project carried out as part of this partnership saw 231 apartments fitted with a system to automatically switch off equipments left on when the apartment is not occupied. Estimated energy savings are set to total some 1,700 kwh per apartment per year. If the tests prove beneficial, the system is to be gradually installed at all sites. Meanwhile, Pierre & Vacances continued its campaign to install water-saving equipment enabling average water savings of 20-25% and also saving energy thanks to the reduction of hot water consumption.

Finally, the diversity of our sites has obliged us so far to monitor water and electricity consumption at each site, and consolidated data is not entirely reliable at present. Our priority for next year is therefore to implement an efficient reporting tool which should help us monitor the main environmental indicators specific to our business.

PILOT APPROACH AT HÔTELS LATITUDES

This initiative concerns 12 sites and was started in March 2006. A work-group named "Cellule Verte" (Green Cell) comprising two site directors, two technical directors, the brand's marketing director and the sustainable development team was created to organise the procedure. One target for next year is for Hôtels Latitudes to take part in the Responsible Tourism Awards (*Trophées du Tourisme Responsable*).

The various stages of the approach: launch of an environmental awareness programme in partnership with WWF-France, training in key departments (housekeeping, maintenance, grounds) in good environmental practices, defining personalised action plans, creating documentation on awareness and communication for clients alongside WWF-France, with the roll-out of action plans (internal audits). This environmental management approach is to be implemented at the Pierre & Vacances villages and the Maeva Club Residences as of April 2008.

ENVIRONMENTAL MANAGEMENT AT CENTER PARCS

Since it was created in 1968, Center Parcs has had an active environmental protection policy. All of its sites have been ISO 14001-certified since 1999 and since 2006, the Dutch, Belgian and German sites also carry the Green Key label. The main action undertaken are:

1. Controlling water and energy consumption:

- defining and implementing an energy plan for each site for the next two years;
- launching the second phase to implement energy-saving light bulbs and intelligent thermostats enabling the automatic adjustment of heating in cottages depending on occupancy;
- optimising control of water consumption by installing eco-efficient equipment in the new domains. At Ailette, 20% of greywater from the swimming pool and showers are reused in the toilets.

2. Waste reduction and management: year on year, the recyclable waste collection rate remains at 26% for the parks in the Netherlands and in Belgium (progress focus: France and Germany).

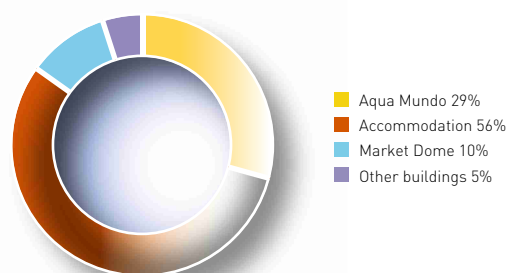
3. Maintaining faultless water quality: Center Parcs has set itself a standard higher than that stipulated in current regulations by minimising the use of water treatment products.

4. Client and employee awareness (since the first Center Parcs was created): regular spreading of information on the green actions undertaken by Center Parcs, highlighting of ecogestures in the various internal and external communication media by offering educational games and events for holiday-makers in partnership with WWF-the Netherlands and "Sologne Nature Environnement".

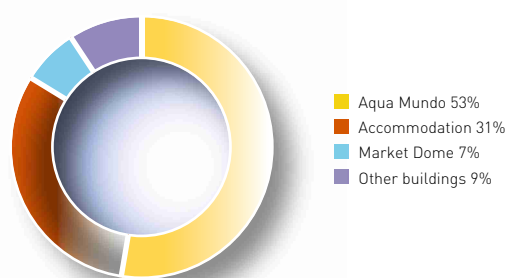
MEASURING THE IMPACT OF OUR BUSINESS ON THE CLIMATE

In order to better assess the overall impact of our business on the climate, a first carbon review is underway at the Center Parcs les Hauts de Bruyères. The report should not only enable us to establish a specific action plan, but also to identify the joint actions that could be implemented at all of the domains. In addition, other carbon review reports are to be undertaken in 2007/2008 at the Pierre & Vacances residences and villages.

Total water consumption/year



Total energy consumption/year (gas and electricity)



EVOLUTION OF WATER AND ENERGY CONSUMPTION-CENTER PARCS EUROPE

	2004/2005			2005/2006			2006/2007		
	No. of sites	m ³	m ³ /night stay	No. of sites	m ³	m ³ /night stay	No. of sites	m ³	m ³ /night stay
Water	15	2,421,119	0.2	15	2,276,372	0.18	15	2,245,994	0.17

	2004/2005			2005/2006			2006/2007		
	No. of sites	kWh	kWh/night stay	No. of sites	kWh	kWh/night stay	No. of sites	kWh	kWh/night stay
Electricity	15	96,573,000	7.98	15	98,524,000	8.03	15	95,491,000	7.4

	2004/2005			2005/2006			2006/2007		
	No. of sites	kWh	kWh/night stay	No. of sites	kWh	kWh/night stay	No. of sites	kWh	kWh/night stay
Gas	15	445,610,000	36.85	15	43,224,500	35.2	15	373,901,000	28.6

Night stay = number of nights sold.

TARGETS FOR 2011

Preventing climate change

- Reducing energy consumption by 10% (over three years)
- Integrating renewable energies at existing sites
- Assessing our businesses' CO₂ emissions (carbon review) and identifying actions to reduce these emissions

Preserving natural resources

- Installing an environmental management system at all of the Pierre & Vacances, Maeva, Adagio City Aparthotel, Résidences MGM and Hôtels Latitudes banners with one priority: creating a reporting tool to follow the main environmental indicators specific to our business
- Extending ISO 14001-certification to all of the Sunparks sites
- Generalising use of water-saving equipment
- Generalising ecological techniques for upkeep of green areas
- Generalising waste sorting and reducing waste production (target of 50% for Center Parcs)



COMMITMENT ENCOURAGING ALL THE GROUP'S DEPARTMENTS TO MAKE COMMITMENTS WITH SET GOALS AND MOBILISING STAFF

The majority of these actions are made in partnership with the world environmental protection association WWF-France.

REVIEW OF AWARENESS ACTIONS

Place	Action	Percentage of employees concerned
Head office	Creation and distribution of ecogesture guide in offices	100%
	Sustainable Development Week: events/workshops on latest news in sustainable development	80%
	Sustainable Development Week: conference on the Group's sustainable development approach	20%
	30 minute intervention in Tourism division new staff integration sessions on the Group's sustainable development approach (permanent contract, long-term fixed-term contract, apprenticeship contract, long-term training)	70%
Group	Distribution of quarterly newsletter "Chlorophylle": current news on sustainable development	100%
WWF Head office	Two-day meeting for events organisers at WWF-France head office: preparation of events at sites for clients awareness of environmental protection	38%
Hôtels Latitudes	Discussion meetings with WWF-France and Mountain Riders (environmental protection associations) on global environmental issues	80%

REVIEW OF ENVIRONMENTAL TRAINING

Two main targets have been identified.

1 – Maintenance/housekeeping/grounds staff at Hôtels

Latitudes: 95% of staff concerned trained in good environmental practices according to their department (duration of training: five hours on average).

2 – Programme managers (PVPI): 100% of staff concerned trained in 2005 thermic regulations (duration of training: four hours).

REVIEW OF ENVIRONMENTAL ACTIONS UNDERTAKEN BY PARIS HEAD OFFICE

Actions concerning paper and catalogue management (monitoring consumption, one-off collection) produced positive results (20% cut in paper consumption) and are ongoing. New actions in 2007 included:

- paper sorting in offices;
- systematic return of printer cartridges (all types);
- creation of a working group for improving water and electricity management.

INDIVIDUAL ACTION PLANS BY BUYER

In order to increase the amount of social and environmental value-added products and services in our purchases, each purchasing manager defines annual targets in terms of sustainable development depending on their project portfolio and the schedule of tenders.

Mains focuses in 2006/2007

- packaging (recycling and reduction): a clause imposing the minimising and recycling of packaging is systematically integrated in contracts for mass replacement of materials;
- vehicles: identifying CO₂ emissions for the entire vehicle fleet. Results in 2006/2007: 35% of the fleet emits between 101 and 140 g/km (B, C categories);
- catalogue printing: adjusting quantities in order to optimise printing orders and selection of FSC-labelled paper manufactured in an ISO 14001-certified plant for printing of catalogues and brochures;

- paper: use of 100% recycled paper at head office;
- furniture: creation of environmental specifications for each project but no systematic procedure carried out with purchasing division.

Main projects for 2007/2008

- mini-markets and restaurants:
 - Center Parcs: end to sale of fish species threatened with extinction and rated as such in the responsible purchases guide for fish published by WWF-the Netherlands;
 - Pierre & Vacances: increase in the number of products from organic farming;
- paper: choice of recycled and/or FSC-certified paper for all administrative paper (business cards, headed paper, etc.);
- disposable products: reduction and referencing of recycled or biodegradable products;
- products made available to guests (soaps, shower gel, etc.): feasibility study on use of distributors in order to avoid disposal packaging and search for ecological products (Hôtels Latitudes and Adagio);
- deliveries: continuing efforts to cut deliveries to Center Parcs and Pierre & Vacances sites and defining a progress indicator;
- washing powders: referencing products with strong ecological characteristics;
- cleaning products: referencing of ecological products at services providers;
- ink cartridges referencing of a company capable of collecting all cartridges on a national and international level;
- vehicle fleet: 50% of fleet A, B or C class vehicles.

4

COMMITMENT PROMPTING STAKEHOLDERS TO MAKE COMMITMENTS ALONGSIDE THE GROUP

ASSESSING THE SUSTAINABLE DEVELOPMENT POLICY OF OUR SUPPLIERS

In 2005/2006, the questionnaire sent out by Center Parcs as part of ISO 14001-certification was extended to the rest of the Group's main suppliers.

The aim of the procedure was to assess the way our suppliers integrate environmental issues into their business and further out, to increase the share of suppliers who have a successful environmental policy. With this aim, the questionnaire and its rating system were optimised in order to serve as a decision-making tool and help provide the most in-depth analysis possible of our suppliers' environmental performance in order to define the corrective measures to be implemented.

The optimised questionnaire was therefore again sent to 7% of the Group's suppliers, representing an average of 37% of purchasing turnover. The low level of response (less than 30%) has prevented an objective analysis of the current environmental performance of our suppliers. Indeed, the large majority of these are small or medium-sized companies that are not yet familiar with the procedures and do not have the necessary tools with which to reply. From now on, we will better target the recipients of the questionnaire by taking a more qualitative rather than quantitative stance (focus primarily on the companies representing the highest turnover and high environmental impact).

TARGETS FOR 2011

Preventing climate change

- Replacing all vehicles at the end of their lifespans with "clean" vehicles
- Imposing cut in food miles for suppliers
- Developing clean transport programmes for clients and employees (Center Parcs)

Preserving natural resources

- Training and making aware 100% of permanent staff in good environmental practices
- Increasing the share of responsible products available (eco-labelled, biological and fairtrade products, etc.).

MEASURES TAKEN FOR PURCHASES IN LOW-COST COUNTRIES

In 2006, Pierre & Vacances began to develop purchases in low-cost-countries. At present, 1.15% of total purchasing volumes are derived from China, Indonesia, Thailand and Malaysia.

This figure is set to rise in coming years. Pierre & Vacances has therefore decided to implement the necessary tools to enable it to prolong its responsible purchasing policy with suppliers in these countries:

- creation, sending and demand of a specific supplier questionnaire that should enable the Group to better assess the social and environmental performance of the suppliers;
- planning of audits.

TARGETS FOR 2011

Preserving natural resources

- Improving our responsible purchasing programme
- Extending our responsible purchasing programme to suppliers in low-cost countries

5

COMMITMENT INFORMING CLIENTS AND MAKING THEM AWARE OF ENVIRONMENTAL RESPECT

The educational environmental awareness events started in summer 2005 are becoming recurring features.

They began in 10 villages and now cover 15 sites. The initiative is still undertaken

as part of the partnership with WWF-France, with the aim of reaching the largest number of holiday-makers in order to make them aware of daily ecogestures, in addition to the information provided at the various stages of the client's travel procedure (Internet, travel agent, travel booklet, catalogue, accommodation, etc.). In concrete terms, the trained teams of events organisers are bolstered for the occasion by voluntary workers from the WWF network.

Two types of events are proposed:

- children's events at the clubs;
- family events, in the evening, every two weeks.

Since the first environmental awareness events were organised in 2005, we have more than doubled (52%) the number of families and children exposed to at least one message on environmental protection during their holiday. The partnership with WWF has just been renewed for three years, thereby enabling us to prolong our actions and confirm our collaboration.

The current Biodiversity project in place at the Group also comes under the framework of this partnership:

- geographical location of Pierre & Vacances sites related to regions of outstanding natural beauty in France;
- valuing the interaction between these sites and local players in the preservation of fauna and flora.

TARGETS FOR 2011

Preventing climate change and preserving natural resources

- Developing alongside WWF actions for making holiday-makers aware of environmental issues
- Developing communication media concerning the commitment

Grégoire Even, WWF-France,

Head of partnership with Pierre & Vacances

"Right from the start of the partnership, it is vital for WWF to develop in parallel the actions aimed at reducing the ecological impact of the sites and informing Pierre & Vacances holiday-makers.

Holidays are a privileged moment during which consumers are particularly well-inclined to receive messages on environmental protection.

With this philosophy in mind, WWF brings together events organisers at the Pierre & Vacances villages in order to spread our expertise and implement educational and fun activities for holiday-makers.

We are very happy to see the increasing number of children and families who have heard at least one environmental message during their stay. The success of these events is based on the enthusiasm and professionalism of the Group's teams as well as on our network of voluntary workers."



"Center Parcs' restaurants do not serve fish that are among the most threatened species in the world (according to our recommendations). Center Parcs therefore makes a concrete and important contribution to the protection of underwater wildlife. We think it is excellent that the company plays a leading role in this way and this is a huge help to us in making people aware that the richness of the earth is not infinite."

Johan van de Gronden, WNF-the Netherlands,

Director

human resources

social policy in 2006/2007

DIVERSITY

In order to favour diversity, for the past two years the Group has been in partnership with French anti-racism group SOS Racisme and the AFIJ (association for the integration of young foreign graduates): 100 candidates were met during 2006/2007 and 10% of these interviews resulted in the signing of a work contract.

DISABLED SOLIDARITY MISSION – SOLIDARITÉ HANDICAP

Following the three corporate agreements signed between 2004 and 2006, the Pierre & Vacances Group has strengthened its action favouring the recruitment of disabled staff. Efforts this year focused on information and staff awareness concerning disability. Group-wide specific communication measures have been implemented including information meetings, workshops on disabled life, posters in offices, articles in internal reviews and a pamphlet entitled "Le Réflexe Handicap" (Disabled Reflex) destined for all staff, as well as the creation of an extranet site (<http://solidarite.pierreenvacances.com>) to highlight good practices.

These moves helped increase the employment rate for disabled staff in 2007. After three years, the Disabled Solidarity Mission has helped recruit 55 staff in all businesses and inform all of its 3,500 staff in France. Proactive measures should now be undertaken in order to step up the recruitment process (e.g. more systematic presentation of candidates at each recruitment requirement) and to monitor more closely the integration over time. Under these agreements, Pierre & Vacances is targeting the recruitment of 13 disabled staff in 2008 (in accordance with counting regulations).

2007 IN SHORT

Training

Pierre & Vacances believes that training is a privileged way of making its staff more professional and favouring their employability. The implementation of moves to enhance professional qualities, as well as to value acquired experience (VAE programme) and provide the individual right to training (DIF – Droit Individuel à la Formation) are a means of developing skills that the Group intends to place at the service of its various businesses.

The design of new management study courses this year was aimed at placing each manager in an approach to improve

practices in line with the company's values and strategic aims. As such, almost 30% of permanent staff benefited from technical or managerial training sessions in 2006/2007. In 2007/2008, the creation of new professional-skills training courses is set to respond to the challenge of developing training functions.

Recruitment

In 2007, the number of international profile recruitments was stepped up considerably. Pierre & Vacances notably recruited staff in European countries with high marketing challenges in order to come closer to its strategic source markets: the UK, Benelux, Germany and Scandinavia. The Group also continued its partnerships with tourism, hotel and catering schools in order to position itself as a key player for students in these schools. It offers numerous opportunities in terms of training, professional and apprenticeship contracts, as well as seasonal or permanent contracts. At the end of 2007, the Group rolled out a new version of its recruitment website in order to enhance the reputation of its tourism careers with candidates.



TRAINING

	2006	2005	2004
Training rate (no. of employees trained/total staff)	30%	Not available	Not available
Training ratio (spending on training/payroll)	2.10%	2%	1.90%

Training and skill development contracts

One of Pierre & Vacances' main aims is to develop skills and apprenticeship by training young people in its businesses via alternation contracts. These tailor-made courses alternate practical work periods and theoretical training periods at specialised schools. In 2007, 145 young professionals were therefore integrated and trained in the tourism businesses: events organisation, reception, cleaning, etc.

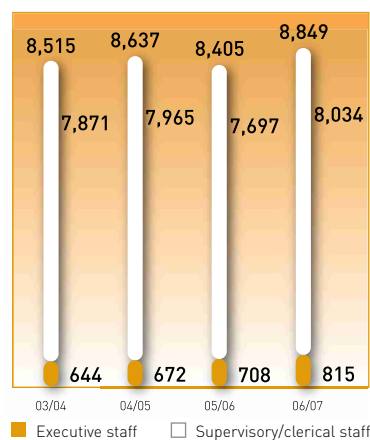
The majority of the students are offered a work contract in one of the Group's residences following their training.

Professional equality

The Pierre & Vacances Group is committed to promoting equality in its work places. In application of the French law of 23 March 2006 concerning equality of salaries between men and women workers, the Group particularly aims to eliminate salary differences and resolve any existing gaps.



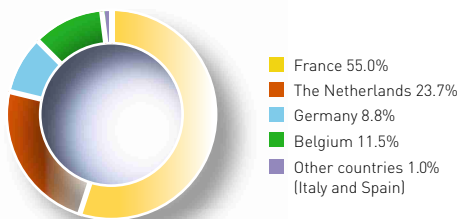
Breakdown of headcount by category



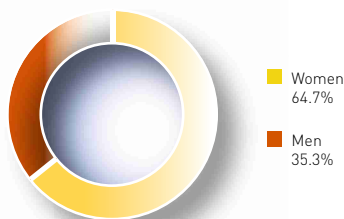
MAIN TARGETS FOR 2011

- Developing actions for increasing diversity in the Group
- Strengthening actions in favour of recruiting disabled staff
- Creating an employee voluntary service programme and favouring individual initiatives
- Increasing the percentage of employees in the shareholder structure

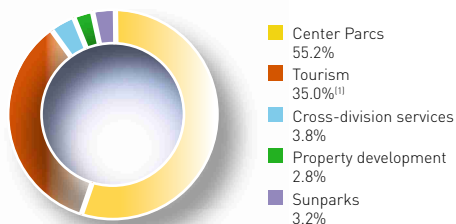
Headcount by country



Breakdown women/men



Headcount by entity



[1] Pierre & Vacances, Adagio City Aparthotel, Maeva, Résidences MGM, Hôtels Latitudes.

<http://groupe.pierre-et-vacances.com>

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