



**BUSINESS REPORT 2007/2008**

# FACING THE FUTURE



**GROUPE  
PIERRE & VACANCES**

# CONTENTS

01	PREAMBLE
10	INTERVIEW WITH THE CHAIRMAN & CEO
12	PROFILE
14	MANY BRANDS, ONE UNIVERSE
18	CORPORATE GOVERNANCE
19	KEY FIGURES 2007/2008
20	PIERRE & VACANCES ON THE STOCK MARKET
21	SHAREHOLDER INFORMATION
22	STRATEGY
24	A PERMANENTLY CHANGING OFFERING
30	AN AMBITIOUS MARKETING STRATEGY
34	A RESPONSIBLE LEADER



**N<sub>o</sub>.1**  
IN LOCAL  
**TOURISM**  
IN EUROPE



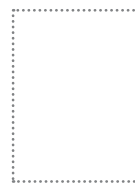


# PROXIMITY & DIVERSITY

European holiday-makers are favouring holiday destinations that are local and easy to access. Since its creation, the Pierre & Vacances Group has anticipated this fundamental trend by setting up its residences and villages in several European countries. It currently proposes an unrivalled tourism offering in seaside and mountain resorts, in the countryside and cities.



Pierre & Vacances  
Moliets



Résidences MGM  
Arc 1800

95%

of Pierre & Vacances  
reach their residence  
by car

3/4

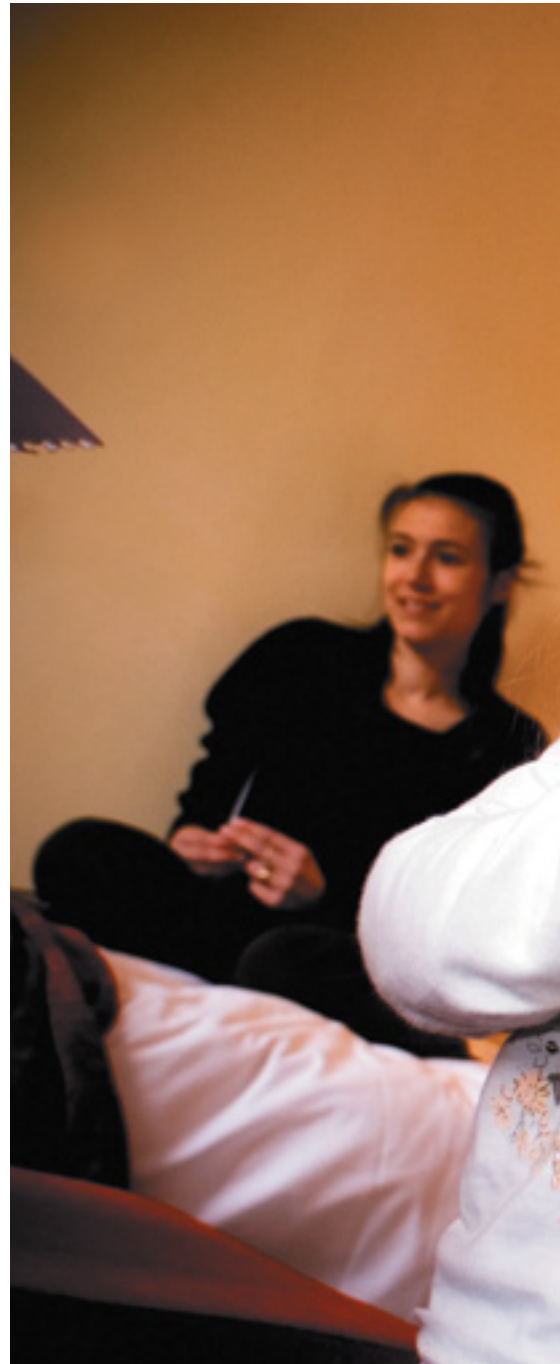
of European tourism  
is made up  
of European tourists





# FAMILY SPIRIT

Recomposed families, groups of friends, grandparents and grandchildren: in a society where lifestyles and family relations are changing, the Pierre & Vacances Group residences and villages enable these new “tribes” to holiday together as they would in a family home. These are the occasions to pass on the art of living from one generation to the next and to meet up together in some of Europe’s most beautiful regions, in the heart of a protected natural environment.





Pierre & Vacances  
Alpe d'Huez



Mediterranean  
landscape

**18** people:  
the capacity of certain  
Center Parcs cottages

Since 2005,

**11,700** clients  
in Maeva villages and residences  
(children and adults) have been  
made aware of eco-gestures  
and sustainable development

# FREEDOM & SERENITY

Holidays are synonymous with freedom: the freedom of choice and destination, as well as the liberty to create one's own holiday programme. For this reason, the Group also distinguishes between its accommodation and the activities and services it offers. Holiday-makers can therefore create an "à la carte" programme according to their desires and budget.

And since our clients are also responsible consumers, the Pierre & Vacances Group offers them services and products that better respect the principles of sustainable tourism.



Pierre & Vacances  
Cannes

The pleasures  
of the mountains  
in winter



How about  
a swim?







47,200

apartments and homes in seaside, mountain resorts, the countryside and cities: the choice offered by Pierre & Vacances Group to European holiday-makers

All of the Center Parcs sites have been

ISO 14001

-labelled since 1999

Adagio City Aparthotel  
Annecy

Pierre & Vacances  
Vars

# INNOVATION & QUALITY

Thanks to its vertical integration model, the Pierre & Vacances Group masters all of its businesses from A to Z, from the choice of location of its projects to the urban and architectural design, financing, construction and operating. This original business model, combining tourism and property development, enables the Group to guarantee the quality of its offering and constantly innovate in order to respond to emerging needs of European clients. From the first car-free village to the future “Oasis Eco-Resorts” in Morocco, the Group’s creativity is relentless.



90%

of heating and hot water requirements at the future Center Parcs the Domaine des “Trois Forêts Moselle-Lorraine” is to be covered by a wood heating system

7,000

About  
apartments will be renovated over the next three years by the investors when leases are renewed







A full-page photograph of Gérard Brémont, Chairman and CEO of Pierre & Vacances Group, standing in a park. He is wearing a dark suit, white shirt, and grey tie. The background shows a path lined with trees, with some people sitting on benches in the distance.

“

*European leader  
in local tourism,  
the Pierre & Vacances Group  
meets the expectations  
of European  
holiday-makers today*

Gérard Brémont  
Chairman and CEO

”

# “A SOLID AND LASTING BUSINESS MODEL”

## HOW WOULD YOU SUM UP 2007/2008?

**Gérard Brémont:** 2007/2008 was a highly respectable year. With tourism turnover up 9% and a decline in property development activity given our cautious policy to acquire land and property assets, we managed to maintain virtually stable underlying operating income relative to the previous year. This result testified to the solid nature of our Group as well as the extent to which our business model can be adapted to changes in growth cycles in the tourism and property development businesses. The Group is the European leader in local tourism holiday rentals, and our residence and village offerings meet the expectations of European holiday-makers in terms of their budgets, especially in the current economic backdrop.

## WHAT WERE THE STRONG POINTS OF THE YEAR?

**G. B.:** In order to best develop the outstanding source of growth harboured in our European portfolio, we created a single tourism division. This should help unlock a number of synergies between Pierre & Vacances Tourisme Europe and Center Parcs Europe, in key areas such as IT systems, purchases and sharing marketing costs.

In addition, we have strengthened our commitments in terms of sustainable development, with the launch of an ambitious three-year action plan, which bolsters our leading position in this field. I would also note the excellent start-up of the third Center Parcs in France, the Domaine du Lac d'Ailette in the Aisne region, with an occupancy rate of 86%, higher than our target. Finally, our Adagio City Aparthotel brand continued its growth in the highly buoyant city residences market, in particular with openings in Paris Opéra, Strasbourg, Annecy and Basel.

## HOW DO YOU ENVISAGE THE GROUP'S DEVELOPMENT?

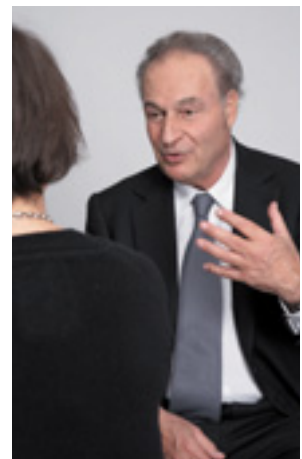
**G. B.:** In five year's time, our tourism portfolio is set to include more than 10,000 additional apartments and homes. Numerous projects are currently being developed.

The Center Parcs brand is continuing its momentum in France with the opening of the new domain in Moselle in the Lorraine region in 2010 and a project in the Rhône-Alpes region. In northern Europe, and more precisely in Germany, two new domains are being considered, one in Saarland and one in Bavaria.

For Pierre & Vacances Tourisme Europe, we are planning the construction of Résidences MGM, Pierre & Vacances and Maeva residences in Avoriaz, totalling 475 apartments in all. In Morocco, our strategic development plan concerns more than 10,000 beds out to 2013, with projects in Marrakech, Agadir, Rabat, Tanger and Casablanca. The opening of the first residence in Marrakech is programmed for 2011. For the Adagio City Aparthotel brand, created out of our partnership with Accor, we are maintaining our target to operate 50 residences in Europe by 2012, with a doubling in turnover.

The Villages Nature project in partnership with Euro Disney is progressing and a first phase of 800 homes could be started in the next two years.

In addition, our Group boasts a sound balance sheet that should enable it to grasp acquisitions opportunities in its core businesses in Europe, while operations to take over tour operators under management mandates are also underway in Spain and Morocco.



Gérard Brémont  
Chairman  
and Chief Executive Officer



## **EUROPEAN LEADER IN LOCAL TOURISM**

the Pierre & Vacances Group has built its success on a unique business model based on synergies between tourism and property development. Today, the Group operates 47,200 apartments and homes in Europe, spread over a portfolio of eight brands. In 2007/2008, 7.5 million European tourists stayed at one of the Group's sites.



## Tourism

With eight brands that are a benchmark in the European tourism landscape, the Pierre & Vacances Group provides a unique offering of local holidays in residences or villages. Its formulas address all generations and combine attractive destinations and “à-la-carte” services.

Pierre & Vacances

maeva

CenterParcs

Sunparks

RESIDENCES  
MGM

latitudes  
HOTELS

adagio  
city appartotel

Citéa  
Apparthôtels et Villas en France

&

P&V PIERRE & VACANCES  
DEVELOPPEMENT

P&V PIERRE & VACANCES  
CONSEIL IMMOBILIER

LES SENIORIALES®  
RÉSIDENCES SENIORS

## Property development

The Pierre & Vacances Group masters all of the stages of its property development projects, from design to marketing, and places this expertise at the service of its tourism business.

# MANY BRANDS, ONE UNIVERSE

*Pierre & Vacances*

---

*So much  
to rediscover*



## TOP-OF-THE-RANGE BRAND

Rental of fully-equipped apartments and homes, from studio to five-room, in residences (66%) and holiday villages (34%).

**92** SITES

**16,578** apartments and homes

**87,965** beds

**1,368,000** clients

**maeva**

---

*Sharing more  
than just a holiday*



## MID-RANGE BRAND

Rental of equipped studio flats to four-room apartments, in the centre of or close to major tourist resorts with sporting events and local leisure activities.

**170** SITES

**14,145** apartments and homes

**67,230** beds

**1,345,150** clients



*Let's get closer*



#### TOP-OF-THE-RANGE SHORT STAYS

Rental of cottages for 4-18 people in the heart of woodland, with numerous sporting and leisure facilities. Four cottage categories: comfort, premier, VIP and style.

**17** DOMAINS

**11,121** cottages

**55,765** beds

**3,381,900** clients



*In the middle  
of everywhere*



#### SHORT STAYS AT A MID-RANGE BRAND

Rental of cottages in Belgian villages located in seaside resorts on the North Sea, in the Ardennes and Campine regions with indoor leisure equipment and outdoor sports complexes.

**4** VILLAGES

**1,798** cottages

**9,822** beds

**307,450** clients





*Authenticity,  
comfort and you*



#### PRESTIGIOUS BRAND

Rental of two-to-five-room apartments in prestigious residences.

**10** SITES

**888** apartments and homes

**5,680** beds

**74,300** clients



*At home, everywhere in Europe*

#### TOP-OF-THE-RANGE CITY BRAND

Rental of fully-equipped studio flats to three-room apartments with "à-la-carte" hotel services, in three and four-star appartotels located in European cities.

**23** sites

**3,019** apartments



*The way hotels  
should be*



#### HOTEL BRAND

Three and four-star hotels in seaside and mountain resorts and cities.

**12** SITES

**1,155** rooms

**2,968** beds

**93,528** clients



*Apparthôtels & Villas in France*

#### MID-RANGE CITY BRAND

Rental of apartments, studios and villas in two-star hotel residences located in major French cities.

**51** sites

**4,346** apartments



Since 2008, Pierre & Vacances Développement houses the Development division responsible for finding land and creating projects, the Programme division, which monitors operations and relations with the two new Construction and Innovation units, and finally, the Administrative division which follows legal aspects of the projects and co-ordination with Pierre & Vacances Conseil Immobilier.

Delivery of **870** cottages at Center Parcs in Moselle

Delivery of **8** renovations or extensions representing around 500 housing units

More than **2,000** apartments in the project stage



Pierre & Vacances markets apartments and homes to investors and individuals via its direct network and exclusive property advisers as well as independent advisers. In order to free investors from all restrictions concerning their acquisition, PPCI guarantees a global service including tax and financing advice, a resale service and the SCPI "UFG Pierre & Vacances Conseil Immobilier Moselle" in France.

A network of **80** advisers

Some **1,600** deeds signed in 2007/2008

**2008**: launch of the 1<sup>st</sup> SCPI (Société Civile de Placement Immobilier) with "Rural Renewal Zone" initiative



## *The home concept for the over-fifties*



Les Senioriales is a property development company that has developed a novel residence concept to meet the demands of active and independent people over 50. These residences have no medical facilities, combine comfort, safety and conviviality, and include 60-70 homes. Sold to home-buyers, they are located close to average sized towns.

**24** million French people are set to be older than 60 in 2050

**13** Senioriales residences already exist

and **11** are currently being marketed in 2007/2008

Around **15** residence programmes are being prepared

# CORPORATE GOVERNANCE



## BOARD OF DIRECTORS

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

### **Gérard Brémont**

Chairman and Chief Executive Officer

### **Olivier Brémont**

### **Delphine Brémont**

### **SA SITI,**

represented by Thierry Hellin

### **GB Développement,**

represented by Patricia Damerval

### **Sven Boinet**

### **Marc R. Pasture**

### **Ralf Corsten**

### **Andries Olijslager**

## EXECUTIVE COMMITTEE



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

### **1 - Gérard Brémont**

Chairman and Chief Executive Officer

### **2 - Christian Bertin**

Chief Executive Officer of Pierre & Vacances Tourisme Europe

### **3 - Isabelle de Wavrechin**

Chief Executive Officer of Pierre & Vacances Conseil Immobilier

### **4 - James Mennekens**

Chief Executive Officer of Center Parcs Europe

### **5 - Thierry Hellin**

Deputy Chief Executive Officer, Head of Legal, Development, Human Resources, Sustainable Development

### **6 - Jean Chabert**

Chief Executive Officer of Pierre & Vacances Développement

### **7 - Patricia Damerval**

Deputy Chief Executive Officer, Head of Finance and Development

### **8 - Christophe Jeannest**

Chief Executive Officer of Group Tourism Activities

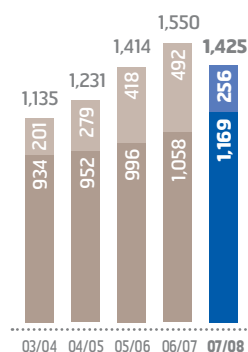
### **9 - Martine Balouka**

Chief Executive Officer of Tourisme et Immobilier Maroc



# KEY FIGURES 2007/2008

## TURNOVER (€ million)



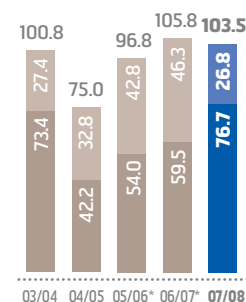
### TOURISM

**+9%**

Growth of 9%, on a like-for-like basis, in Tourism. The fall in Property activities is linked to the cautious acquisition policy to buy land and property assets.

■ Property ■ Tourism

## CURRENT OPERATING INCOME (€ million)



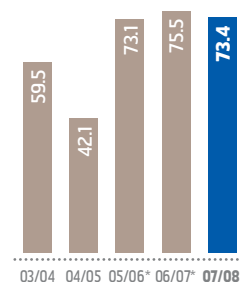
### OVERALL MARGIN

**7.3%**

Increase of 29% of the operating profit of Tourism, the operating margin of which has increased to 6.6% of revenue compared to 5.6% in 2006/2007. Growth in the operating margin in Property has increased to 10.5% of revenue compared to 9.4% in 2006/2007.

■ Property ■ Tourism

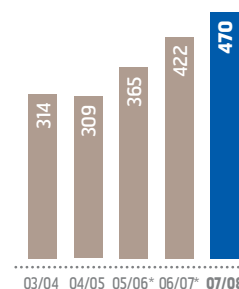
## ATTRIBUTABLE NET INCOME (€ million)



**73.4 M€**

Net profit, Group share, amounts to 73.4 million euros, practically in line with the previous year, the record year.

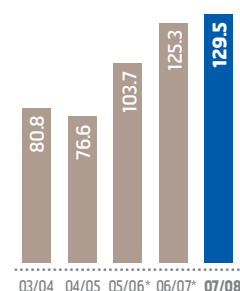
## ATTRIBUTABLE SHAREHOLDERS' EQUITY (€ million)



**+11.3%**

Strengthening of shareholders' equity by 11.3% to 470 million euros, thanks to profits recorded over the year.

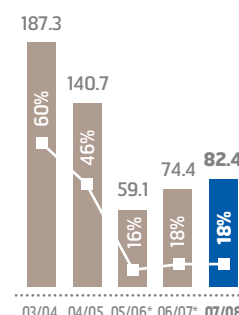
## CASH FLOW (€ million)



**+3.4%**

Up 3.4% to 129.5 million euros, a historic record for the Group.

## NET FINANCIAL DEBT (€ million and as a percentage of shareholders' equity)



**82.4 M€**

Gearing stood at a low level of 17.5% as at 30 September 2008.

■ Debt/Attributable shareholder's equity

Nota: Year 2003/2004: French standards. Following years: IFRS standards.  
\* Adjusted after change in method of advertising expenditure.

# PIERRE & VACANCES ON THE STOCK MARKET

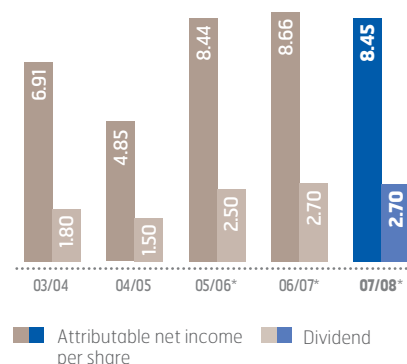
## A REAL CAPACITY FOR GROWTH

2007/2008 earnings reflected the Group's solid and reactive nature as well as its ability to adapt the business model to changes in growth cycles in the tourism and property development businesses. Indeed, the healthy 29% growth in the tourism business almost entirely made up for the decline in earnings in property development prompted by the Group's cautious policy to acquire land and property assets.

The share suffered considerably from the markets crisis that started in August 2007 with the subprime crisis in the US and which continued and worsened throughout 2008. In this difficult context, the Group has decided to maintain its dividend at €2.70, offering a yield of almost 8% when the Group announced its earnings.

Meanwhile, the Group's financial solidity, its position as the European leader in local tourism and the numerous development projects underway should enable it to continue its growth and thereby create value for shareholders. The Group's growth capacity is shared by the consensus of financial analysts recommending investors to buy the Pierre & Vacances share.

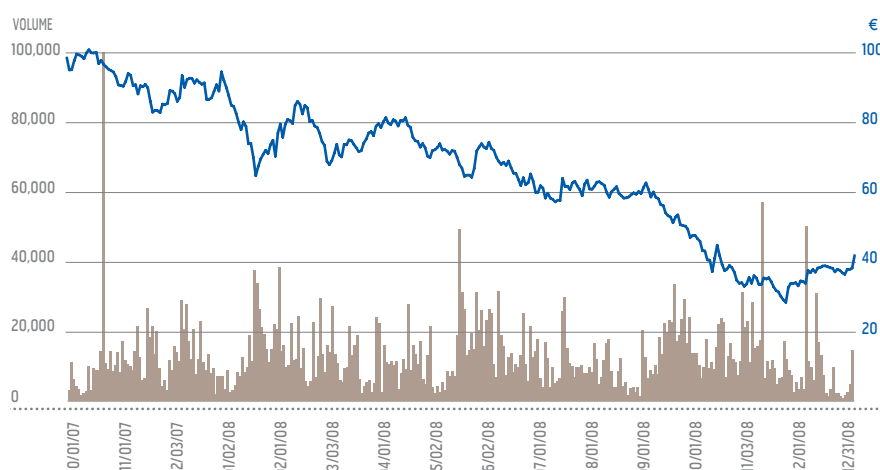
## CHANGE IN ATTRIBUTABLE NET INCOME PER SHARE AND DIVIDEND (€)



\* Adjusted after change in method of advertising expenditure.

Nota : Year 2003/2004: French standards. Following years: IFRS standards.

## THE SHARE PRICE SINCE 1 OCTOBER 2007



## The Pierre & Vacances share

### LISTING

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

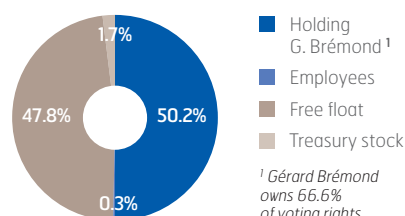
### INDEXES

SBF250, CAC Mid 100

### CODES

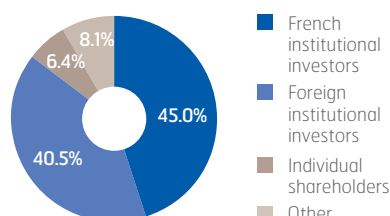
Euroclear: 7304  
ISIN: FR0000073041  
Reuters: PVAC.PA  
Bloomberg: VAC.FP

## SHAREHOLDER STRUCTURE



<sup>1</sup> Gérard Brémont owns 66.6% of voting rights.

## BREAKDOWN OF FREE FLOAT (by category of investor)



## ON 31 DECEMBER 2008

**Market capitalisation**  
335 million euros

**Number of shares in circulation**  
8,810,911

**Number of voting rights**  
13,245,366

# SHAREHOLDER INFORMATION

## EFFICIENT PUBLICATION AND MARKETING MEDIA

All of the Group's publications (press releases, annual reports, full-year and interim presentations) are available on simple request. The Group's website <http://groupe.pierreenvacances.com> enables internet users to subscribe to e-mail alerts in order to receive information on the Group 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.

On 21 November 2008, alongside L'Oréal, Air Liquide, Bonduelle, Vinci, Lafarge and Veolia Environnement, the Pierre & Vacances Group received the Grand Prix SFAF\*, for the best internet site for finance professionals. Boursorama, the leading online financial information provider and its partner Opinion Way, have carried out a national survey on listed company websites over the past eight years: BoursScan. For the 2008 survey undertaken in September and October 2008, almost 250 websites of listed companies were assessed by 7,340 internet users.

\* Société Française des Analystes Financiers

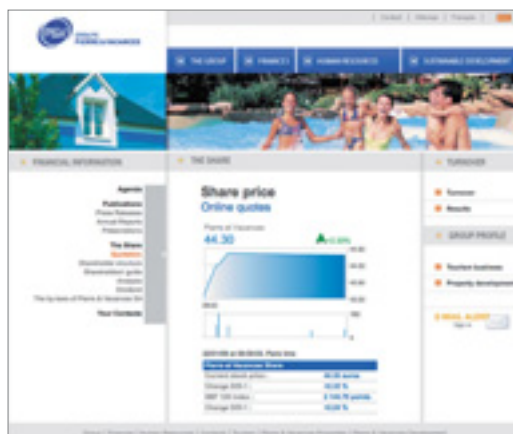


BOURSOSCAN Edition 2008  
"Grand prix SFAF"  
Sophie Machino  
and Patricia Damerval.

## 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 Europe (France, the United Kingdom, the Netherlands, Germany and Switzerland).



### Contact

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Manager

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<http://groupe.pierreenvacances.com>

### Agenda 2008/2009

#### FINANCIAL INFORMATION

**2008/2009 Q1**  
15 January 2009

**2008/2009 Q2**  
16 April 2009

**2008/2009 Q3**  
16 July 2009

**2008/2009 Q4**  
19 October 2009

#### ANNUAL GENERAL MEETING

12 February 2009

#### 2008/2009 H1 RESULTS

28 May 2009

#### 2008/2009 FULL-YEAR RESULTS

3 December 2009



# 3 STRATEGIC PRIORITIES FOR SUSTAINABLE GROWTH

Currently leader in local tourism in Europe, the Pierre & Vacances Group has an ambitious development dynamic, with the objective of welcoming, over the next five years, 2 million clients more than today. To meet this goal it is combining creativity, business efficiency and a sustainable approach.

1

A PERMANENTLY  
CHANGING OFFERING

2

AN AMBITIOUS  
MARKETING STRATEGY

3

A RESPONSIBLE  
LEADER



# 1 A PERMANENTLY CHANGING OFFERING

*With strong and highly complementary brands, the Pierre & Vacances Group now boasts a unique portfolio in Europe providing it a leadership position in local tourism.*



## *A unique tourism range in Europe*

The Pierre & Vacances Group's tourism offering is based on two concepts for which it boasts a leadership position in Europe, namely holiday residences and villages.

Under the Pierre & Vacances, Maeva, Résidences MGM, Adagio City Aparthotel, Citéa, Orion International and Hôtels Latitudes brands, the residences offer destinations in seaside and mountain resorts, the countryside and cities in apartments and fully-equipped "ready to live" homes for holidays or business.

The villages offer a comprehensive range of activities and a variety of high-quality events under the Center Parcs, Sunparks and Pierre & Vacances brands.

## HOLIDAYS, SHORT STAYS, A COMPREHENSIVE OFFERING

These different products are highly complementary. Primarily located south of the Loire river in seaside and mountain resorts, the Pierre & Vacances residences and villages focus on holiday stays as a priority. Meanwhile, the Center Parcs and Sunparks villages are mostly located north of the Loire river and welcome short-stay clients in car-free environments that are open all-year round irrespective of weather conditions.



1 / Pierre & Vacances  
Presqu'île de Giens - Hyères

2 / Center Parcs  
Domaine du Lac d'Ailette - Aisne



## IN LINE WITH EUROPEAN CONSUMERS DEMANDS

In a difficult market backdrop, this range of complementary brands is perfectly aligned with current and emerging expectations of European consumers. While the cost of air transport has increased along with awareness of the challenges of global warming, consumers are now favouring local tourism, which is specific to the Group's offering.

In addition, holidays are more than ever the opportunity to meet up with one's "tribe" of family or friends. Accommodation in homes or apartments, residences or villages is the most suited to this demand. Holidays are also increasingly fragmented and demand for short stays is multiplying. Here again, the Pierre & Vacances Group products are a perfect response to this trend, with stays in off-peak seasons or mini-breaks throughout the year in Center Parcs and Sunparks villages, or week-ends by the sea offered by Pierre & Vacances Tourisme Europe.

Finally, in a disadvantageous economic backdrop, the Pierre & Vacances model whereby clients only pay for what they consume, from catering to activities for children and parents, gives holiday-makers the freedom to modulate their holiday budget as they wish.

**47,200**  
apartments and  
cottages in Europe

**88%**  
of Center Parcs  
guests holiday  
with their family  
or friends

## *Property and tourism: mastered from A-Z*

In order to round out its tourism offering, the Pierre & Vacances Group relies on the synergies existing between the two complementary businesses that have provided the foundations of its success: tourism and property development. Via its Property development division, the Group controls all of the successive phases of a tourism project from the choice of location to the urban and architectural design, financing, property sales, construction and turn-key delivery to operators in the tourism division. This upstream control also enables the Group to guarantee the quality and standardisation of the products offered by the various brands.

### AN ORIGINAL AND BUOYANT POSITIONING

The Pierre & Vacances Group's image as well as its original positioning and the high valued-added carried by its sites and concepts, provides it a secure long-term position that is beneficial in the property market.

With the Center Parcs concept, the Group is the only European tourism operator capable of designing,

marketing and operating large-scale complexes in destinations located in rural regions. This specific asset enables the Group to buy land on attractive terms. In Avoriaz, where the Group has owned land for several decades, its future residence projects are authorised for their design that respects sustainable tourism.

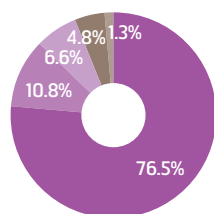
### RIGOUR AND CAUTION

The Pierre & Vacances Group develops property projects according to strict prudential rules. Prior to all land purchases, the Group obtains the official permits required and ensures that the land is free of charges.

New residences are sold off-plan and construction work only begins once a minimum of 50% 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 as soon as building work is started and to call up the funds as construction work progresses.

**BREAKDOWN OF TOURIST RESIDENCE PORTFOLIO BY DESTINATION** at 30 Sept. 2008  
(in number of apartments and homes)



Legend:  
 France (dark purple)  
 The Netherlands (medium purple)  
 Belgium (light purple)  
 Germany (brown)  
 Other countries (grey)

Total operated portfolio:  
47,200 apartments and homes





1 / Architecture of Avoriaz

2 / Moroccan village

## DESTINATIONS AND CONCEPTS FOR THE FUTURE

The Group's property development business enables it to prepare tourist destinations for the future. The Property development teams actively participate in the development of innovative concepts suited to consumer trends.

At Center Parcs, a new village is currently being built in the Moselle region. Another domain is also projected for the Rhône-Alpes region in France and a third in Bavaria, Germany. A Sunparks village is due to be built in the Saarland in Germany. Pierre & Vacances is also developing villages and residences in France in Alsace (close to the Bioscope leisure park and next to the Eco-Museum), in Avoriaz (Résidences MGM, Pierre & Vacances and Maeva residences, representing a total of 475 apartments), in Deauville (120 Résidences MGM apartments at the Presqu'île de la Touques). In Morocco, new projects are based on three concepts, namely Oasis Eco-Resorts, city residences and residences for the elderly. Meanwhile the Villages Nature project developed with Euro Disney and involving 5,000 homes and apartments divided into four themes, aims to offer a new tourist destination based on sustainable development. Finally, the acquisition of Les Seniorales in 2007 now means the Group can envisage further expansion in Spain and in Morocco in the high-growth market for elderly people.

# 50%

of apartments  
already sold off-plan:  
the minimum threshold  
for launching  
construction works  
on a new project

# 25,000

beds over 150 hectares:  
capacity of the future  
Villages Nature  
developed with  
Euro Disney

## *Consuming differently*

In order to meet demands for responsible consumption, the Group's brands are developing specific offerings. Since winter 2008, eight residences MGM offer their clients a fair-trade welcome package in the colours of the Résidences MGM and Artisans du Monde brands. The Adagio City Aparthotel residences include a Max Havelaar coffee/tea/sugar kit in welcome package. The hotel Latitudes at the Golf Arc 1800 has created an "organic" corner in their breakfast buffet and also has fair-trade coffees/teas and chocolates on its menu and offers an "organic tea-break" at seminars.





## *Anticipating changes in European tourism trends*

To better satisfy expectations of European clients, the Group's tourism portfolio is constantly changing. Indeed, it is currently highly focused on the buoyant sector of city residences with three banners: Citéa, mid-range city residences in France, Orion International, mid-scale city residences outside France and Adagio City Aparthotel, in the three and four-star categories. This type of accommodation responds to rising demand from business clients, as well as for leisure stays in European cities.

The Adagio City Aparthotel brand, currently has 22 residences mainly in France. By 2012, this number is set to rise to 50, with new locations in European cities and the aim of generating 140 million euros in turnover.

Adagio City Aparthotel  
Basel

## LISTENING TO CONSUMERS

In addition, the Group regularly renovates its tourism portfolio. Renovation campaigns concern decoration and fittings (furniture, electrical goods, renovation of bathrooms) as well as leisure equipment. As such, in 2008, the Group spent 20 million euros on renovation works and the rising momentum of the Sunparks cottages, while 5 million euros was invested in the Center Parcs village in Port Zélande. The German village in Park Hochsauerland enhanced its position, notably by introducing a 100 m Glide'n'Slide slope that can be used on snow during the winter and on an air cushion in the summer. Center Parcs also created super luxury VIP cottages at a number of domains and designed next generation cottages, the first of which were delivered at end-2008 in the Netherlands. These new homes resulted from a huge survey aimed at better understanding the demands of hosts. They maintain a number of essential features such as the chimney, the open-plan kitchen and their location in a natural environment, but their design and innovation fits with new trends.

Finally, Center Parcs has built tree-houses in Germany while boat houses can be rented at three of its northern European villages, located around an island in the middle of a lake that can be accessed by bridge or rowing boat. Both of these concepts have proved highly successful.





Pierre & Vacances  
Belle Dune

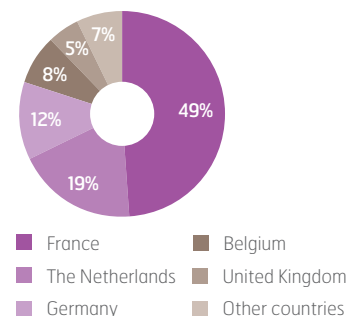
For Résidences MGM, two residences at les Arcs were renovated in 2008. Five residences were renovated at Pierre & Vacances (seaside) and seven at Maeva (four seaside, three mountain).

## INNOVATION FOR EVERYONE

The Group's brands have all made changes to their services and leisure offerings by introducing innovations each season. Indeed, two brands have developed formulas destined for the elderly. In 2008, Maeva launched an "Elderly Special" offering in 14 of its residences, chosen for their location in city centres, close to shops, transport and the seaside. The "Free spirit" offer of elderly people (baggage management), provides a special welcome service and specifically created events in partnership with "Age d'or Services".

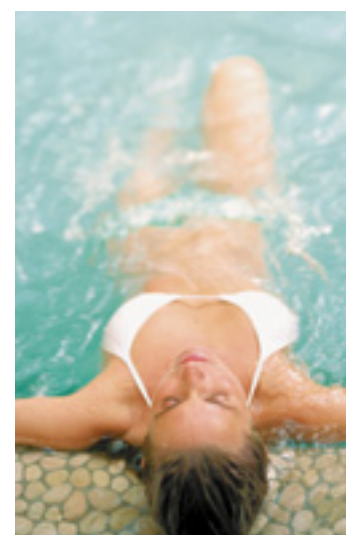
In the Pierre & Vacances villages, the Evasion package focuses on the target group of active elderly people, with stretching, body balance and aqua gym activities. In the Résidences MGM, wi-fi and video-on-demand services grew in 2008, while the brand's shopping delivery service Régal'pass offers clients balanced and quality menus for all the family delivered to their apartment on the day of arrival. Finally, the leisure activities offered by all of the brands are constantly being enhanced in order to satisfy all generations and all tastes: Turbotunnel developed in partnership with an Olympic bobsleigh team, an aqua-cinema at Center Parcs, thalassotherapy, balneotherapy and golf at Hôtels Latitudes, varied leisure themes at Pierre & Vacances villages (kiting at Belle Dune, flying trapeze at Port Bourgenay and spa Thalgo at Saint-Tropez...).

### BREAKDOWN OF ACCOMMODATION TURNOVER BY CUSTOMER ORIGIN



### *Tribes welcome!*

As traditional family units have broken up and lifestyles have changed, new demands for accommodation types are emerging. The different Group brands have imagined two suitable responses. Center Parcs now offers super-luxury VIP cottages for 12 people enabling three generations or large groups to holiday together, with an outdoor steam bath, sauna, covered terrace and home cinema. Résidences MGM also offers apartments of 150 m<sup>2</sup> for the same type of client profile.



## 2 AN AMBITIOUS MARKETING STRATEGY

*In order to attract international clients, Pierre & Vacances Group is developing its visibility, especially on the internet, by focusing on synergies between the Group's brands which are now housed in a single tourism business division.*



### *Bolstering international sales*

In 2007/2008, 7.5 million European tourists, including 2.5 million children, opted for the Pierre & Vacances Group brands for their holidays or mini-breaks. Among these were a majority of French tourists (49%) as well as Dutch (19%), German (12%) and Belgian (12%) holiday-makers.

### TARGET COUNTRIES IN EUROPE

Based on these four traditional benchmark countries, the Group intends to significantly expand foreign clients, with a focus on: the Netherlands, Belgium and the United Kingdom for Pierre & Vacances Tourisme Europe and Germany and France for Center Parcs Europe. In order to attract future clients, the brands adapt their offerings, in particular by taking a country-specific stance on each website with times, events, catering, spoken languages and site signalling all customised according to the cultural habits of each nationality. In marketing terms, products are promoted locally via sales offices in Germany, Italy, the United Kingdom, Belgium, Spain and Scandinavia.





1 / In contact with nature

2 / Latitudes Hôtels  
Arc 1800

With a single Tourism division, the Group can focus on internal marketing synergies to penetrate a number of markets, such as Germany where the strong presence of Center Parcs ought to help promote the Pierre & Vacances brand. Finally, the Group is to prospect more intensely in markets further afield such as Russia, the Czech Republic, Poland, Israel and the Middle East, with the creation in 2008 of a team dedicated solely to development.

## A PARTNERSHIP POLICY FOR PROPERTY MARKETING

The Group's Property division is also seeking to increase foreign clients for the entire Group range. For its international development, Pierre & Vacances Conseil Immobilier (PVCi) favours marketing via local partners. As such, in the United Kingdom and Ireland a partnership has been set up with Athena, which markets all of the Group's property products to Anglo-US clients, and also federates the Group's network of local property advisers and the search for new advisers.

In Germany, Belgium, Switzerland and Italy, PVCi is developing a strategy of direct sales and partnership networks based on its French sales teams.

# +40%

Growth  
in internet sales

# 51%

European clients  
(excl. France)

### *Stepping up growth*

#### TOURISM, THE STRENGTH OF SYNERGIES

In September 2008, the Group created a single Tourism division covering all of its tourism businesses with the aim of sharing know-how and financial means between Pierre & Vacances Tourisme Europe and Center Parcs Europe and thereby increasing the efficiency of these two units. As of the next year, this organisation is set to prompt savings of 10 million euros.

In marketing terms, the units have already adopted a joint approach for seminars and group offerings. As such, Pierre & Vacances Tourisme Europe, which is highly present with works' committees in France, with 6,000 references, is set to extend the penetration of Center Parcs Europe in this market, while Center Parcs Europe, which is highly present in seminars, will enable Pierre & Vacances Europe to benefit from its expertise in this market segment. The piloting of marketing spending in the various countries is also set to be pooled, as is development in new markets.

Furthermore, joint purchasing policies are due to be stepped up, especially concerning site maintenance and renovation. Integrated back-office systems are to be rolled out for pay-roll, sales administration and reporting activities. Headquarter units are to be pooled and streamlined. Finally, certain investments and structures are to be shared such as servers, high-speed lines and call centers.

#### HEADING FOR A SINGLE INTERNET PLATFORM

Internet is the priority information and purchasing tool for the tourism division and is one of the keys to better penetration of foreign markets. The Group is aiming to double the portion of turnover generated via this sales channel over the next five years. In 2009, it plans to build a single internet platform. The roll-out of this tool based on the wealth of the Group's offering should enable it to offer its extensive client base and future clients, "one-stop shopping" access to all of its offers, while keeping costs under control. On the platform, European consumers will be able to find their favourite brand or discover new products via the search engine. Furthermore, thanks to a multi-criteria search tool (e.g. "I want a one week seaside or countryside holiday with activities for both my children"), they will be able to consult a selection of offers corresponding to their request.







1 / Family holidays by the sea

2 / Pierre & Vacances  
Arcangues

## PROPERTY: REASSURING AND ACCOMPANYING

In a difficult economic backdrop, safety and durability in property assets are key factors for property purchasing decisions. The sales strategy for the property business is therefore strongly based on the Group's fundamentals: durability, independence and know-how prompted by its dual expertise in the Property development and Tourism businesses. In order to market its products, Pierre & Vacances Conseil Immobilier (PVCi) has chosen to exploit the Group's portfolio of owners and renters by capitalising on the Group's good image and high satisfaction rates of tourism clients.

In addition, it has developed a global consulting strategy which includes property sales, finding a loan for the property and life-insurance products. This extended offering enables the Group to better accompany future owners in materialising their projects while maintaining strong ties with them over time. The Property development division favours diversification in its sales formulas and the bolstering of sales of occupied property. Finally, it relies on the Group's reinsurance policies to reassure partners and increase the number of new advisers for its products.

# 45%

of 2007/2008 turnover  
at Center Parcs Europe  
was generated by  
internet sales

Advantageous  
taxation: recovery

of **VAT**  
for tourism residences

## *Tax formulas*

### • Non-commercial furnished property lessor

This status enables investors to deduct rental income over the long-term thanks to amortisation of the property. For classified tourism residences, the 2009 Finance Law will enable future owners to benefit from a tax credit equivalent to 5% of the cost price of the property (up to 25,000 euros).

### • Commercial furnished property lessor

This tax status enables investors who are registered as a company and have annual revenues of at least 23,000 euros stemming from furnished rentals and accounting for more than 50% of the company's tax base, to deduct charges concerning the property and create a deficit that is deductible from overall revenues. In addition, wealth tax is no longer applicable and neither is capital gains tax after the sixth year of ownership.

### • The "Rural Renewal Zone" Initiative

This provides investors a tax break of 25% on the acquisition price excluding VAT, or 25,000 euros for a married couple spread over six years for all acquisitions made prior to 31 December 2012, on condition that the investment is made in a classified tourism residence and that the property is rented unfurnished to one single manager.



## 3 A RESPONSIBLE LEADER

*The Group's Sustainable Actions Plan is based on three challenges for the 2008/2011 period. It reaffirms the Group's commitments and aims to position it as a benchmark player in environmentally-friendly and socially-responsible tourism and property development.*



### *Sustainable development, a key dimension to the Group's strategy*

In early 2008, the Group bolstered its commitment to sustainable development by launching its Sustainable Actions Plan (SAP) and by renewing its strategic partnership with WWF France for three years.

The three-year plan includes the Group's commitments and targets in three main areas: preventing climate change, preserving natural resources and bolstering a responsible social policy.

The Pierre & Vacances Group has therefore restated its aim to make sustainable development a fundamental value in its corporate strategy in order to become a benchmark player in the tourism and property sectors.

Preserving our environment  
for future generations

## PREVENTING CLIMATE CHANGE

Pierre & Vacances Group's contribution to climate change concerns the greenhouse gases produced directly or indirectly by its property development activities (impact of building site, choice of materials...) and the operation of its tourism residences (travels to sites, heating of buildings...).

European leader in local tourism, the Pierre & Vacances Group has made ambitious commitments in terms of energy performance of its buildings (anticipating regulatory changes and creation of low-energy pilot projects), optimising management of energy consumption on its sites and mobilising all the stakeholders involved, including clients.

## PRESERVING NATURAL RESOURCES

Since the quality of the natural surrounding of the Group's destinations is a key part of their appeal, preserving the environment and biodiversity are two essential priorities for maintaining the tourism business in the long run. The Group has therefore initiated a proactive policy to minimise the ecological footprint of its sites, based on two main objectives.

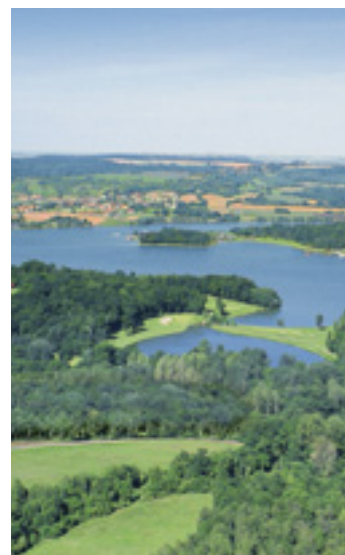
The first is to implement the management tools necessary for overseeing actions to reduce consumption of drinking water, optimise waste sorting, and reduce waste production, and responsibly manage green areas.

The second is to contribute to the public raise in awareness on global sustainability issues making them active players of environmental protection. With more than seven million clients per year, the Pierre & Vacances Group aims to create showcase sites for sustainable lifestyles, favour purchases of products and services with social and environmental value-added and raise interest of the public on the preservation of biodiversity.

## STRENGTHENING A RESPONSIBLE SOCIAL POLICY

In a constantly-changing socio-economic backdrop and in view of the social impact specific to the tourism business (seasonal effects, local employment etc.), the Group's priority is to develop a responsible social policy mobilising all of its staff.

Its priorities include integrating diversity within the company, stepping up the recruitment and integration process for disabled people, training employees in good environmental practices, including the respect of these commitments in management procedures, favouring individual initiatives and developing voluntary actions by employees.



### *A key player in local economies*

The Group's business contributes to economic momentum and tourist appeal of the regions where it is located.

In the Aisne region of France, the opening of the Center Parcs Domaine du Lac d'Ailette helped create 335 jobs in 2007/2008, with 87% concerning people from the region. In addition, with a purchasing policy aimed at favouring local suppliers, 34% of the site's spending in the first year of operation was made in the region. An office to promote tourism in the Aisne has been created at the site promoting local events, the sale of local products and information on excursions. The sale of local products generated sales of 58,000 euros while 958 visits to local sites were sold.

Finally, the creation of the Center Parcs boosted frequency rates for local tourism accommodation by 5% with a number of Center Parcs clients arriving early or prolonging their stay in the region.

- An overview of all of the Group's commitments, actions and targets can be found on pages 44-45.

- The entire Group policy is accessible on the website <http://groupe.pierreetvacances.com>

## *Sustainable construction*

The Pierre & Vacances Group has made strong commitments to integrate sustainable construction practices in its property development programmes. These commitments concern energy performance as well as the choice of building materials, water management, “green building site” policy and the protection of surrounding natural environment. The Group has anticipated regulatory changes by committing itself to reach the Very High Environmental Performance standard as of 2008 for all of its new programmes.

### A PILOT SITE IN MOSELLE

The future Center Parcs in the Moselle region, the Domaine des Trois Forêts, is the first project to apply all of the commitments made by the Group in its Sustainable Actions Plan.

The site has been designed in a way to preserve the surrounding environment. Ecological corridors (connecting vital habitats for local fauna) have been respected and wetlands have been created. A forest and an ecological management plan has been implemented in order to preserve forest land. Uncleared areas have been protected. Cut wood has been reused either in local wood-energy industries, or in the regional plywood industry.

In addition, building work respects the “green building” site policy aimed at limiting the environmental damage caused by the building site activities. Waste generated by the building works is sorted.

### HIGHER ENERGY PERFORMANCES

The Domaine des Trois Forêts cottages are certified under the Very High Energy Performance standard, a performance level 20% higher than the French thermal regulations currently prevailing. The design of the park’s flagship water facilities, the Aqua Mundo, was carefully studied and these buildings also comply with the VHEP standard. The building’s architecture enables natural ventilation minimizing the need for mechanical air renewal systems, with the ensuing energy savings estimated at 228 MWh/year. Night-time storage of water of the outdoor pools in awnings is also set to help save some 1,636 MWh/a year.

The water facilities are covered with Ethylene Tetra Fluoro Ethylene (ETFE), which offers better thermal performances than glass while allowing light to pass at 95%. Among its other assets are high resistance to tearing, anti-dirt qualities, low inflammability and a long lifespan. The Group also chose a quadruple thickness covering thereby enabling energy savings of 515 MWh/year relative to a triple thickness covering. Finally water used to wash filters is also set to be recycled via an inverse osmosis treatment for temporary use in the pools. Prospective water savings are estimated at 21,900 m<sup>3</sup> and energy savings at 339 MWh/year.

The operation also includes a wood boiler heating system covering 90% of heating and hot water requirements for equipment and avoiding the emission of 2,820 tonnes of CO<sub>2</sub>/year into the atmosphere. The remainder is to be carried out by a gas heating system. Wood supply for the boiler will come from local responsibly managed forests and is to be ensured by local companies, thereby helping to create jobs.





1 / Center Parcs  
Domaine des Trois Forêts  
Moselle-Lorraine

2 / Master Plan –  
Domaine des Trois Forêts



## A WIDESPREAD AND LASTING POLICY

The Group is already applying its commitments to other projects. For the new residences programme at the Avoriaz ski resort, a study is currently underway to use a wood boiler heating system. All of the buildings will comply with the VHEP standard, with the exception of a pilot low consumption building for which an even higher performance is being targeted (improving energy performance by more than 50% relative to prevailing regulations). This building was selected under the request for proposals "PREBAT program" (Programme for research and experiment into building energy) launched by the Rhône-Alpes region. This programme aims to favour the development of technical solutions for the construction of new building consuming less than 50 kWh/m<sup>2</sup>.

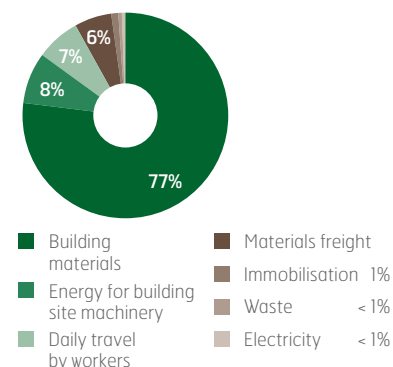
In 2008/2009, the Group intends to pursue its efforts by creating a monitoring system to help follow the environmental commitments in all operations and editing a "green building site" guide for worker awareness on the building sites and continue environmental studies for the choice of materials.

### PERCENTAGE OF PROPERTY OPERATIONS INTEGRATING ENVIRONMENTAL RECOMMENDATIONS

(golden rules for sustainable construction)

	2005/2006	2006/2007	2007/2008
<b>Energy</b>			
Energy-saving light-bulbs	21%	45%	60%
Movement detectors	79%	88%	89%
Class A electrical whitegoods	100%	100%	90%
Renewable energy	0%	0%	14%
<b>Water</b>			
Water-saving taps and showers	75%	95%	100%
Double toilet-flush systems	100%	100%	89%
<b>Waste/pollution</b>			
Waste-sorting bins	71%	84%	100%
"Green building site" charter	0%	0%	38%

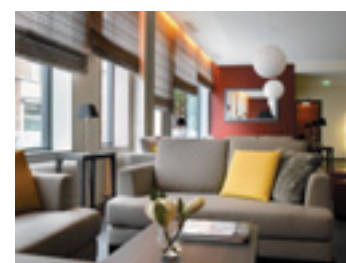
### CO<sub>2</sub> EMISSIONS SOURCES FOR THE CONSTRUCTION OF COTTAGES AT THE CENTER PARCS MOSELLE



The use of wood construction helps reduce the ecological footprint of a project while guaranteeing a better thermal performance and less pollution risk. Indeed, wood fixes CO<sub>2</sub> and thereby limits emissions into the atmosphere. As such, each tonne of concrete replaced by wood has helped avoid the emission of 100 kg CO<sub>2</sub>.

### *Minergie label for Adagio City Aparthotel in Basel*

Open since the summer 2008, the Adagio City Aparthotel in Basel has obtained the high-quality Swiss label Minergie, which guarantees comfort and energy performance of buildings. The label's requirements concern the entire building framework (roofing materials, ceilings, walls, floors and woodwork) as well as technical installations for heat production and distribution. The building is therefore equipped with an air/water heat pump which uses outdoor air as a source of heat for heating and hot water.



## *Showcase sites for sustainable lifestyles*

The Group is aiming to reduce the environmental impact of its sites and also to promote sustainable lifestyles.

### ASSESSING CO<sub>2</sub> EMISSIONS IN THE GROUP'S BUSINESS

The carbon footprint study undertaken provides a better understanding of the CO<sub>2</sub> emissions caused by the construction and operation of our site in order to identify the corrective measures to put in place. This assessment quantifies the impact of the various emission sources (purchases, travel, energy) or business types (construction, accommodation, leisure etc.).

Résidences MGM  
Les Ménuires



Since October 2007, the Group has applied this methodology to a site in construction (Center Parcs - Moselle) and to four existing sites in operation meant to be representative of all operating sites. The final objective is to assess the carbon impact to the entire tourism business, highlight strategic challenges and define an action plan.

A tool to extrapolate the global green house gas emissions and measure the carbon footprint of Pierre & Vacances Tourisme Europe is now under construction.

For 2008/2009, the Group is aiming to draw up and roll-out an action plan to reduce its carbon footprint. Thanks to the annual carbon reporting system a CO<sub>2</sub> indicator that will be included in the Group's energy and water monitoring system as of this year.

### AN ENVIRONMENTAL MANAGEMENT SYSTEM

The implementation of the Group's first environmental assessment tool, Respect of Voluntary Commitments for the Environment (RVCE) has enabled the sites of Pierre & Vacances Tourisme Europe to review their actions and start assessing their progress. A questionnaire was sent to all site in June 2008: 93.3% of them responded and 100% have initiated an environmental policy by implementing simple actions. At present, 85% of the sites practice the eco-gestures applied internally or learnt at business environmental training courses.

In addition, 65% of sites have a more advanced environmental policy and have implemented good environmental practices concerning at least three of the eight RVCE themes (daily integration of eco-gestures, training, client awareness, waste, water, energy, green areas). The RVCE is a first stage before the roll-out of an Environmental Management System (EMS).

In 2007/2008, the Group launched a tender offer in order to find a partner consulting agency for the project. This EMS should enable the Group to guarantee two main points, namely that its sites conform to regulatory requirements for environmental protection and the roll-out of monitoring and improvement tools of the environmental policy.

In 2008/2009, the aim is to undertake an environmental analysis and to implement the EMS in a sample of sites that are representative of the Group's businesses and sites.

Finally, in 2007/2008, the network of health/safety controllers also took on this policy. An environmental section was integrated into the health and safety process, thereby prompting the creation of a Health, Safety and Environment (HSE) questionnaire, filled in each month by site managers in order to check compliance with the Group procedures and HSE obligations. This is part of a reporting system and its analysis provides a way of regularly checking that the Group's commitments are in place and respected.

## WATER AND ENERGY CONSUMPTION

	Center Parcs Europe			PVTE*
	2005/2006	2006/2007	2007/2008	2007/2008
No. of sites	15	15	16	200
<b>Water</b>				
m <sup>3</sup>	2,276,372	2,245,494	2,540,549	3,044,764
<b>Electricity</b>				
MW	97,696	101,917	121,845	177,420
<b>Gas</b>				
m <sup>3</sup>	39,763,000	39,360,000	40,552,000	1,025,983

\* Pierre & Vacances Tourisme Europe

SPREADING ECOLOGICAL PRACTICES  
IN GREENKEEPING

In 2007/2008, a review of greenkeeping practices was carried out for all of the French sites, based on a questionnaire concerning watering and the use of chemical products.

Green areas spaces are present in 49% of sites and 44% of them are equipped with a dedicated water meter.

A review also helped highlight the type and quantity of chemical products used (around 4.5 tonnes a year). Our aim is to now establish an action plan and to improve practices in order to eliminate the use of chemical products in greenkeeping in the long term and reduce water consumption for watering.

*Sustainability strategy in Center Parcs Europe*

## Other main projects in 2007/2008:

- ISO 14001 certification of the Domaine du Lac d'Ailette,
- first carbon footprint study at the Center Parcs at the Hauts-de-Bruyères,
- search for solutions to promote client access with public transport,
- improving energy efficiency of heating systems at central facilities at the domains,
- replacing classic water boilers by High Return boilers with a better energy yield,
- improving waste management with the extension of sorting areas at all of the domains,
- developing the "Nature deserves a break" marketing and communication plan at two pilot domains and installing a library for guests presenting eco-gestures in four languages,
- contribution and availability of Center Parcs expertise for the creation of an ecological park in Paramaribo (Surinam) aiming for the regeneration of the local jungle in collaboration with the local authorities (government, foundation for the preservation of biodiversity, WWF).

*Favouring the most responsible products and services*

Commitments with precise targets in terms of sustainable development have been defined by purchasers. The priority actions concern packaging, washing powders available in laundrettes, disposable products, paper, laundry and furniture companies. In addition, all new suppliers are assessed via an environmental questionnaire.

This policy helped introduced Rainforest Alliance certified coffee in all Center Parcs domains and every village now has a large selection of organic products in all supermarkets. It also enabled the adoption in 2008 of the Ecopack by Lesieur for all the Group's sites for which catering is managed directly. This is a responsible choice: the Frial oil included in the Ecopack does not contain palm oil and is locally produced. The containers are designed to be recycled.

100% of the products delivered (i.e. 50,000 litres of oil per year) are recovered and recycled in the first bio-diesel manufacturing plant in France managed by Veolia Environnement.

**6** carbon reviews were carried out in 2007/2008 in all of the Group's residence types

**14** sites were visited by the sustainable development team in 2007/2008 as part of the RVCE framework



## Informing and raising awareness

For the next three years, the Group has pledged to bolster its communication and awareness programmes for environmental protection and sustainable development in a fun and convivial manner, to its large client base, notably made up of families.

Since 2005, and as part of the partnership with WWF-France, information, educational, environmental awareness and more generally sustainable development events are organised in ten Pierre & Vacances villages and five Maeva Residences Club.

### ENVIRONMENT EDUCATION FOR CHILDREN

During summer 2008, the following events were proposed to children: calculation of ecological footprints, a green treasure hunt, an orientation course, gardening, an endangered animal species footprints workshop and the creation of short films on the environment and the eco-gestures to be adopted.

The WWF panda mascot was also present throughout holiday stays and via several events (evening dance, educational events on the environment etc.). Local actors, whose business is associated with the environment, and waste management in particular, have also participated to this programme.



Pierre & Vacances agencies are also used to communicate on environmental protection. Since 2006, the agencies in Lille, Lyon, Paris and Toulouse have game areas for children equipped with panda soft toys, animal colouring books, the "Planète Attitude Junior" book and eco-quizzes. These areas were updated and enhanced in summer 2008, in particular with the "Planète Attitude" book for adults and the new Eco'lidays card game offered to loyal clients accompanied by children. For 2008/2009, the Group is targeting events for teenagers, with new activities more suited for this age-group.

# 85,000

clients were made aware of sustainable development issues during the summer 2007/2008 season (including 25,320 children)



### "Nature" events at Pierre & Vacances and Maeva

Village activities in summer 2008 came under the sustainable development banner.

The Club Maeva at Port-La-Nouvelle held a Chichi Disco night, with the spreading of environmental messages by the WWF mascot panda, Chichi, a visit to the whale museum at Port-La-Nouvelle and the Île de Sainte-Lucie, a walk on a wild island preserved by the Conservatoire du Littoral as well as a visit to a wind farm.

As part of the "Biodiversity Project" initiated by the Group with the objective to ties with the Regional and National Natural Parks,

the Pierre & Vacances Village at Rouret (Ardèche) created a partnership with the Natural Regional Park, Monts d'Ardèche. The aim is to make residents aware of protecting the local biodiversity. The Village reception team was informed about regional natural parks and a member of the team took part in the Eductour of the Parc des Monts d'Ardèche. Maps of the park are also available in the village reception and the park's logo is shown in the catalogue.

## *Developing a responsible social policy*

Diversity, skill development, international openings, social dialogue: the social policy is at the heart of the Group's major challenges and combines expectations and balance.

### PROFESSIONAL CHOICES FOR THE FUTURE

The Pierre & Vacances Group has signed the Diversity Charter and is a member of the French "Talent promotion" and the "IMS-Entreprendre pour la Cité" associations...

The Group is constantly aiming to diversify its recruitment sources and has developed a partnership with SOS Racism and the AFIJ for the integration of young foreign graduates.

Following on from the three corporate agreements signed between 2004 and 2006, the Group is also relentlessly pursuing its actions to integrate disabled people via its Handicap Mission.

Finally, attached by conviction to the promotion of professional equality in its businesses, the Group aims in particular to eliminate salary differences and to correct any eventual inequalities.

Pierre & Vacances  
Port-Bourgenay

# 50%

of permanent employees in the French tourism business were trained in good environmental practices in 2007/2008

### *Handicap: results and targets*

The Handicap agreement approval for the Tourism business was renewed in June 2008 on the basis of positive results with the signing of 16 long-term contracts and 43 fixed-duration contracts over 2005/2007. The renewal of the agreement for 2008/2010 plans for ambitious new targets in terms of recruitment, maintaining jobs and communication. The partnership with the sector of business for disabled workers is also set to be strengthened.





More than **200**  
young people were  
recruited and trained  
over 2007/2008 in  
professional work  
contracts in the  
accommodation,  
events organisation  
and reception  
businesses

**30**  
events coordinators  
on sites were trained  
by WWF-France

**100%**  
of programme  
managers followed  
training courses in good  
environmental practices  
in construction

## ANTICIPATING STAFF ADAPTATION, SKILL MANAGEMENT AND DEVELOPMENT

Skill development remains a strategic priority for the Group, which has implemented a Forward-looking Management of Employment & Skills policy since 2003, which has been rounded out each year with company agreements, especially in 2007/2008.

Throughout an employee's career, a career management policy based on objective skill and performance factors that means employees can play an active role in managing their professional development. Employment & Skill reference systems now describe all of the 95 jobs at Pierre & Vacances in its business as an operator of tourism residences in France. Finally, following closely these reference systems, all staff (except seasonal workers) benefit from an annual assessment interview.

The Group has also made professional training one of its main concerns. In 2008, more than 60% of permanent staff had access to training associated with their job and/or skill development. With the roll-out of training courses during periods of professional learning, the creation of a DIF (individual right of training) offering and the development of internal promotions to VAE (Validate Acquired Experience), the Group enhanced the efficient nature of its skill development policy in 2008.

New management training courses were also created for all managers, thereby contributing to the development of a common managerial culture, in association with the Group's strategy.

Pierre & Vacances  
Pont-Royal en Provence





## INCREASINGLY INTERNATIONAL PROFILES

2008 confirmed the target to recruit international profiles in European companies with high strategic challenges in order to consolidate the Group's commercial presence and accompany the rapid development of the Adagio City Aparthotel brand in Europe. The main markets concerned are the Great Britain, Benelux, Germany, Scandinavia and eastern-European countries. The Group is also continuing its partnership policy with tourism and catering schools in order to establish itself as a benchmark for students entering the business. Numerous opportunities in terms of work experience, professional working contracts and apprenticeship contracts are offered to students as well as seasonal and long-term contracts.

## SOCIAL DIALOGUE FOR THE LONG TERM

The corporate agreement on skill development and job management was signed in 2007/2008, rolled out in the subsidiaries and implemented in all of the Group's businesses. The agreement was drawn up voluntarily and with no time restriction and aims to include collective and individual skills in the framework of responsible economic and social development.

### TRAINING

	2006/2007	2007/2008
<b>Training rate</b> (no. of employees trained/total employees)	50%	60%
<b>Training ratio</b> (spending on training/payroll expenses)	1.2	1.4

### *Spreading good environmental practices*

The Group has pledged to train 100% of its permanent staff in good environmental practices.

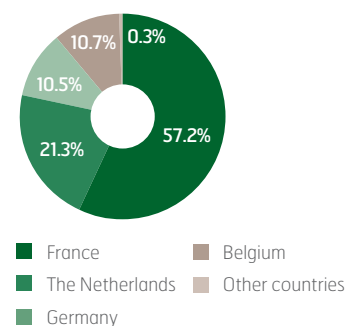
In order to step up the adoption of the sustainable development policy, the Group now has a three-year training plan with courses organised by business. For the "technical", "green areas", "cleaning" and "catering" teams, on-site training undertaken by a specialised

company enabled 301 work experience employees to be trained in 2007/2008.

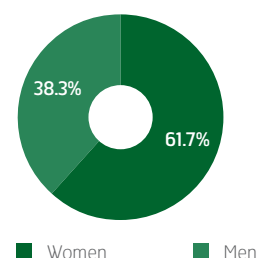
For the reception businesses, which concern around 1,000 staff, training was undertaken via an interactive e-learning module. Events coordinators on sites were grouped together and trained at the headquarters of WWF-France for two days.



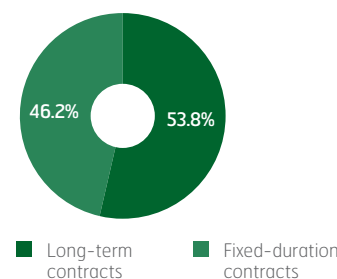
### BREAKDOWN OF STAFF BY COUNTRY



### BREAKDOWN MEN/WOMEN



### BREAKDOWN LONG-TERM/ FIXED-DURATION CONTRACTS



## SUSTAINABLE CONSTRUCTION

Commitments	Progress indicators	Actions 2007/08	Targets 08/09
VHEP certification <sup>1</sup> for all new projects being studied from 2008	<ul style="list-style-type: none"> <li>Building permit filled of for 870 VHEP cottages in 2007 (CP* – Moselle)</li> </ul>		
Integrating renewable energies into new projects from 2008	<ul style="list-style-type: none"> <li>14% of projects delivered in 2007/08 (GRI<sup>2</sup> EN6)</li> </ul>		
Making energy-saving equipment widespread	<ul style="list-style-type: none"> <li>60% of projects delivered in 2007/08</li> <li>Energy-saving light bulbs: 100% of projects delivered in 2007/08</li> <li>Movement detectors: 89% of projects delivered in 2007/08</li> <li>Class A electrical whitegoods: 90% of projects delivered in 2007/08</li> </ul>	<ul style="list-style-type: none"> <li>VHEP targets for projects underway</li> <li>Achievements: solar heating installation (Maeva – Cap Coudalère), mixed wood/gas heating system (CP – Moselle), study for a wood heating system in Avoriaz, feasibility study underway (CP – Isère)</li> </ul>	
Making water-saving equipment widespread	<ul style="list-style-type: none"> <li>Reducing tap and shower flow speeds: 100% of projects delivered in 2007/08</li> <li>Double-flow toilet flushing systems: 89% of projects delivered in 2007/08</li> </ul>	<ul style="list-style-type: none"> <li>Integration of golden rules in building work contracts</li> </ul>	
Applying “green building site” charter to all buildings	<ul style="list-style-type: none"> <li>38% of projects delivered in 2007/08</li> </ul>	<ul style="list-style-type: none"> <li>Member of a business “initiative” on sustainable construction</li> </ul>	<ul style="list-style-type: none"> <li>Drawing up of guidelines to monitor targets on projects</li> <li>Drawing up a “green building site” guide to workers</li> <li>Bolstering works to reference “green” products</li> </ul>
Integrating as of the design of landscapes, recommendations in terms of sustainable management of green areas (non-utilisation of phyto products, reducing watering requirements etc.) and installing basins to recover rain water in 100% of programmes with green areas	<ul style="list-style-type: none"> <li>Effective</li> </ul>	(See pages 36 & 37)	
Dividing waste bins into two or three parts	<ul style="list-style-type: none"> <li>100% of projects delivered in 2007/08</li> </ul>		
Buying FSC <sup>3</sup> certified exotic wood, favouring wood PEFC <sup>3</sup> certified from European forests	<ul style="list-style-type: none"> <li>100% of projects delivered in 2007/08</li> </ul>		
Favouring environment-friendly building products in property operations		<ul style="list-style-type: none"> <li>1<sup>st</sup> floor coverings study</li> </ul>	

## REDUCING ENVIRONMENTAL IMPACT OF SITES AND MAKING THEM SHOWCASE SITES FOR SUSTAINABLE LIFESTYLES

Commitments	Progress indicators	Actions 2007/08	Targets 08/09
Assessing CO <sub>2</sub> emissions of our activities (see page 38)	<ul style="list-style-type: none"> <li>Emissions in the tourism activity: transport of clients (79%), purchase (13% with share of food products up to 90%), assets (6%), energy (2%) (GRI EN 16)</li> </ul>	<ul style="list-style-type: none"> <li>6 carbon footprint studies done for PVTE*</li> <li>Carbon footprint study of the French headquarters in progress</li> </ul>	<ul style="list-style-type: none"> <li>Drawing up and rolling out an action plan to reduce the Group's carbon footprint</li> <li>Integrating a CO<sub>2</sub> indicator in the Group's environmental guidelines</li> <li>Searching for solutions to promote ways of accessing CP sites by public transportation</li> </ul>
Reducing energy consumption by 10%	<ul style="list-style-type: none"> <li>Energy consumption for the Group: electricity 299,265 MW, gas 41,577,983 m<sup>3</sup>, gazoil 1,020,643 liters (except CP) (GRI EN3)</li> <li>10% of PVTE sites equipped with low-energy light bulbs</li> </ul>	<ul style="list-style-type: none"> <li>Gradual installation of energy-saving light-bulbs and drawing up of a replacement reference system</li> <li>Creation of an internal reporting tool: ICARE (Carbon Energy Indicator)</li> </ul>	<ul style="list-style-type: none"> <li>Continuing investments in energy saving installations and equipment to control energy consumption in existing buildings</li> <li>Completion and roll out of ICARE</li> </ul>
Increasing the part of renewable energy	<ul style="list-style-type: none"> <li>Group: 57,818 kWh solar heating</li> <li>CP: 820,656 kWh solar heating</li> <li>CP: 973 kWh photovoltaic (in 4 months)</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of solar installation (PV* – Belle Dune, CP – Port Zélande, De Huttenheugte and De Vossemereen)</li> </ul>	<ul style="list-style-type: none"> <li>Pursue research to promote renewable energy on existing sites</li> </ul>
Spreading water-saving equipment	<ul style="list-style-type: none"> <li>Group water consumption in 07/08: 5,585,313 m<sup>3</sup> (GRI EN8)</li> <li>55% of sites for PVTE and 100% of CP sites have apartments fully-equipped with water savings appliances</li> </ul>	<ul style="list-style-type: none"> <li>Additional equipment at 11 PVTE sites</li> </ul>	<ul style="list-style-type: none"> <li>Continuing investments in water-saving equipment (including CP)</li> </ul>
Spreading ecological techniques for maintenance of green areas in order to reduce water consumption and use of phytosanitary products (see page 39)	<ul style="list-style-type: none"> <li>Green areas: 292 acres</li> <li>Phytosanitary products used a year: 4.5 tonnes</li> <li>549,900 m<sup>3</sup> water/year (GRI EN14)</li> </ul>	<ul style="list-style-type: none"> <li>Review of greenkeeping practices on all French sites</li> </ul>	<ul style="list-style-type: none"> <li>Results of review given to all greenkeepers</li> <li>Defining of a policy to constantly improve greenkeeping practices</li> </ul>
Generalising sorting, reducing production and recycling waste	<ul style="list-style-type: none"> <li>60% of PVTE sites sort waste in places where sorting is enforced</li> <li>58% of PVTE sites have battery collectors</li> <li>66% of PVTE sites offer collectors for printer cartridges</li> </ul>	<ul style="list-style-type: none"> <li>Multiplication of waste sorting areas at CP</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening interaction with local authorities for optimising sorting at sites</li> <li>Continuing actions to improve signalling on sites</li> </ul>
Replacing of on-site vehicles with electric vehicles	<ul style="list-style-type: none"> <li>14 service vehicles replaced in a CP domain</li> </ul>	<ul style="list-style-type: none"> <li>All the service vehicles replaced in CP De Huttenheugte</li> </ul>	<ul style="list-style-type: none"> <li>Continuing replacement vehicles at CP and PV of all service vehicles by electric</li> </ul>

Rolling out an environmental management system at all sites (see page 38)	<ul style="list-style-type: none"> <li>• 100% of PVTE sites self-assessed (RVCE policy)</li> <li>• 100% of CP sites labelled ISO 14001</li> </ul>	<ul style="list-style-type: none"> <li>• Construction and spreading to sites of a RVCE checklist</li> <li>• Visit to 14 sites accompanied by WWF, interviews with site teams</li> <li>• Integration of an environmental aspect to health and safety process</li> </ul>	<ul style="list-style-type: none"> <li>• Roll-out of EMS in a sample scope of reference sites</li> <li>• Pursue the integration of the environmental dimension by health and safety controllers (audits, action plans etc.)</li> </ul>
Improving environmental quality of catering	<ul style="list-style-type: none"> <li>• 53% of PVTE sites with a catering service (direct or via a services provider) have stated they have informed the caterer of WWF recommendations in terms of choices of fish</li> <li>• 24% of PVTE sites offering breakfast services have stated they offer fair-trade products</li> <li>• Choice of Rainforest labelled drinks at CP: 5.7m cups of coffee sold</li> </ul>	<ul style="list-style-type: none"> <li>• Dereferencing of endangered fish species in directly managed restaurants, based on the WWF consumer guide for responsible fish purchases</li> <li>• Partnership with Lesieur in France (Ecopack offering)</li> <li>• First policy to reduce individual portions at CP with elimination in breakfasts</li> </ul>	<ul style="list-style-type: none"> <li>• Further dereferencing of endangered fish species</li> <li>• Roll-out of Ecopack in all sites concerned</li> <li>• Further policies to reduce individual packaging with elimination in breakfasts</li> <li>• Total integration of WWF guidelines at services providers</li> <li>• Offering of organic teas and vegetables at all CP</li> </ul>

## INFORMING AND MAKING STAFF AND CLIENTS AWARE OF ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

Commitments	Progress indicators	Actions 2007/08	Targets 08/09
Making 100% of staff aware of major sustainable development challenges applied to tourism and property development businesses	<ul style="list-style-type: none"> <li>• Around 500 staff have taken part in WWF sessions</li> <li>• No. of site interventions: 30</li> <li>• 66% of site managers stated they had made their staff aware of environmental challenges during service meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness campaigns on sites with WWF</li> <li>• Sustainable development week, articles in internal press</li> </ul>	<ul style="list-style-type: none"> <li>• Renewal of WWF awareness campaign on sites</li> <li>• Further roll-out of awareness and mobilisation tools at headquarters destined for on-site staff (leaflets, posters etc.)</li> </ul>
Strengthening communications/awareness actions targeted towards families	<ul style="list-style-type: none"> <li>• 85,000 people made aware during summer 2007/08</li> </ul>	<ul style="list-style-type: none"> <li>• Events managers taking on environmental theme and adapting their events programme accordingly</li> <li>• New tools made available: card games Eco'lidays</li> <li>• Projet Biodiv': partnership between several sites and Regional and National Natural Parks</li> </ul>	<ul style="list-style-type: none"> <li>• Updating of events offered on-site</li> <li>• Creation of joint events at sites of same brand (e.g. PV Villages)</li> <li>• Roll-out of awareness and mobilisation tools destined for clients (leaflets, posters etc.)</li> <li>• Bolstering WWF events in CP France</li> <li>• Continuing and strengthening partnership with National and Regional Natural Parks</li> </ul>
Bolstering events for children (see page 40)	<ul style="list-style-type: none"> <li>• 25,320 children made aware during summer 2008</li> </ul>	<ul style="list-style-type: none"> <li>• Further actions and new events for different age groups as part of children's clubs</li> <li>• Readapting children's areas in stores</li> </ul>	<ul style="list-style-type: none"> <li>• Developing additional awareness media (for teenagers)</li> </ul>

## DEVELOPING RESPONSIBLE SOCIAL POLICY

Commitments	Progress indicators	Actions 2007/08	Targets 08/09
Integrating sustainability criteria related into management remuneration schemes		<ul style="list-style-type: none"> <li>• Operating target at purchases management</li> </ul>	<ul style="list-style-type: none"> <li>• Roll-out in others divisions</li> </ul>
Training 100% of permanent staff in good environmental practices (see pages 41 to 43)	<ul style="list-style-type: none"> <li>• 50% of permanent staff in Tourisme France division</li> <li>• 30 events coordinators trained by WWF</li> <li>• 100% of programme managers followed training in good environmental practices in construction</li> </ul>	<ul style="list-style-type: none"> <li>• Roll-out of a training plan for "green areas", "cleaning", "catering" (e-learning module)</li> <li>• Regrouping and training events teams at WWF head offices for two days</li> <li>• Training programme managers in good environmental practices in construction</li> </ul>	<ul style="list-style-type: none"> <li>• 100% coverage for reception businesses</li> <li>• 100% coverage for permanent staff on sites</li> <li>• Renewal of training for events coordinators at WWF</li> </ul>
Stepping up process to recruit disabled people	<ul style="list-style-type: none"> <li>• 16 long-term contracts and 43 fixed-term over 2005-2007 for Tourisme France division</li> </ul>	<ul style="list-style-type: none"> <li>• Renewing agreement in Tourisme France division over 2008/10</li> <li>• Awareness sessions for managers for support services</li> </ul>	<ul style="list-style-type: none"> <li>• Continuing communication, recruitment, maintaining jobs</li> <li>• Strengthening collaboration with sector of business for disabled people</li> <li>• Continuing awareness sessions for Group's managers</li> </ul>
Bolstering diversity in the company	<ul style="list-style-type: none"> <li>• Partnerships with associations: AFJJ, SOS Racism</li> </ul>	<ul style="list-style-type: none"> <li>• Following national commitments</li> </ul>	<ul style="list-style-type: none"> <li>• Bolstering actions undertaken</li> </ul>
Developing and aiding voluntary actions by employees and favouring individual initiatives (in partnership with WWF)		<ul style="list-style-type: none"> <li>• Communication to works council the legal framework for solidarity leave</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening communication on possibilities to take on voluntary commitments by employees</li> </ul>

<sup>1</sup> VHEP: Very High Energy Performance / HEP: High Energy Performance

<sup>2</sup> GRI: Global Reporting Initiative

<sup>3</sup> FSC: Forest Stewardship Council / PEFC: Programme for the Endorsement of Forest Certification schemes

<sup>4</sup> EMS: Environmental Management System

<sup>5</sup> RVCE: Respect of Voluntary Commitments for the Environment

\* CP: Center Parcs / PV: Pierre & Vacances brand / PVTE: Pierre & Vacances Tourisme Europe



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