CLUB MÉDITERRANÉE

PRESS RELEASE
11 June 2009

2009 INTERIM RESULTS

- **Revenue demonstrates resistance (down only 4.2%), with new increases in occupancy rate (71.7%) and RevPAB (up 2.3%)**
- **Improved operating profitability: Operating income – Leisure at €28m, versus €26m in first-half 2008**
- **Net loss of €22m impacted by non-recurring items, compared with a €9m loss in first-half 2008**
- **Successful share and bond issue with a stronger shareholder structure**

In line with the project announced in June 2004, Club Méditerranée completed its move upmarket for the winter 2009 season.

In an economic environment shaped by a worldwide global crisis, the Group's 2009 interim results reflect the validity of the strategic choices that led to its in-depth transformation.

The solid resistance in revenue, increase in the occupancy rate and improved operating profitability demonstrated the leverage effect created by the new economic model and resulted in new market share gains.

However, first-half net income was affected by the impact of the crisis on business volumes and by non-recurring items, notably costs related to restructuring programs and to the closing of year-round villages for renovation.

Summer 2009 bookings to date reflect the distinct wait-and-see attitude observed throughout the tourist industry.

Anticipating this development, Club Méditerranée took steps to adapt to the situation by:
- Adjusting capacity and investment projects.
- Stepping up productivity programs.

The impact of these measures, combined with an increase in late bookings, should limit the effects of the slower sales noted so far this season.

Lastly, the successful €102-million share and bond issue in May, which was oversubscribed by 50%, demonstrated the ongoing support of Club Med's shareholders and their confidence in its strategic direction while also strengthening the Group's balance sheet.
With the subscriptions of « CDG du Maroc », de Rolaco Groupe and Air France Finance, Group Crédit Agricole SA entering the capital, it underlines the strengthening of long term industrial shareholders and their support to the strategy.

In discussing the interim results, Henri Giscard d'Estaing, Chairman and Chief Executive Officer, noted that:

"Against the backdrop of a global crisis, our winter 2009 results saw a new increase in the number of upmarket customers, as well as market share gains and an improvement in Village operating income. These results also validate the strategic decisions that, beginning in 2004, led us to reposition the brand and change the business models, thereby transforming Club Méditerranée into a global specialist in all-inclusive, upmarket vacations. Building on these successes and taking into account the lack of visibility with regard to the summer that has been observed throughout the tourist industry, the Group is pursuing its strategic objectives backed by a stronger balance sheet and shareholder base. Over the next few months, we will pursue our innovation program with the launch of four "5-Trident areas" for winter 2010, notably at Val d'Isère and Punta Cana, the opening of villas at La Plantation d'Albion, and new upgrades of the website, with online sales increasing by more than 20% increase during the first half."

I – FINANCIAL REVIEW

Club Méditerranée's financial results for the first six months of fiscal 2009, which ended on 30 April, saw an increase in Operating income – Leisure for the winter season. In an environment shaped by a worldwide economic crisis, this performance demonstrated the leverage effect created by Club Med's repositioning in the upmarket segment.

Financial highlights(2) – in €m	Winter 07	Winter 08	Winter 09
Consolidated revenue			
Reported	696	755	724(2)
Like-for-like	682	750	720
EBITDAR – Leisure(3)	113	136	141
As a % of revenue - Leisure	*16.3%*	*18.0%*	*19.6%*
Operating income - Leisure	**18**	**26**	**28**
Operating income/(loss) – Management of assets	(4)	(9)	(20)
Other operating income & expense, net	(8)	(12)	(17)
Operating income/(loss)	6	5	(9)
Net income/(loss)	**2**	**(9)**	**(22)**
Acquisitions of non-current assets	(36)	(60)	(34)
Disposals	17	15	12
Free cash flow	(61)	(8)	(18)
Net debt	(365)	(350)	(317)

(1) In compliance with IFRS 5, figures have been adjusted to exclude Jet tours and Club Med Gym, which were divested in 2008.
(2) Of which €4 million in Villa revenue.
(3) EBITDAR – Leisure: Earnings before interest, taxes, depreciation and amortization and rents.

- Revenue contracted by a narrow 4.2% to €724 million in the first six months of fiscal 2009, from €755 million in the prior-year period.

- Revenue per available bed (RevPAB), which is a key indicator of the business's move upmarket, rose by 2.3% €107.90, from €105.60 during the previous winter. The increase was led by a slightly higher occupancy rate and an average price increase of 3%.

- Village EBITDAR (i.e. operating income before property costs) improved by nearly 3.7%, to €141 million from €136 million for the previous winter. EBITDAR margin has improved by more than three points in two years, from 16.3% to 19.6%.

- Operating income – Leisure rose during the period to €28 million, from €26 million in first-half 2008, and has increased by 55% over the past two years.

- With no property transactions carried out during the first-half, Operating expense – Management of assets increased from € 9 million to €20 million because of costs related to the closing of the Bora Bora village (€10 million) as well as other closings for renovation (Punta Cana, Bali and Djerba la Douce).

- Other operating income and expense, net comprised €5 million in credit card costs and €12 million in restructuring costs.

- Under the impact of the global crisis and non-recurring items, the Group reported a net loss of €22 million.

Transforming the business model: Change in Operating income – Leisure between winter 2008 and winter 2009

(in € millions – like-for-like)	Winter 07	Winter 08	Winter 09
Revenue	676.4	744.3	715.1
Other revenue	7.3	3.1	3.7
Total revenue	**683.7**	**747.4**	**718.9**
Margin on variable costs	418.0	465.5	450.1
As a % of revenue(*)	61.6%	62.5%	62.9%
Fixed sales & marketing costs	(98.5)	(100.6)	(94.5)
Fixed operating costs	(214.6)	(233.8)	(222.5)
Property costs & Depreciation	(77.6)	(89.8)	(93.3)
Support function costs	(11.0)	(13.4)	(10.9)
Operating income - Leisure	**16.4**	**27.9**	**28.9**

(*) Adjusted to exclude insurance settlements.

Reported Winter 08 Operating income - Leisure	**26.5**
Currency effect	1.4
Like-for-like Winter 08 Operating income - Leisure	**27.9**
Volume effect	(25.2)
Change in price mix	9.9
Change in margin on variable costs	(15.4)
Fixed sales & marketing costs	6.1
Fixed operating costs	11.3
Property costs & Depreciation	(3.5)
Support function costs	2.5
Winter 09 Operating income - Leisure	**28.9**

Despite the impact of the global crisis, which led to a 25 million decline in business volume, Operating income – Leisure rose in winter 2009.

Excluding the volume effect (i.e. based on the same number of customers as in winter 2008), Operating income – Leisure would have nearly doubled compared with the prior-year period.

Financial position

Average debt contracted by €60 million, with the repayment of the OCEANE bonds due in 2008 accounting for a significant portion of the decrease.

At 30 April, net debt amounted to €317 million. Cash and cash equivalents totaled €116 million and gearing stood at 71.7%.

All covenants were complied with, even before the positive impact of the €102 million share issue that closed on 26 May.

II – 2004-2009: AN IN-DEPTH TRANSFORMATION OF CLUB MEDITERRANEE

In 2004, Club Méditerranée launched a transformation process intended to create a new profitability model that would support the strategic move upmarket.

To carry out this transformation, the Group invested more than €600 million over a five-year period, to which its property partners have added another €100 million in the past three years. Between 2004 and 2008, more than 40 villages were involved in the move upmarket through renovation projects and openings. An additional 23 villages that did not correspond to the new positioning were either sold or closed during the period.

These long and costly efforts have produced results. Between winter 2006 and winter 2009:

- Capacity provided by 4/5 Trident villages, which are much more profitable than 2/3T villages, increased from 41% to 62%. As planned, more than half of the villages are now in the 4 and 5 Trident categories.
- The percentage of 4/5 Trident customers increased from 41% to 62%. They totaled 362,000 in winter 2009, compared with just 205,000 when the move upmarket was first launched.
- Profitability of upmarket villages improved, with increases of 7.5% in revenue per available bed (RevPAB) and 23% in gross operating profit per hotel day (GOP/HD).
- Villages operating income – Leisure tripled in three years.

The transformation of the business model has led to an increase in the number of upmarket customers, thereby validating Club Med's strategic vision. Despite the crisis, the number of customers in 4/5 Trident villages rose by 22,000 between winter 2008 and winter 2009.

III – AN ASSERTIVE COST-REDUCTION POLICY IN RESPONSE TO THE GLOBAL CRISIS

Club Méditerranée responded quickly to the global crisis, deploying an active policy to reduce capacity, investment and costs through four types of action.

- <u>Reducing capacity:</u> Capacity was reduced by 8.7% for summer 2009 and up to 13% for May and June, which correspond to the low season.

- <u>Reducing investments:</u> With the village upgrades nearly completed, capex is limited to €50 million for fiscal 2009 and to €35 million for 2010 (of which approximately €25 million in maintenance costs). By comparison, annual spending averaged €120 million during the five-year period when the village portfolio was being moved upmarket.

- <u>Continuing to divest assets:</u> Asset disposals are expected to total €45 million in 2009 (of which €10 million have already been carried out) and €50 million in 2010.

- <u>Stepping up corporate productivity programs:</u> Cost-saving objectives have been revised upwards from the €31 million announced in December 2008 to €56 million. These measures involve freezing new hiring and salaries, not replacing employees who leave the Group, reducing overheads and, now that the Club Med brand has been repositioned worldwide, reducing marketing and advertising budgets.

IV – OUTLOOK FOR SUMMER 2009

As for the tourist industry as a whole, visibility is poor for the second half, especially since the impact of late bookings is difficult to estimate.

	Total as of June 6 2009	
(like-for-like revenue)	vs. Summer 2008	vs. Summer 2007
Europe	-17.4%	-10.1%
Americas	-28.4%	-17.7%
Asia	-18.2%	-18.7%
Total Club Med	**-18.3%**	**-11.5%**
Summer 2009 capacity	-8.7%	-10.6%

Bookings, expressed as revenue at constant exchange rates, integrate:

- Reductions decided in capacity of 8.7% for the summer season and 13% for May and June.
- The recent effects of swine flu on vacation plans, especially for travelers from Japan, China and the United States.

These figures do not yet reflect the positive impact of:

- Late bookings due to a change in customer behavior. Last winter, for example, bookings in the month immediately prior to departure were 2.5 points higher than in the previous-year period.

- Advertising campaigns, which were purposely pushed back because of the change in booking behavior. This season, they will be deployed mainly in June and July.

V – SUBSEQUENT EVENT: SUCCESSFUL ISSUE OF NEW SHARES AND ORANE MANDATORILY CONVERTIBLE BONDS

The €102-million share and bond issue in May was oversubscribed by 50%, demonstrating shareholder support for the strategic repositioning of Club Med as the global specialist in all-inclusive, upmarket, multicultural vacations for families and couples. It also helped to strengthen the Group's financial position and increase its cash and cash equivalents.

During the offer period, which ran from 6 to 26 May, a total of 6,459,301 new ordinary shares were purchased at a price of €7.90 and 5,962,432 ORANE convertible bonds were purchased at a price of €8.55, representing total proceeds of €102,007,271.50.

The transaction reflects the stronger presence of Club Méditerranée's long-term, industry shareholders and their support for the Group's strategy, with CDG du Maroc now holding 10.96% of the capital, Rolaco 4.69% and Air France Finance 2,0%. Crédit Agricole SA acquired a 4.12% stake and Nippon Life remained a significant shareholder at 2,98%.

Contacts
Media: Thierry OrsoniTel: 01 53 35 31 29
thierry.orsoni@clubmed.com

Financial Analysts: Caroline Bruel Tel: 01 53 35 30 75

CLUB MÉDITERRANÉE

caroline.bruel@clubmed.com