

Naturally closer

BUSINESS REPORT
2009 - 2010



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Tourism

Pierre & Vacances



maeva



Citéa
Apparthôtels et Villas en France



Property



LES SENIORIALES[®]
RÉSIDENCES SENIORS



PROFILE

LEADER IN LOCAL TOURISM IN EUROPE, THE PIERRE & VACANCES - CENTER PARCS GROUP HAS BUILT ITS SUCCESS ON INNOVATIVE LEISURE CONCEPTS WITH SIGNIFICANT LANDSCAPING AND ARCHITECTURAL QUALITIES THAT RESPECT THE ENVIRONMENT. THE GROUP IS CURRENTLY STEPPING UP THE DEVELOPMENT OF ITS AMBITIOUS PROJECTS AIMED AT MEETING THE EXPECTATIONS OF NEW GENERATIONS OF HOLIDAYMAKERS.

A close-up photograph of a woman and a young boy in a swimming pool. The woman, in the foreground, has dark hair and is smiling broadly, showing her teeth. The boy, behind her, is also smiling and looking down. The water is clear blue, and the background is slightly blurred, showing more of the pool and some foliage.

N.1
IN LOCAL
TOURISM
IN EUROPE

BRAND OVERVIEW

Tourism

WITH MORE THAN 51,000 APARTMENTS AND HOMES, OR MORE THAN 236,000 BEDS, THE PIERRE & VACANCES - CENTER PARCS GROUP IS NOW THE BENCHMARK IN LOCAL TOURISM IN EUROPE. IT OFFERS ITS 7.4 MILLION CLIENTS THE MOST ATTRACTIVE SEASIDE, MOUNTAIN, COUNTRYSIDE AND CITY DESTINATIONS.

Residences

Pierre & Vacances

Top-of-the-range brand
80 sites
9,059 homes and apartments

**Pierre & Vacances
premium**

Prestigious brand
20 sites
2,177 homes and apartments

maeva

Mid-range brand
177 sites
13,193 homes and apartments

Resorts

CenterParcs

Top-of-the-range short stays
14 sites
10,252 cottages

**Pierre & Vacances
resorts**

Top-of-the-range brand
13 sites
6,585 homes and apartments

Sunparks

Mid-range short stays
8 sites
3,734 cottages

Hotels & Aparthotels

adagio
city apartments

Top-of-the-range city brand
30 sites
3,959 apartments

Citéa
Appart'hôtels et Villas en France

Mid-range city brand
55 sites
5,381 apartments and villas

**latitudes
HOTELS**

Hotel brand
9 sites
588 rooms

Figures on 30 September 2010.

Property

SINCE ITS CREATION, THE GROUP HAS INTEGRATED ALL OF THE PROPERTY BUSINESSES FROM DESIGN TO MARKETING TO INSTITUTIONAL OR INDIVIDUAL INVESTORS.

Project development

P&V PIERRE & VACANCES
DEVELOPPEMENT

Property consulting

P&V PIERRE & VACANCES
CONSEIL IMMOBILIER

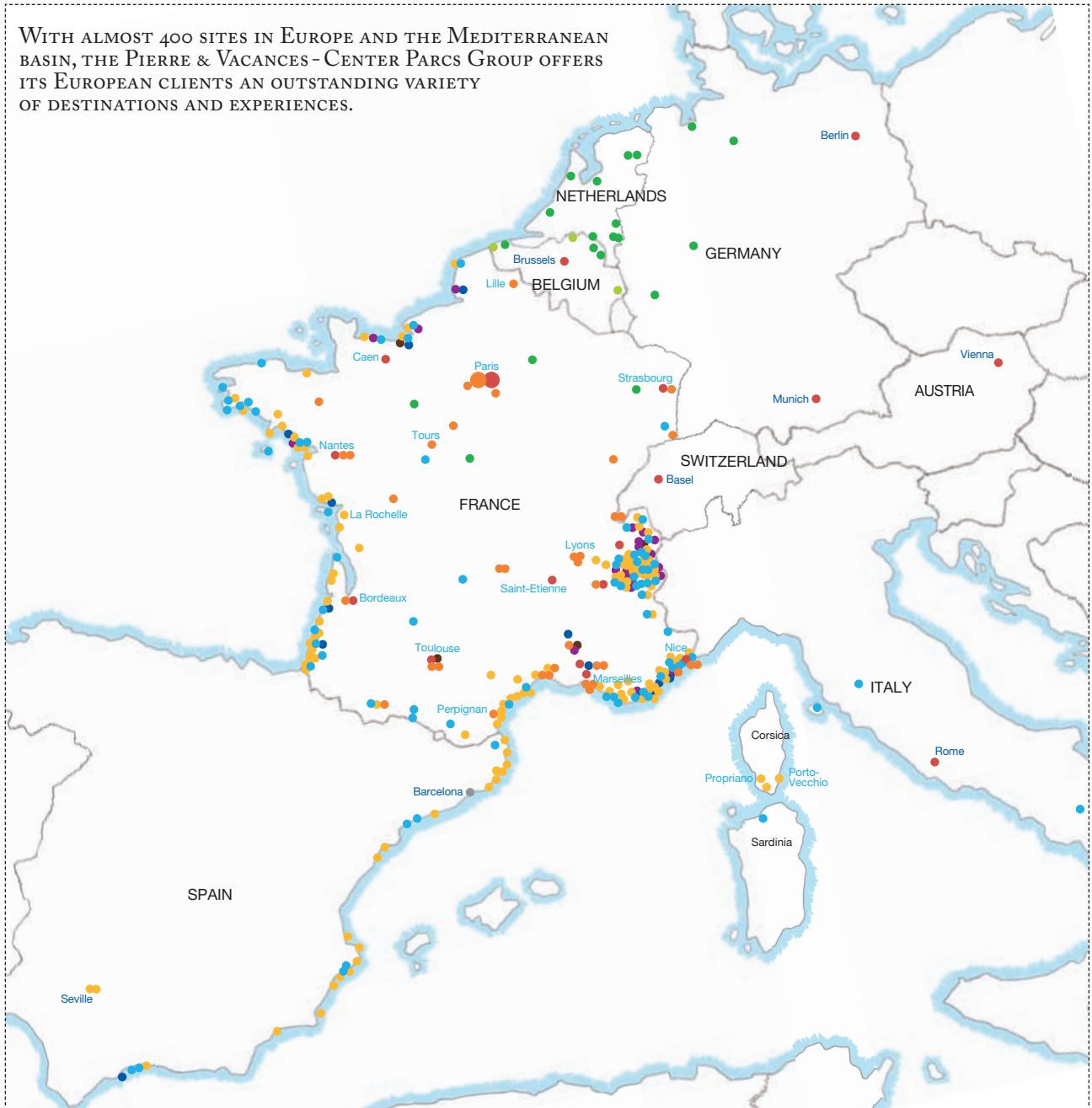
Property development

LES SENIORIALES
RESIDENCES SENIORS

LOCATIONS



WITH ALMOST 400 SITES IN EUROPE AND THE MEDITERRANEAN BASIN, THE PIERRE & VACANCES - CENTER PARCS GROUP OFFERS ITS EUROPEAN CLIENTS AN OUTSTANDING VARIETY OF DESTINATIONS AND EXPERIENCES.



Locations on 31 December 2010.

- Pierre & Vacances
- Pierre & Vacances resorts
- Pierre & Vacances premium
- Center Parcs
- Sunparks
- Maeva
- Adagio City Aparthotel
- Citéa
- Latitudes Hôtels

THE FRENCH WEST INDIES



**INTERVIEW
WITH CHAIRMAN
AND CEO**



*“Our model is solid,
but we need to gain
in efficiency”*



← **Gérard Brémont**
Chairman

**Why opt for an integrated organisation
10 years after Center Parcs entered
the Group?**

Gérard Brémont: We are not really breaking with the past since we have proceeded in stages. When we bought Center Parcs, we above all focused on preserving the brand, culture and performances of this unique company in Europe. Then we began to unlock synergies, for example with the purchasing policy. Today, it is time to go further.



“Our aim: to strengthen
our position as the European leader
in local tourism”



Sven Boinet: Indeed, we are not changing direction, we are simply providing ourselves the means to fully carry out the company strategy and our aim, which is to strengthen our position as the European leader in local tourism. And we are doing this by transforming our organisation, clarifying our product lines and our brand strategy.

Sven Boinet →
CEO



What does “strengthening our position as the European leader in local tourism” actually mean in concrete terms?

Sven Boinet: We already lead the market in France, Belgium and the Netherlands and would like to do the same in Germany, Spain and hopefully Morocco. Being European means reaching a significant size in each country where we are present and we are working on this aim.

Finally, we are a tourism group. We will therefore focus on marketing, developing customer relations management, working on the quality of our services, increasing our presence on the Internet and capitalising on the outstanding potential harboured in the client bases of our two major brands, even more so than in the past. Although our clients are European, we see little movement between countries. Clients at Pierre & Vacances sites are mainly French whereas demand is high from Belgian, Dutch and German holidaymakers for destinations in France and Spain. We therefore need to develop cross selling.

Gérard Brémont: The recent success of the new Center Parcs Trois Forêts domain in Moselle is a good example of this aim. The new-generation cottages and leisure facilities are highly efficient in all segments of sustainable development and as soon as the village opened they prompted a frequency rate of 95% with a multitude of European clients: 40% French, 40% German and 20% from northern Europe (Belgium, Switzerland, etc.).

Given the difficult backdrop in the tourism market, will this transformation help you continue to develop?

Gérard Brémont: With the boom in social networks, price comparison tools and competition from low cost destinations, relations between consumers and travel or leisure “producers” have shifted in favour of consumers. However, a number of factors still play in our favour. Although in coming years, revenues of European citizens are set to remain stable at least, holidays should also remain a priority expense. Our position as a local tour operator offering rentals and à-la-carte services helps up meet demand given that consumers can create their holidays according to their spending capacity.



“Innovation is really in the Group’s genes and should help us weather the crisis”

Sven Boinet: Our concepts meet current needs and we are already anticipating future requirements with our new Center Parcs in Moselle or the Villages Nature project. Innovation is in the Group’s genes and has helped us weather the crisis. With our transformation project, we should enhance marketing efficiency and replace client experience at the centre of the company’s functioning. This is essential in a highly competitive universe in order to guarantee future sales.

>>

INTERVIEW CONT.

>> Transforming the Group also means changing its governance. How do you manage the Group together?

Gérard Brémont: Sven Boinet has been CEO since November 2009 and focuses especially on the tourism business integration project and increasing Group efficiency. I continue to chair the Board of Directors and also focus on property development and international expansion. We nevertheless discuss all of these subjects and strategic decisions are made together.

What is the situation in property development?

Gérard Brémont: With €614 million in property reservations in 2009/2010, the Group enjoyed its best year in property for 40 years. Development potential remains high in France as well as in Germany with Center Parcs, and in Spain and Morocco where the tourism residence concept is virtually absent.

What principles guide international development?

Gérard Brémont: We remain focused on our core business, namely tourism residences and resorts. In new countries we only make very cautious commitments. Finally, we choose local partners who are references in the sector. Outside France, we focus more on variable rents and management contracts (as in Morocco), which help us control development while limiting risks.

What are the main sources of leverage to earnings growth and the Group's development?

Sven Boinet: The main sources of optimism are housed within the Group itself. We have strong brands and quality products. Our projects, like those of Villages Nature and the future Center Parcs domains, are extremely innovative and come under the framework of sustainable development, which is now a key factor. We are in the throes of a transformation that should help us gain in efficiency.

Gérard Brémont: We need to bolster our productivity and our earnings although the Group's structural fundamentals have not lost any of their relevance, as shown by the extension underway at Avoriaz and the new Center Parcs Les Trois Forêts!

"With €614 million in property reservations in 2009/2010, the Group enjoyed its best year in property for more than 40 years"



CORPORATE GOVERNANCE

SINCE 2009, THE GROUP HAS IMPLEMENTED A NEW CORPORATE GOVERNANCE POLICY BY SEPARATING THE FUNCTIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER. THIS ORGANISATION STRENGTHENS THE GROUP'S SPECIFIC NATURE, WITH CHAIRMAN GÉRARD BRÉMOND FOCUSING ON PROPERTY AND DEVELOPMENT IN FRANCE AND OUTSIDE FRANCE WHILE CEO, SVEN BOINET, IS RESPONSIBLE FOR THE GROUP'S MANAGEMENT AND MORE SPECIFICALLY THE SUPPORT FUNCTIONS AND TOURISM BUSINESSES.

1

2



Board of Directors

The Board of Directors of Pierre & Vacances SA has nine Board members, one of which is qualified as an independent member according to criteria set out in the Bouton report.

Gérard Brémond (1)

Chairman

Sven Boinet (2)

Chief Executive Officer

Olivier Brémond

Delphine Brémond

SA SITl,

represented by Thierry Hellin

GB Développement,

represented by Patricia Damerval

Marc R. Pasture

Ralf Corsten

Andries Olijslager

3

4

5



The Group General Management Committee

This has five members who are all Group managers.

Gérard Brémond (1)

Chairman

Sven Boinet (2)

Chief Executive Officer

Patricia Damerval (3)

Deputy Chief Executive Officer, Head of Finance, Development, Audit, Asset Management

James Mennekens (4)

Group Chief Executive Officer for Tourism

Thierry Hellin (5)

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

The Group General Management Committee now includes the Chairman, the CEO, the two deputy CEOs and the Group CEO for Tourism. The committee meets once a week to examine strategic and operating subjects at the Group and in particular the execution of the transformation plan. The committee also aims to anticipate future changes in the Group's businesses and ways of adapting the strategy.

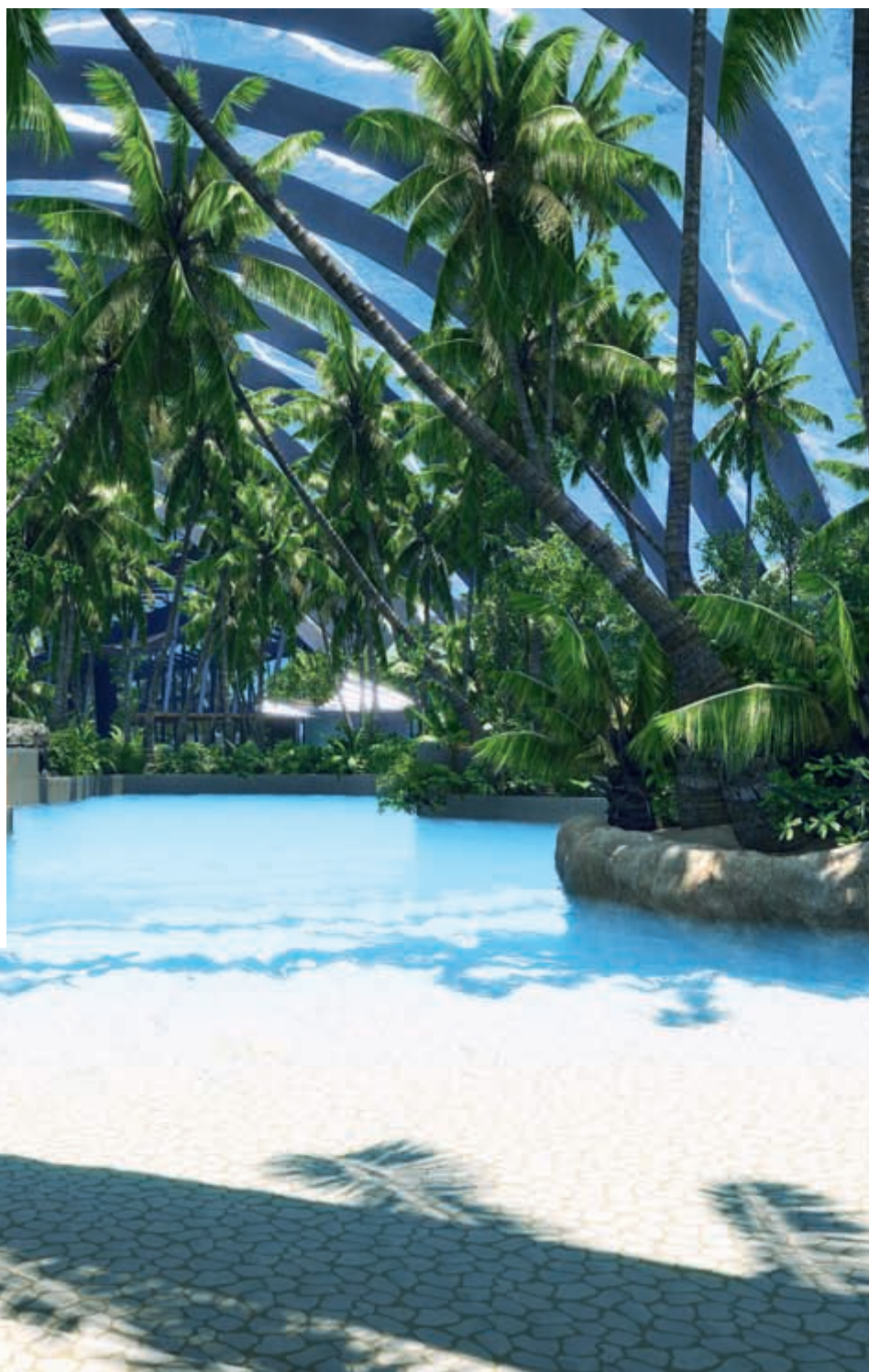
**MAIN
EVENTS****21 MAY 2010***A new-generation Center Parcs in the heart of Europe*

In May 2010, Center Parcs opened its fourth domain in France, the Trois Forêts, in Moselle.

Located in 435 hectares of forest-land, in the Lorraine region of France, which is situated at the crossroads of Europe, the latest Group domain is a genuine focus of innovation. The 58 hectares of forest-land at the heart of the domain has been preserved in order to provide holidaymakers the privilege of discovering nature, fauna and flora. The 800 cottages combine energy performance, wooden construction and design. The leisure offering centres around the reinvented Aqua Mundo with three distinct parts and a huge pedagogical farm.

 **435**
HECTARES OF FOREST-LAND

 **5,250 M²**
WATER FUN PARK





CENTER PARCS IN FRANCE
IN THE VIENNE REGION
IS TO HOUSE 800 COTTAGES
AND GENERATE MORE THAN
600 DIRECT EMPLOYMENTS.



CENTER PARCS IS THE
GREENEST TOURISM BRAND
IN THE EYES OF FRENCH
CONSUMERS.*



2015

Villages Nature, the tourism of tomorrow

With Villages Nature, Pierre & Vacances - Center Parcs and its partner Euro Disney, are targetting a new holiday concept. By 2015, the groups aim to offer a new tourism destination to the east of Paris, Villages Nature, which should provide a European-wide benchmark in terms of eco-tourism. The first phase is set to include 1,730 apartments and cottages on around 175 hectares of

land. Villages Nature is to be developed in partnership with the French authorities and should become a historical event in European tourism not only in view of its size, with potential surface area of 500 hectares further out, but also of its aims in terms of sustainable development and the scope for developing the eastern side of Paris.



2009/2010

Adagio, city destinations

Adagio City Aparthotel, the Group's city residence brand developed in partnership with Accor, is stepping up its expansion in Europe in a highly-buoyant market. In 2009/2010, seven new residences were opened in European cities including Brussels, Berlin, Nantes, Marseille, Saint-Étienne, Grenoble and Vienna. Development potential in Europe stands at 40 additional residences in five years' time.



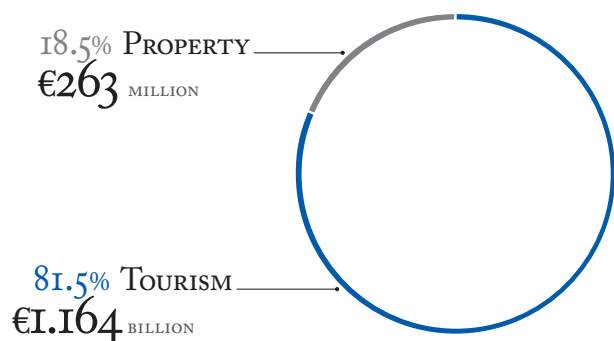
* Ranking established in 2009 by three WPP agencies, Cohn & Wolfe, Landor Associates, Penn, Schoen & Berland Associates and the independent consultancy, Environmental Partners.

KEY FIGURES 2009/2010

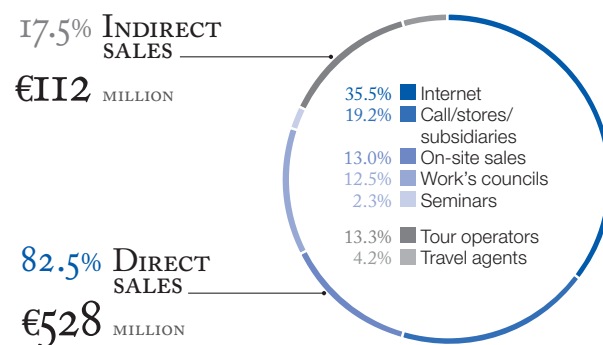
Turnover

€1,427
MILLION

Breakdown of turnover
by business

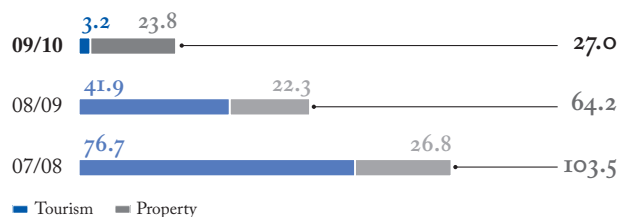


Breakdown of accommodation turnover
by distribution channel



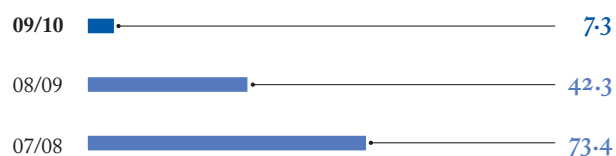
Current operating profit

(€ millions)



Attributable net profit

(€ millions)



€486.8

MILLION
IN ATTRIBUTABLE
SHAREHOLDERS' EQUITY

€32.1

MILLION
IN CASH FLOW

€92.2 OR 18.9%
OF EQUITY

MILLION
IN NET
FINANCIAL DEBT

STOCKMARKET AND SHAREHOLDERS



€0.70

DIVIDEND
PER SHARE
IN 2009/2010



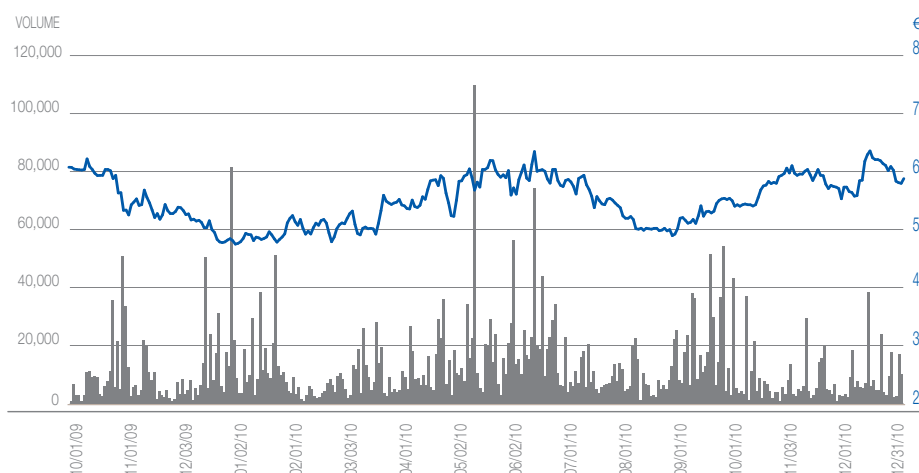
ON 13 DECEMBER 2010,
THE GROUP OBTAINED
A TROPHY FOR BEST
INVESTOR RELATIONS IN THE
SUSTAINABLE DEVELOPMENT
CATEGORY.

Information to shareholders

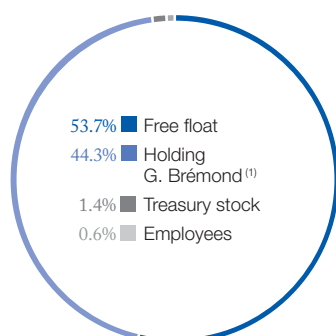
In a difficult economic backdrop, the Group's tourism businesses resisted well during 2009/2010 thanks in particular to new accommodation offerings, which nevertheless took a toll on earnings in the year due to pre-opening costs. The outlook for property development is rosy with a number of projects currently being finalised or under study boosted

by the record amount of property reservations of €614 million over the year. The strategic plan implemented by the Group (plan to transform organisation over three years and growth in the tourism portfolio over five years) aims to consolidate profitability on a lasting basis and thereby guarantee value creation for shareholders.

Share price since 1 October 2009



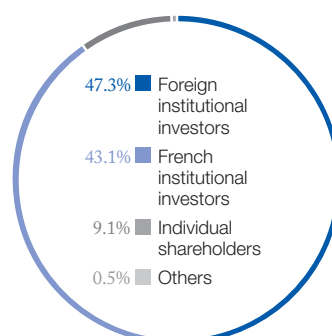
Shareholder structure



(1) Gérard Brémont owns 61.2% of voting rights.

Breakdown of free float

(by category of investors)



On 26 January 2010, Société d'Investissement Touristique et Immobilier (SITI), Gérard Brémont's controlling holding company announced it had sold 5.9% of the capital of Pierre & Vacances SA on the market to now own 44.3% of shares and 61.2% of voting rights. This disposal was made solely for the purposes of portfolio management at the holding company and Gérard Brémont remains more than ever implicated in the Group, especially in terms of expansion in and outside France.

The share

Listing

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

Indexes

SBF250, Mid & Small 190,
Travel & Leisure

Codes

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

On 31 December 2010

Market capitalisation of
€520 million

Number of shares in circulation
8,821,551

Number of voting rights
12,751,891

Agenda 2010/2011

Financial information

Q1 2010/2011
18 January 2011

Q2 2010/2011
14 April 2011

Q3 2010/2011
21 July 2011

Q4 2010/2011
20 October 2011

Annual General Meeting

3 March 2011

H1 2010/2011 results

26 May 2011

Full-year 2010/2011 results

1 December 2011

Contact

Emeline Lauté
Head of Investor Relations
and Strategic Operations
11, rue de Cambrai
75019 Paris
Tel.: +33 (0)1 58 21 54 76

infofin@pierre-vacances.fr

A photograph of a snowy winter landscape. In the foreground, a large, smooth mound of white snow is visible. Behind it, several tall, dark evergreen trees are covered in a light layer of snow. In the background, a multi-story wooden building with balconies is partially visible, also covered in snow. The sky is a clear, bright blue.

The leader

in innovative and sustainable local tourism

By committing itself to a process of integration for its tourism business, the Group is strengthening its model and providing itself the means for genuine international expansion of its brands with European holidaymakers.



PIERRE & VACANCES PREMIUM

Arc 1800



I.
A REDEFINED
ORGANISATION

II.
NEW DISTRIBUTION
MOMENTUM

III.
DEVELOPMENT
AIMS

IV.
RESPONSIBLE
COMMITMENT



I. A REDEFINED ORGANISATION



MORE THAN

236,000 BEDS



7.4 MILLION OF EUROPEAN CLIENTS

SPECIALISED IN FAMILY HOLIDAYS, THE GROUP HAS MADE GENERATIONS OF EUROPEAN HOLIDAYMAKERS LOYAL CLIENTS WITH AN INNOVATIVE LEISURE OFFERING FOR ALL AGES. 76% OF CENTER PARCS CLIENTS COME ON HOLIDAY WITH CHILDREN.

An integrated tourism group

The Pierre & Vacances - Center Parcs Group is a benchmark player with a unique position in the European tourism landscape. The wealth and originality of its offering, as well as the reputation of its brands, client diversity and efficient business model provide a solid base for future development.

The European leader in local tourism, Pierre & Vacances - Center Parcs uses its historical expertise in property development in order to expand both in and outside France, enabling it to design and build large-scale projects either alone or in partnership. As of its creation, the Group chose to adopt a stance that respects the environment at its sites. This specific quality has made it one of the benchmark players in responsible tourism.

A key European player

The Group is already the leader in France, Belgium and the Netherlands and aims to reach a significant size in Germany, Spain and further out, Morocco. With 7.4 million clients and more than 51,000 cottages and apartments in Europe, the Group has opted primarily for direct distribution, particularly via Internet, thanks to the clout and reputation of its flagship brands Pierre & Vacances and Center Parcs. It aims to offer its various client communities a unique experience enabling them to "feel at home, any where, at any time", irrespective of the destination and the formula chosen for their holiday.



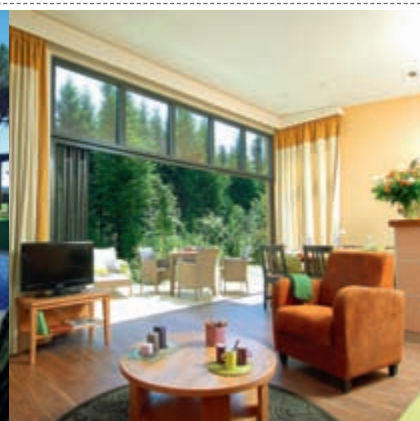
Jean Chabert
CEO
Pierre & Vacances
Développement

"In order to expand both in and outside France, the Group relies on its historical expertise in property development."

▼ Pierre & Vacances premium
Arc 1800

▼ Maeva
Blanes - Spain

▼ Center Parcs
Domaine des Trois Forêts



I. A REDEFINED ORGANISATION

Confirmed brand strategy

The Group has radically bolstered its brand strategy and reallocated resources in order to be even more coherent and efficient in the various European markets.

Under the framework of its transformation plan, the Pierre & Vacances - Center Parcs Group has withdrawn from hotel activities by selling Latitudes Hôtels and choosing to focus on two major tourist product lines, namely Residences and Resorts. The first category represents 55% of the Group's portfolio, primarily in France, but also in Spain, Belgium, Italy, Germany and Switzerland. It includes the Pierre & Vacances and Maeva residences as well as the Adagio City Aparthotel and Citéa city residences. The second category of resorts accounts for 42% of the tourism portfolio and includes the Pierre & Vacances resorts, Center Parcs and Sunparks domains in France, the Netherlands, Belgium, Germany and Spain.

Complementary products

These two product lines make up a very comprehensive offering in local tourism that is unique in Europe, for short, medium and long stays. Boasting 14 domains and 10,250 cottages on 30 September 2010, Center Parcs focuses on



FOCUS ON...



Les Senioriales, a brand apart

Acquired in 2007, Les Senioriales residences target active elderly people looking for a home that combines autonomy, security, comfort and conviviality.

With more than 20 residences in France, the brand is increasingly successful with its "village" residences and new city residences.

Adagio City Aparthotel
Rome - Italy



Pierre & Vacances resorts
Cap Esterel



Pierre & Vacances premium
Arc 1950





8 THE NUMBER OF COUNTRIES
IN WHICH THE GROUP
IS LOCATED TODAY



RESIDENCES

55% OF TOURISM PORTFOLIO



RESORTS

42% OF TOURISM PORTFOLIO



FOCUS ON...

More visible brands



In 2010, Pierre & Vacances, Center Parcs and Adagio stepped up their media presence. Pierre & Vacances launched a campaign in France playing on the complementary aspects between the Internet and television. The campaign was broadcast on television in early March with two films, one focusing on the Pierre & Vacances umbrella brand based on the slogan *"This essence of France and beyond"*, the other highlighting the resort concept with the slogan *"Pure fun"*. In order to make the most of the impact of social networks, the campaign was also the object of a digital pre-launch

and the new advertising films were broadcast as a preview on Facebook and Dailymotion. The two adverts were also displayed on the Internet. The Adagio brand chose magazines for its new European campaign, expressing its positioning in a fun and offbeat way *"Adagio, the city at your own rhythm"*.

Finally, the opening of the Center Parcs Domaine des Trois Forêts in Moselle-Lorraine was backed by a media plan, in particular with a TV campaign running from March to July, a billboard campaign and significant presence on the Internet.

the top-end of the range while Sunparks offers mid-range short stays. City residences are also segmented with Adagio City Aparthotel for the top and mid-range offering and Citéa for the low-end of the range.

Targeted investments

The new brand strategy redefines and optimises the Group's portfolio. More local brands are set to remain alongside the two flagship brands, Pierre & Vacances and Center Parcs, namely Maeva, which is well established in France and Spain and Sunparks in Belgium.

The Group's aim is also to better exploit potential harboured in its client base. As such, the frequency of Belgian, Dutch and German clients at the Pierre & Vacances residences in France should increase given strong demand on their part for stays in France.

In order to invest in developing the reputation of the Pierre & Vacances brand in Germany and the Netherlands, the Group is to refocus its brands around the Sunparks brand in Belgium and switch three Sunparks to the Center Parcs banner in early 2011. In addition, in France, the Group is considering transferring a number of Pierre & Vacances resorts to the Center Parcs brand.



Vanessa Bady
CEO
Citéa

"City residences harbour considerable growth potential for coming years."

With friends at the seaside



Center Parcs
Le Domaine du Lac d'Ailette



I. A REDEFINED ORGANISATION

The choice of convergence

10 years after the acquisition of Center Parcs, the Group has taken a fresh step forward by implementing a unique tourism organisation. This project mobilises all the teams and should help build sustainable growth.

In order to unlock synergies between the two major brands and increase earnings on a lasting basis, the Group has started a radical transformation of its organisation that is mobilising all its teams. Indeed, the organisations of Pierre & Vacances and Center Parcs are to be merged to create an integrated tourism group. The transformation process was launched in October 2010 and the first results should be felt in spring 2011. The new organisation should be in place by the end of 2011 and the new brand strategy implemented. This convergence is set to generate cost savings of €50 million by 2013.

Corporate integration process

By 2013, the Group should have a single corporate back-office with the head-office support functions rehoused at the Paris head office. The Group-wide functions, namely finance, legal, human resources, IT and construction, are to be pooled and IT, processes and infrastructure systems (ERP and reservation system) should converge towards unique systems shared by all of the brands.



**Martin
de Neuville**
Director
of Purchases

"The bolstering of our purchasing policy is underpinned by a single and smaller base of referenced suppliers."

▼ Pierre & Vacances
Bordaberry



▼ Having fun sailing



▼ Pierre & Vacances
Avoriaz





€50 MILLION IN COST SAVINGS
BY 2013



IST GROUP

IN TOURISM RESIDENCES
TO OBTAIN
THE GREEN KEY LABEL



FOCUS ON...

Quality partners for catering



In 2010, the Group outsourced management of catering and food stores at Center Parcs and Sunparks to two partners, namely Elior Group in France and Germany and Albron in Belgium and the Netherlands. The two partners have pledged to undertake sizeable investments

in catering and food retailing concepts at Center Parcs Europe. By choosing these reputed operators, the Group is set to enhance its offering with new catering products based on the latest international trends.

Teams and resources: everything shared

The pooling of operating functions is also underway with the Group's four call centres set to be pooled, and a unique Internet platform serving the various Group brands gradually due to be rolled out. Finally, the sales teams are to be grouped together in a Distribution Department and a Customer Relations Department common to all brands. This approach should help bolster the efficiency of marketing and sales actions focusing on a centralised client base which could now be exposed to the whole of the Group's destination portfolio (mountain, sea and countryside) in seven European countries and the Mediterranean basin. Cross-marketing campaigns are to be

undertaken for all of the offering. Finally, with an integrated tourism organisation, the Group is drawing up a global customer-loyalty system.

A bolstered purchasing policy

The transformation also concerns the Group's purchasing policy which should benefit directly from these scale effects with cost savings set to total €20 million over the next three years. The Group's two businesses, tourism and property, are both concerned and positive effects are expected from construction costs in particular. This bolstering of the purchasing policy is to be underpinned by the creation of a single and smaller base of referenced suppliers.

Relaxing on the Côte d'Opale



Pierre & Vacances premium
Houlgate





II. NEW DISTRIBUTION MOMENTUM



OF INTERNET USERS
TRUST THE OPINIONS
OF CONSUMERS
POSTED ONLINE

70%



INTERNET SALES,
TARGET OF

40%

FOR PIERRE & VACANCES

60%

FOR CENTER PARCS

Marketing in the throes of change

With strong brands and holidaymakers loyal to a quality offering, the Group intends to go a step further in personalising its client relations, in particular via the Internet and social networks.

In coming years, the Group's growth is set to be driven by an increase in tourism product sales. In a difficult market context, the Group relies on the wealth of its portfolio of destinations and the expertise of its sales and marketing teams. Today, the creation of a single tourism division means several sources of leverage can be used.

Consumers giving the orders

First source of leverage: increasing the share of direct sales generated via the Internet from 20% to 40% of accommodation turnover at Pierre & Vacances and from 50% to 60% at Center Parcs. The channel is all the more strategic in that consumers now use the Internet not only to create their holiday, but also to get an idea of the quality of services and products on offer. The Ecoconsultancy study carried out in 2009 estimated that 70% of Internet users trust the opinions of consumers posted online while JC Williams Group estimates that 91% of clients stated that consumer opinions encouraged online purchases. In recent years, the Group has already stepped up its presence on the Internet and these efforts have started to pay off.



**Martine
Balouka**
CEO
Morocco

"Morocco is a destination that could be best exploited, particularly with our northern European customers."

>>

▼ **Maeva**
Bandol



▼ **Adagio City Aparthotel**
Brussels - Belgium



▼ **Center Parcs**
Het Meerdaal - The Netherlands



II. NEW DISTRIBUTION MOMENTUM



FOCUS ON...

Web: property too



Internet is a prime communication vehicle in relations with prospective clients and property owners. Two specific websites are now available. The first is for property owners, proprietaire.groupepvc.com, which provides useful information on rents, leases and holidays as well as sections entitled Occupancy and Exchange and My Privileges. A Reservations section should also be available

shortly in order for property owners to reserve holidays in the Group's residences and resorts at preferential rates and directly online. The second is for individual investors, pierreetvacances-immobilier.com, and provides the first entry point into the Group's property universe with information on all aspects of property investment at Pierre & Vacances - Center Parcs.

>> In 2010, 19 establishments under the Pierre & Vacances, Center Parcs, Maeva and Adagio City Aparthotel brands were rewarded by the Zoover Awards, on the basis of opinions and ratings given by travellers on the Zoover international websites. Center Parcs also won first prize in the 7th Podium for Customer Relations in the tourism sector, which focused on "digital customer relations".

Today, purchase decisions are also made on social networks and with a single tourism organisation, the Pierre & Vacances brand should benefit from the expertise of Center Parcs' teams in this respect. For example, in 2010 Center Parcs launched the "Toppings" programme which enables clients that reserve really early to benefit from five free activities and a reduction of up to 30%.

Innovating for holiday durations and contents

Another source of leverage: acting on the duration of stays, by developing short stays in order to increase frequency rates during the fringe-season periods at Pierre & Vacances and by increasing holidays of a week or more at Center Parcs, thanks to the cross-selling expertise developed by the teams of both brands. The Group is set to invest heavily in coming years in efficient Customer Relation Management tools and this should provide it better knowledge of customer habits from one brand to another (for example, a same customer could take a spring holiday at Center Parcs and a skiing holiday at Pierre & Vacances) and hence the possibility of proposing offers that are perfectly suited to the profile of each client... and each family.

▼ Center Parcs
Domaine des Trois Forêts



▼ Adagio City Aparthotel
Berlin – Germany



▼ Center Parcs
De Eemhof – The Netherlands





IST
PRIZE

FOR CUSTOMER RELATIONS
IN THE TOURISM SECTOR
FOR CENTER PARCS



I9
SITES

PIERRE & VACANCES, CENTER PARCS,
MAEVA AND ADAGIO BRANDS
RECOGNISED BY ZOOVER AWARDS

Conquering international markets

The latest Eurobarometre published by the European Commission estimates that Spain, France and Italy are the three preferred destinations for European travellers. The Group's size and its excellent locations in Europe should enable it to better exploit the potential additional frequency harboured in its portfolio of destinations in France, Spain and Morocco, particularly with Center Parcs and Sunparks customers stemming from northern European countries.

As of 2011, the Group is also set to focus on developing international markets via direct sales, particularly in Great Britain, Switzerland, the Netherlands, Germany and Belgium. Cross-selling between Pierre & Vacances and Center Parcs is to be made systematic in order to attract Belgian, Dutch and German clients to Pierre & Vacances residences and resorts. Finally, this conquering of international markets should also include the bolstering of partnerships with tour operators and European agencies.



José Maria Pont
CEO Spain

"We are rapidly developing in Spain, which now ranks among the preferred destinations of European travellers."



FOCUS ON...

Green Key label, setting the Group apart



The Green Key label is the first international label for providers of environmentally-friendly tourism accommodation. The label now covers 16 countries and is being developed in five others. It is based on six criteria, namely environmental education, general environmental management, waste, water and energy management and organisation of parks and parking areas. In Belgium and Germany, 100% of the Center Parcs domains already boast the label. In 2010, three French

Center Parcs domains obtained the label as well as 13 Maeva, Pierre & Vacances and Latitudes sites. The label testifies to the quality of environmental management at the sites and is a genuine asset at a time when travellers are increasingly concerned by environmental issues.



▼ Pierre & Vacances
Bonmont – Spain



▼ Pierre & Vacances
Val d'Isère





III. DEVELOPMENT AIMS



30%

THE FIVE-YEAR TARGET
FOR GROWTH IN THE
TOURISM PORTFOLIO

Preparing tomorrow's tourism offering

Tourist practices are changing and in its development projects, the Group anticipates new aspirations of European holidaymakers. Local tourism, city tourism and sustainable innovation are now at the heart of its new offerings.

Over the next five years, the Group aims to increase its tourism portfolio by 30% by opening 15,000 apartments and homes. It aims to continue expanding in its core business of tourism residences at the Center Parcs villages in countries where it is already established as the leader, such as France, but also in Germany, Spain, Morocco and major European cities.

European leadership in holiday property

The Group uses the expertise of its property development teams who master the design of tourism property products, as well as their construction, financing and marketing. Since it was created, the Group has indeed expanded on the back of its original business model by financing the tourism portfolio via the sale and lease-back of its new or renovated apartments and cottages to individual investors. In Spain, the Group operates under management contracts or variable rents. In Morocco, the financing of tourist residences is taken care of by a property group 85%-owned by the Caisse des Dépôts et de Gestion du Maroc Group.

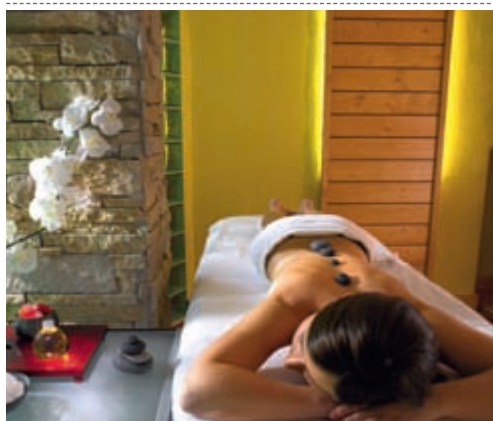


**Isabelle
de Wavrechin**
CEO
Pierre & Vacances
Conseil Immobilier

"We will continue to expand in our core business with a target for 15,000 additional homes and apartments over five years."

>>

▼ Relaxing in a spa



▼ Pierre & Vacances premium
Le Crotoy



▼ Pierre & Vacances
Port-Fréjus



III. DEVELOPMENT AIMS

>> Innovation and sustainable development driving growth

The Group has developed a number of sizeable projects, which anticipate new practices in consumer spending on leisure activities. Its flagship project for the next decade, Villages Nature, focuses on the harmony between Man and Nature. Villages Nature is to offer new holiday experiences and leisure activities based on lakeside areas, gardens, walking or riding paths with a landscape architecture of tree-lined hills surrounding the largest water park in Europe and a 3,500 square metre geothermal lagoon. Designed in partnership with Euro Disney as part of a joint venture, the project is to be located on 520 hectares of land, six kilometres away from the Disney parks and aims to offer 7,000 homes and apartments for 25,000 holidaymakers. Villages Nature is part of a public/private partnership with the French State, the Greater Paris region and the Seine-et-Marne authorities and local authorities in the communes concerned, which are to ensure the construction and the financing of primary and secondary facilities.



FOCUS ON...

What new tourists want

The Group's new offers are in phase with several major trends in European tourism. Indeed, holidaymakers are now seeking local destinations with lower budgets (more than 70% of travel in western countries is undertaken by car) and now tend to fragment their holidays without distancing themselves too far from home. Finally, environmental issues are highly present and are generating an increasing demand for eco-tourism products.

International expansion of destinations

The Group's strategy is also focused on local destinations around the Mediterranean basin, which offer significant development potential.

In Morocco, which is a favoured destination for European travellers and elderly people, and as part of the strategic partnership with two subsidiaries of the Caisse des Dépôts et de Gestion du Maroc, the Group has launched a programme concerning four types of tourism offerings. Firstly, the Resort concept, which offers accommodation under the Pierre & Vacances and Pierre & Vacances premium brands in a vast landscaped aqua-fun oasis. The partners would also like to open residences in Morocco's main tourist regions, city residences Adagio City Aparthotel and Orion International in the main Moroccan cities, and residences for the elderly under the Les Seniores brand. The first Resort is located

▼ *Maeva
Gassin*



▼ *Together in the mountains*



▼ *Pierre & Vacances premium
Les Menuires*





MORE THAN

95%

THE OCCUPANCY RATE AT THE NEW CENTER PARCS DOMAINE DES TROIS FORÊTS OVER THE SUMMER PERIOD IN 2010



3,000

APARTMENTS IN SPAIN BY 2013



FOCUS ON...



Sustainable development, genuine value added

Since the early 2000s, consumers in western countries have been turning to consumer spending that is less focused on possessions but richer in sensational and mental experiences. The increasing appeal for sustainable or responsible tourism fits with this trend.

The Group's aim is therefore to place this dimension at the heart of the brand offering and throughout the year it also multiplied awareness actions for staff as well as for holidaymakers and their children.

in Marrakech, with 480 apartments and homes in tourism residences and 580 in secondary residences and for the elderly. The overall five-year aim concerns the construction and the management of 15,000 beds corresponding to 1,500 homes and apartments. In Spain, the Group has stepped up developments with the aim of managing 3,000 apartments by 2013.

In addition to development projects in Germany in the Saar and Bade-Wurtemberg regions, two new Center Parcs domains are in the project phase in France, one in Isère and one in the Vienne region.

City residences and responsible tourism

The Group has had positions in the highly buoyant city residence market for several years now, in partnership with Accor. The accommodation concept (fully-equipped studios and apartments

in city centres, in a residence offering à-la-carte services) meets the expectations of a mixed client base of business travellers and tourists requiring accommodation for medium and long-stays in major European cities. The Adagio City Aparthotel network, which had 16 residences in 2007, now has around 30 apart-hotels in European cities.

The target is to have 70 residences operating by 2015. As part of the Group's sustainable development policy and in partnership with Accor, Adagio City Aparthotel has also taken steps to obtain the Eco-label certification for its network, a European ecological label that aims to favour a lower environmental impact over the life-cycle of products and services. This innovative approach should help enhance the brand's identity and its differentiation while anticipating regulatory changes in the sector.



Laurent Basnier
CEO
Adagio City
Aparthotel

"With a target of 70 residences in 2015, our concept remains extremely dynamic."

▼ *Noria Oasis*
Marrakech – Morocco



▼ *Maeva*
Denia – Spain





IV. RESPONSIBLE COMMITMENT



364

STAFF (ALL BUSINESSES) WERE MADE AWARE AND 134 EVENTS MANAGERS TRAINED DURING THE 2010 ROADSHOW WITH WWF-FRANCE AND THE SUSTAINABLE DEVELOPMENT TEAM AIMED AT VISITING THE GROUP'S SITES AND MOBILISING TEAMS ON CURRENT GLOBAL ENVIRONMENTAL CHALLENGES AND THE INTEGRATION OF ECO-GESTURES INTO THEIR DAILY LIFESTYLES.

Responsibilities of a leader

Since 2005, the sustainable development policy has been gradually integrated into all dimensions of the Pierre & Vacances - Center Parcs business in both construction of tourism property and the sustainable operation of infrastructures. Today, it is at the heart of a process of constant innovation and improvement.

A long-term partner in the local economy

For the Group, sustainable development is indissociable from its position as leader in local tourism. We feel obliged to contribute actively to the economic momentum of regions where our sites are located by integrating ourselves into the local economic tissue and by valuing local resources, even outside France. As such, for the Resort project in Marrakech, the Group is favouring companies installed locally for site construction and maintenance.

In terms of operations, more than 90% of the jobs created are to be offered to the local population and partnerships are planned in order to value local craftsmanship and local businesses. Another example of a successful integration: 91% of jobs created for the Center Parcs Domaine des Trois Forêts were filled by people stemming from the region and 7% by people from neighbouring region Alsace.

Progress policy

2010 was the third year since the launch of the sustainable development strategic action plan which serves as a framework for the Group's progress policy for these challenges. Based on this framework, which is shared by all operating divisions, the Group defines the projects that enable it to gradually reduce its impact on the climate, on natural resources and to develop

a socially-responsible policy. The main projects undertaken in 2010 are presented in the following pages.

Bolstered organisation and management

The Group is changing its organisation in terms of management of Sustainable Development in order for the policy to be gradually carried by the entire company. A transfer of skills to the operating divisions is therefore taking place thanks to a network of relays currently being created.

In addition, during the year, the Group rolled out the operating management system for its Sustainable Development policy created on the basis of audit fieldwork. Named BEST! (see glossary page 37), the assessment and improvement tool was sent to sites for the first time in summer 2010. Around 240 Pierre & Vacances, Maeva and Adagio residences were invited to fill in the self-assessment questionnaire during the first campaign, which was rapidly followed by a second campaign in November 2010 aimed at reaching 100% coverage of sites, in line with the targets set in the sustainable action plan (see page 36).

In order to back the approach and check the roll-out of these actions, on-site audits are to be undertaken by the Sustainable Development department before the next self-assessment campaign (in May 2011).



FOCUS ON...

CO₂, a choice criteria for new construction procedures

The Group aimed to make CO₂ emissions a decision-making criteria for choosing builders of cottages at the future Center Parcs in Isère and has integrated this criteria into the partnership convention signed with the region. This approach intends to encourage companies to take into account environmental aspects while favouring supply of local materials and recruitment of local employees.

IV. RESPONSIBLE COMMITMENT

Fighting against climate change

From one project to the next, the Group experiments and rolls out new construction practices and policies that are ever more efficient in energy terms and increasingly environmentally friendly.

Reducing the carbon footprint

The energy performance of buildings is currently one of the priorities of the Group's development strategy, and each new project enables us to progress further in this approach. With the Center Parcs Domaine des Trois Forêts Moselle-Lorraine which opened in 2010, another step forward was taken with genuine ambition applied to the project's accommodation (Very High Energy Performance - VHEP label, choice of prefabrication in order to limit the building site's impact etc.) and optimised energy in collective areas (use of renewable energies, optimised management of water, natural ventilation, etc). The difference with the previous generation of villages is considerable. For example, the older resorts did not use renewable energies (which account for 90% of energy for heating and hot water for collective equipment at the new site).

Innovations packed with information

In 2009/2010, the Group made fresh progress in terms of energy performance. For the Avoriaz extension, it chose a wooden pellets heating system with an electric boiler for the back-up and a heat network aimed at supplying power to the entire programme (nine buildings spread between two areas as well as the Aquariaz water park). In addition, the Avoriaz project includes a pilot building labelled Low-Energy Consumption (see glossary page 37) in the Crozats district, for which primary energy should total 67 kWh/m².year, representing a level of consumption 44% lower than the requirements set out in prevailing thermal regulations. This residence is to be operated under the Pierre & Vacances brand.



Éric Oudard
Head
of Group
Construction

"Combining the optimisation of construction costs and environmental performance is a challenge as well as a source of innovation for the Group."

▼ Pierre & Vacances resorts
Belle Dune



▼ Center Parcs
De Kempervennen – The Netherlands





967.5 TONNES/YEAR

ESTIMATED SAVINGS IN TERMS OF CO₂ SHOULD ENABLE A WOODEN PELLETS HEATING SYSTEM AT AVORIAZ COMPARED WITH AN "ALL-ELECTRIC" SOLUTION.

THE GROUP IS A FOUNDING MEMBER OF THE FRENCH GREEN BUILDING COUNCIL, WHICH WAS CREATED IN SEPTEMBER 2010 AMONG FRENCH PLAYERS IN SUSTAINABLE CONSTRUCTION AND DEVELOPMENT.

Always concerned with anticipating regulatory changes, for its new projects in France such as the forthcoming Center Parcs in Vienne, the Group is now aiming to reach the performance level stipulated in the future thermal regulation TR2012 (although TR2005 regulations will still apply when the building permit is applied for).

Finally, with the Villages Nature project the Group is set to design and operate a positive energy site for the first time, thanks in particular to the exploitation of deep geothermal resources.

This progress is feeding all of the Group's projects and helps to constantly improve the energy performance of new sites.



FOCUS ON...

Best ecological rating for the Center Parcs Domaine des Trois Forêts Moselle-Lorraine

In 2010, the German Independent Institute of Applied Ecology in Berlin calculated the environmental impact of various types of holidays. Researchers compared a holiday in Mexico, to one in the Mediterranean, the North Sea and at a Center Parcs previously built in Germany as well as at the new Center Parcs in Moselle. The Center Parcs in Moselle came out with the best ecological rating.

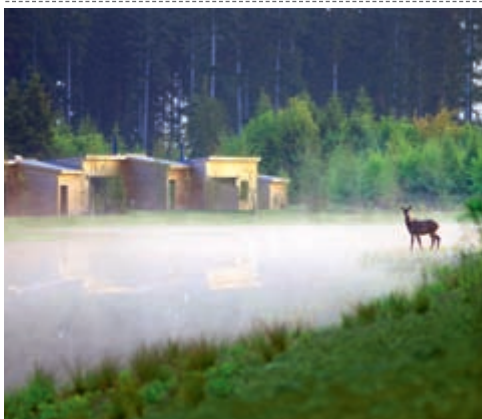
For a holiday at this site, overall emissions including travel to and from the site, accommodation, meals and activities at the village, only worked out to 9 kg of CO₂ per person per day versus 87 kg per person per day for a holiday at a seaside resort in the Mediterranean accessed by air travel. This difference stemmed from the CO₂ emissions associated with transport (90% of Center Parcs clients arrive at the villages by car), as well as from the Sustainable Development policy implemented at the village, which is a car-free zone, has green-built cottages, a local product offering and numerous recreational activities possible on-site. In order to further improve its carbon footprint, the Domaine des Trois-Forêts has signed a partnership with the French railway operator, the SNCF and a navette service from the station to the domain now facilitates access by train.



▼ Center Parcs
Domaine des Trois Forêts

▼ Center Parcs
Bispinger Heide – Germany

▼ Center Parcs
De Vossemeren – Belgium



IV. RESPONSIBLE COMMITMENT

Preserving natural resources

Planning and managing holiday destinations while respecting nature has always been at the heart of the Group's business and an essential factor for attracting customers.

Building while preserving the wildlife and beauty of its sites

A major economic and environmental challenge for the Group has always been to preserve the natural wealth of the sites where it is located. The Group's building sites are therefore systematically lead in an environmentally-friendly way.

Master plans are adapted as closely as possible to the land topography and site sensitivity in terms of biodiversity, in order to guarantee their environmental integration and minimise their impact on natural surroundings. For the Center Parcs due to be built in the Vienne region of France, an ecological pre-diagnosis was carried out by experts before the first phases of the project's development were started and in agreement with local environmental associations. This pre-diagnosis helped identify the key challenges and the level of sensitivity at the site and confirm

the feasibility of the project. Indeed, the results showed that the land envisaged for setting up the Center Parcs showed no major ecological challenges. This pre-diagnosis also helped identify opportunities generated by the project in terms of valuing local biodiversity.

An environmentally-friendly approach to the building site phase aimed at preserving and valuing the biodiversity of each site only makes sense if it is continued throughout the site's operation. As such, at the Center Parcs Domaine des Trois Forêts Moselle-Lorraine, a forest management and ecological plan defines the actions necessary to ensure the continued existence of the vegetation in place, but also to maintain, if not increase, the ecological heritage of the site while securing the areas most frequented by the public (restauration of moors and prairies, conservation of dead trees, maintenance of ponds and streams, open areas and habitations favouring biodiversity, late mowing of fields).

▼ Center Parcs
Le Domaine des Hauts de Bruyères



▼ Walking in the mountains





80,000

PEOPLE TOOK PART IN EVENTS ON THE PROTECTION OF NATURE BETWEEN MAY AND SEPTEMBER 2010 IN A PIERRE & VACANCES OR MAEVA SITE OR A CENTER PARCS DOMAIN.



171,000

LOW-ENERGY LIGHT BULBS INSTALLED IN FRENCH SITES REPRESENTING SAVINGS OF 1,292,000 TEQ CO₂.

Managing green spaces in different ways

44% of Pierre & Vacances sites have green areas covering 202 hectares. This year, for existing sites, the Group drew up an ecological management charter for green areas in agreement with the WWF-France. This charter is based on three major principles : management and detailed cartography plan of green areas ; staff managing these areas are trained and made aware of cautious management methods and the respect of biodiversity and ; the green areas should enable clients to make the most of landscaped and ornamental areas that are clean and welcoming and avoid the use of phytosanitary products.

The roll-out of this charter is due to start in 2011 with the specific monitoring of a selection of priority sites. Management of green areas implies that numerous players are made aware of the approach and not just on-site employees but also services providers and property owners. For this reason, the first stage which started this year was about communicating the approach to these various interested parties via meetings on awareness, the Group website and participation in the AGMs for co-owners.

Promoting sustainable catering

The sustainable operation policy also applies to catering services via a Charter for Sustainable and Responsible Catering. Seasonal and local products, eliminating endangered fish

species from restaurant menus, recycling of cooking oils, developing the organic foods and reducing the carbon footprint are among the objectives of this charter. The charter is currently implemented in four Center Parcs with Eliance, five sites with Sodexo and nine sites with Restoleil (Pierre & Vacances and Maeva).

A responsible purchasing policy

Since 2008, the Group has integrated a sustainable development target into the variable remuneration of its buyers. In addition, a number of tenders identified as priority given their potential contribution to the company's progress (e.g. choice of floor coverings for property projects) have been undertaken in agreement with the Sustainable Development department for the definition of selection criteria and offer assessment. Since 2009, the Group has also implemented audits and monitoring of the social conditions applied by suppliers in low-cost countries (China, Vietnam, etc.). While the portion of suppliers stemming from these countries remains low (around 1% of purchases), verification of the conditions under which our products are manufactured is essential for the Group. A charter setting the minimum social standards has therefore been implemented. This year, three Chinese suppliers (manufacturer of wooden furniture, lights and outdoor furniture with metal structures) have been audited and a follow up audit undertaken. This auditing programme, which is destined to expand in coming years is carried out by an independent SA 8000-qualified auditor.



FOCUS ON...

Children promoting best practices!



Children are the best ambassadors for promoting eco-responsible behaviour among their circle of family and friends. Since 2005, the Group's destinations have provided resources to develop their awareness as eco-citizens. This year again, the twelve Pierre & Vacances Resorts and the five Formul'Club Maeva bolstered the Eco'lidays programme of pedagogical and fun events based on environmental protection. Young children and teenagers met up to make short films, play in teams to reduce their ecological

footprint and even clean the beach while making passing holidaymakers aware. Finally, in the Center Parcs Domaine des Trois Forêts Moselle-Lorraine, the new activity developed in partnership with the WWF-France, "Wannabe a ranger", was so successful that its frequency had to be doubled. Since the village opened, 6,000 children have taken part in the activity, divided into groups of twelve.

IV. RESPONSIBLE COMMITMENT

Being a socially responsible player

Committed to a radical transformation project, the Group is accompanying its employees to help them develop in a new more integrated and genuinely multicultural environment.

In order to become an integrated, multicultural and multilingual group, this year the Pierre & Vacances–Center Parcs Group implemented actions to encourage the sharing, exchange and appropriation of cultural differences with a common aim to value complementary aspects. These included intercultural workshops with business training modules in foreign languages and training provided in foreign countries as a means of assisting staff in the Group's international dimension. In order to favour group-wide factors and help develop a common "culture project", a new project management training scheme destined for all of the Group's staff was also launched.

A common management culture

Given that management culture is a major development focus within the Group, two management schemes are offered: the Manager Direct scheme aimed at local managers (site managers, head of service) and the Middle Manager scheme for unit or divisional managers to whom other managers report. With a well-known sponsor for the Middle Manager Scheme, Pierre Rabbadan, the captain of the Stade Français Rugby Team, the scheme highlights the parallel with management of a sports team, particularly in fieldwork situations.

These two schemes are undertaken alternately and combine so-called theoretical sequences with practical sequences. Each manager creates their own personal progress plan and assesses their own performance according to the targets set. For a total of 10 days spaced over six months, this programme has already concerned more than 120 managers or around 30% of the Group's managers.

A new brand culture

The repositioning of brands has been accompanied by specific training measures destined for sites and resorts managers. Indeed, in order to enable managers to build and then roll-out their brand contract at their sites and with their teams, a training programme has been designed with the Products/Marketing teams, the Human Resources Department and Operations directors. Almost 90 managers were trained in 2010.



A top-notch intranet system

The Group's intranet system, named KIT (Keep In Touch) won the 2010 Intranet prize and the Prix du Public award. Organised by the Cegos group in partnership with Entreprises & Carrières, this prize rewards the most outstanding achievements in terms of sharing company know-how and skills and systems that are genuine internal social networks.

 **201** YOUNG PEOPLE ON WORK-STUDY PLACEMENTS IN 2009/2010.

 MORE THAN **70** STAFF TRAINED UNDER THE GREEN KEY LABEL ON 16 GROUP SITES.

ORGANISED AS PART OF THE WEEK FOR EMPLOYMENT OF DISABLED PEOPLE, THE "ONE DAY, ONE BUSINESS, ONE ACTION" OPERATION ENABLED THE GROUP'S STAFF TO WELCOME DISABLED PEOPLE AND HELP THEM DISCOVER THE GROUP'S BUSINESSES.



FOCUS ON...

A responsible regional employer



Wherever it develops its projects, the Group makes sure it behaves as a responsible local employer. In the Moselle region, Center Parcs opted for the simulation recruitment method that assesses

candidates in a given situation via a series of exercises with no prior selection of CVs and without taking into account diplomas, qualifications or the age of the candidates recruited.

Young and old: two priorities

Recruitment and training of young people remains a priority focus for the Group. This year it employed more than 700 young people either on work placements or for professional training associated with a degree course and 201 young people for training in the tourism and property businesses as part of their professional courses. In a regulatory and societal backdrop where questions concerning employment age are rife, the Group also signed an agreement with trade unions in December 2009 concerning management of older staff. Several work focuses are offered including the development of training for older people and tutoring. In its DIF training offer, the Group now includes a retirement preparation programme. Finally, business training actions are being offered favouring continued employment for elderly employees. The Group is also continuing its actions in terms of integration of disabled staff.

An ambitious agreement on health and well-being in the workplace

Companies with more than 1,000 employees are legally obliged to sign an agreement on prevention of psycho-social risks and for the Group, this has led to the roll-out of a huge "Health & Care" programme. Adapted from the Canadian Health in the Workplace standard, it is based on four factors, namely the work environment, the balance between private life and professional life, living conditions and management practices with a special section on psycho-social risks. A work group including trade unions, occupational medicine representatives, the Health, Safety and Working Conditions Committee (CHSCT, see glossary page 37) health services provider and managers defined a list of more than 50 actions to be implemented. A method agreement explaining the programme was signed by trade unions in January 2010.

▼ *Maeva*
Aquagym classes

▼ *Center Parcs*
Sailing lessons

▼ *Pierre & Vacances resorts*
Children's show



IV. RESPONSIBLE COMMITMENT

Sustainable development indicators

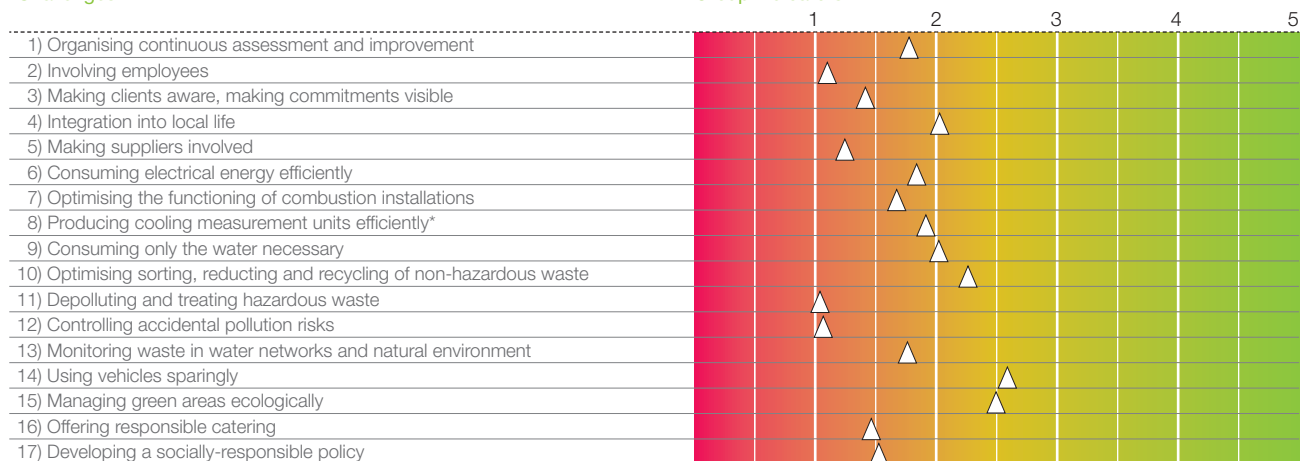
Results of 1st BEST! campaign

The BEST! campaign breaks down the sustainable development policy for each site into 17 challenges covering the main environmental and social issues. The sites are assessed on a qualitative basis via the actions implemented in favour of these issues, with a mark ranging from 1 (low level) to 5 (outstanding) for each challenge. The rating system was deliberately scaled in order to avoid self-satisfaction and make

progress margins visible, this explains why a large number of scores were lower than 2 during this first year. Each site defined three priority actions to implement for the following year. Among the commitments the most favoured were information and client awareness, supplier commitments to the policy and the optimisation of waste sorting and reduction.

Challenges

Group indicators



* Optimising refrigeration installations (air conditioning, cold rooms)
(scope: 188 residences, or 85% of French sites excluding Center Parcs)

Environment

% of delivered Group projects in France incorporating environmental recommendations Golden rules of sustainable construction created in 2006

	2006/2007	2007/2008	2008/2009	2009/2010
Energy				
VHEP performance (2005TR -20%) of accommodation		-	-	33%
Energy-saving lightbulbs	45%	60%	100%	100%
Movement detectors	88%	89%	100%	67%
Minimum class A electrical appliances	100%	90%	100%	100%
Sub-meters by area of use	-	50%	100%	100%
Water				
Tap and shower flow reducers	95%	100%	100%	100%
Dual flow flush mechanism	100%	89%	100%	100%
Sub-meters by area of use	-	100%	100%	100%
Waste/Pollution				
Compartmentalised waste bins in apartments	84%	100%	100%	100%
On-site selective collection areas	-	50%	100%	100%
Green building site charter	0%	38%	50%	67%
Materials				
FSC*/PEFC** certificate for all tropical wood	-	0%	100%	100%
Use of products with an environmental label	-	30%	29%	100%

* Forest Stewardship Council ** Pan European Forest Certification

Change in water and energy consumption

	CPE*			PVTE**			TOTAL
	2007/2008	2008/2009	2009/2010	2007/2008	2008/2009	2009/2010	2009/2010
Number of sites	16	16	17	200	201	207	224
Water m ³	2,540,549	2,537,982	2,408,678	3,044,764	2,428,423	3,144,519	5,553,197
Electricity MWh	121,845	121,230	118,018	177,420	165,046	188,601	306,619
Gas m ³	40,552,000	41,188,419	42,949,585	1,025,983	969,336	1,088,241	44,037,826
Heating oil litres	-	-	-	1,020,643	1,114,151	1,666,589	1,666,589
Urban heating MWh	-	-	-	-	5,658	2,658	2,658

* Center Parcs Europe (includes the Center Parcs and Sunparks brands)

** Pierre & Vacances Tourisme Europe (includes the Pierre & Vacances brands and its labels, Maeva, Latitudes Hôtels and Adagio City Aparthotel)

Events/internal and external awareness (in France)

	2008/2009	2009/2010
Staff made aware of sustainable development issues by WWF-France	200	364
Awareness and training sessions at sites	32	49
Children made aware during events	26,000	30,000
Events organisers trained in sustainable development challenges	43	134

Social policy

Indicators

	2008/2009	2009/2010
Percentage of disabled employees	2.08% ⁽¹⁾	1.93% ⁽²⁾
% of employees concerned by collective agreements	100%	100%
Training rate (employees trained/headcount)	60%	50%
Training ratio (training budget/wage bill)	1.40%	2.1%
Average annual duration of training	21h	25h

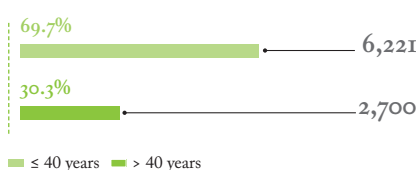
(1) On 1 January 2009.

(2) On 1 January 2010.

Men/Women



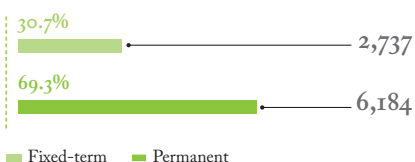
Headcount by age



Breakdown management/non-management status



Breakdown fixed-term/permanent contracts

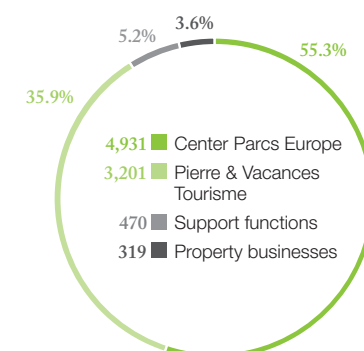


8,921

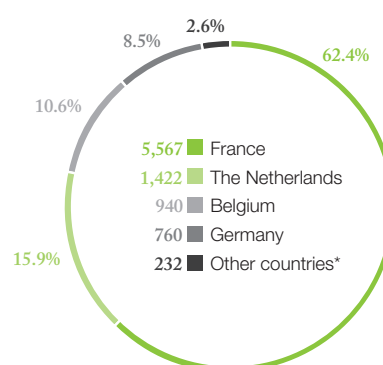
employees
(full-time equivalent)*

* Takes account of the part outsourcing of catering at Center Parcs.

Headcount by company



Headcount by country



* Including Italy, Spain, Morocco.

GLOSSARY

BEST!: Be Environmentally and Socially Tremendous > Being outstanding in the environmental and social management of our sites.

CHSCT: Health, Safety and Working Conditions Committee (Comité d'Hygiène, de Sécurité et des Conditions de Travail).

LCB: Low consumption building. A label requiring that a new building has maximum energy consumption of around 50 kWh/m².year modulated according to the altitude and climate zone.

VHPE: Very High Energy Performance. This label defines an energy consumption at least 20% lower than the benchmark consumption level defined by the prevailing 2005 Thermal Regulations.

www.groupepvcp.com

Head Office
L'Artois – Espace Pont de Flandre
11, rue de Cambrai – 75947 Paris Cedex 19 – France
Tel.: +33 (0)1 58 21 58 21

Financial Information
Tel.: +33 (0)1 58 21 53 72
E-mail: infofin@pierre-vacances.fr

Press Relations Department
Tel.: +33 (0)1 58 21 54 61
E-mail: vlauthier@pierre-vacances.fr

Groupe
Pierre & Vacances
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