

■ The golf course begins at the very doorstep of Mas Nou in Spain



Hapimag has an unique Approach to Timeshares



■ Kurt Scholl,
CEO of
Hapimag

Hapimag is a European timeshare company based in Switzerland. Kurt Scholl has been at the helm of the group as CEO since early 2003. In the years prior to his appointment, Scholl worked for Hapimag as head of an external consulting team in his capacity as Deputy Director of Financial Advisory and Restructuring Services at KPMG Fides. He grew up in a family of hotel owners in southern Germany and earned a degree in economics and business administration from the University of Fribourg in Switzerland. After a start in the tourist industry, his career took him into international management consulting and then as, managing director, to a company for environmental experts and into the tyre

industry. As a passionate golfer and skier, Scholl can pursue his personal interests in his own company today.

An Idea is Born

The three Hapimag pioneers Alexander Nette, Guido M. Renggli and Paul Bensegger established Hotel und Apartmenthaus Immobilien Anlage AG (Hapimag) on 23 September 1963. Their idea was to create reasonably priced condominiums for smaller budgets while allowing the customers (referred to as "partners") to select whichever destinations they wished within their "own" holiday world.

The founders decided to establish the company as a stock corporation. This feature clearly distinguishes Hapimag from the real estate funds already established at that time in the timeshare business and other such funds that were to follow. Anyone who buys a share in Hapimag receives 12 points each year per share, that can be used to book at any time in any Hapimag Resort. The only other costs incurred after the share purchase are a modest recurring annual membership fee (to cover the costs of maintaining the value of the resort portfolio and administration) and the actual ancillary costs for stays at the resorts (electricity, water, service charge). Hapimag

set a trend at the time with this points system. It was a completely novel idea on the tourist market and has continued to prove effective to the present day with very few modifications.

In those first years, share sales literally skyrocketed, rising from around 1,000 to nearly 19,000 within three years. The Hapimag concept grew in stature accordingly, although there were setbacks from time to time, some home-grown and some caused by general economic conditions. Over the years, the spectrum of products and services available to partners was broadened. At the end of 1984, Hapimag had 1,310 apartments in its vacation range, triple the number in 1969. Today, it has about 5,400 apartments at 57 locations throughout Europe, the United States and Africa, giving Hapimag partners a large and varied choice. Whatever their preference, from relaxing beach vacations to action-packed days in snow-covered mountains or exciting city trips, Hapimag by sure has the right destinations. Partners obtain access to this entire diverse range of destinations with a one-time investment.

Number 1 on the Timeshare Market in Europe

After the boom years of the first decades, the growth curve flattened out somewhat

in the mid-1990s. Nonetheless, Hapimag remained the undisputed number 1 in the timeshare sector in Europe. Hapimag's real estate development unit completed significant large-scale projects like its resorts in Bodrum (Turkey) and Winterberg (Germany). It also set the highest standards in eco-construction and in the restoration of historical sites. In what was probably an all-time first, the company restored an entire historical Tuscany village, for instance, and converted it into a Hapimag Resort. This conversion breathed new life into the village while allowing it to retain all its Mediterranean charm. The result is a resort that is a new experience.

As we all know, tourism was badly hit around the turn of the millennium by various factors. Hapimag was also affected by political uncertainties and natural disasters like the tsunami, 9/11 or the difficult economic situations in various countries. Sales of shares in certain markets stagnated. The company began posting losses.

From Growth to Consolidation

The new management has taken successful steps in recent years to counter that trend. Marisabel Spitz, Chairman of the Board of Directors, and Kurt Scholl, CEO, have steered the company into calmer waters with hard work and a new management team. The company turned profitable again in 2005, and sales were brought back on the right track. Over the past three years, product sales and revenues from other activities have been increasing again and reached CHF 260 million in 2007. Important innovations and progress in organization and IT did much to modernize the company and improve its performance capabilities. At the same time, Hapimag devoted more attention to various new and different needs expressed by partners. For instance, Hapimag began running its own golf club: 35 Hapimag Resorts are close to no fewer than 150 golf courses and approximately 15 % of our 300 000 guests play golf. Another example is Hapimag's cooperation agreement with the Club Leisure Group in South Africa, which now allows partners to vacation at resorts in the southern hemisphere as well. In 2007 a new generation of Hapimag shares were issued, Ferienaktie_21 (VacationShare_21). They guarantee the partner that the share will be repurchased at its net asset value after 10 years.

The company is tireless in its efforts to show the diversity of the Hapimag world within it's 57 resorts and to divide and group these resorts according to partners' individual interests. In one such effort, Hapimag has been creating a variety of "Worlds of Experience" in its resorts for the past three years.

■ A magnificent view of Tonda in Tuscany



■ The Sea Garden Resort in Bodrum, Turkey



■ An historical castle with modern amenities: Château Chabenet in France

