

CLUB MÉDITERRANÉE

Press release

29 September 2010

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Club Méditerranée launches an offering of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) with a priority subscription period, for approximately €80 million, due November 1, 2015

Proposed repurchase of outstanding OCEANE 2010, due November 1, 2010, through a "reverse book-building" process

Paris, September 29, 2010 – Club Méditerranée announces the launch today of an offering of bonds convertible into and/or exchangeable for new or existing shares (OCEANE), due November 1, 2015 (the "Bonds") of approximately €80 million.

The principal purpose of the offering is (i) to diversify the Company's sources of financing, and (ii) to extend the maturity of the Company's debt, in particular, by refinancing some of its OCEANE 2010 before their maturity date of November 1, 2010.

The par value of each Bond will represent an issuance premium of between 25% and 30% over the Club Méditerranée reference share price on the regulated market of NYSE Euronext in Paris¹.

The Bonds will bear interest at the Reference Rate² increased by a margin of between 3.75% and 4.50% per annum payable annually in arrears on November 1st of each year, and for the first time on November 1, 2011, and will be redeemed in cash at par on November 1, 2015. For the period from and including October 7, 2010, the issuance date, up to and including October 31, 2011, the coupon will be payable on November 1, 2011 (however, as this date is a bank holiday, the payment will be made on the following business day, *i.e.*, November 2, 2011) and will be calculated on a pro rata temporis basis (first long coupon).

Club Méditerranée's shareholders, as of September 28, 2010, will be given priority to subscribe to the Bonds for a period of three trading days (*délai de priorité*), from September 29, 2010 to October 1st, 2010 inclusive (subject to applicable selling restrictions), up to an amount in euros corresponding to their respective shareholding in Club Méditerranée's share capital applied to the maximum amount of the issuance, *i.e.*, €80 million.

¹ The reference share price will be equal to the volume-weighted average price (VWAP) of Club Méditerranée's shares quoted on the regulated market of NYSE Euronext Paris from the opening of trading on October 4th, 2010 until 12:00 noon, Paris time, on the same day.

² The Reference Rate is equal to the 5.1 years linearly interpolated mid swap rate based on the 5 and 6 year mid swap rates as they appear on Bloomberg EUSA5 Index and EUSA6 Index pages on October 1st 2010 at 5:40 p.m. (Paris time).

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However, the amount of the issuance may be less than €80 million depending on the par value of the Bonds, due to the cap of 5 million Bonds that may be issued pursuant to the authorization granted by the general meeting held on February 20, 2009.

Fosun Property Holdings Limited has made the commitment to place a subscription order for 7.5% of the issuance.

The bonds will be offered through a public offering in France from September 29, 2010 to October 1st, 2010 5:00 p.m. (Paris time), as well as through a private placement on September 29, 2010 in France and outside of France with the exception of the United States of America, Canada, Australia and Japan.

The expected date of issuance, settlement and delivery for the Bonds is October 7, 2010. The conversion/exchange ratio of the Bonds will be one new or existing Club Méditerranée share per Bond, subject to potential further adjustments. The Bonds may be subject to early redemption at the option of Club Méditerranée under certain conditions.

The final terms and conditions of the offering are expected to be determined on October 4th, 2010.

This offering is led by Société Générale Corporate & Investment Banking as Lead Manager and Bookrunner, Crédit Agricole Corporate and Investment Bank and Natixis as co-Lead Manager.

Repurchase of the OCEANE 2010 (ISIN code FR0010130732)

Concurrently with the private placement of the Bonds, Club Méditerranée will solicit, via the Lead Manager and Joint Bookrunner, indications of interest from certain holders of the OCEANE 2010, outside the United States, in selling their OCEANE 2010 to Club Méditerranée as part of a reverse book-building process. Based on the indications of interest received, Club Méditerranée may decide to repurchase OCEANE 2010 tendered by such holders. This repurchase will be subject to the condition precedent of the settlement and delivery of the Bonds.

The OCEANE 2010 accepted for repurchase will be repurchased after the close of the regulated market of NYSE Euronext Paris on the trading day following the settlement and delivery of the Bonds, *i.e.*, according to the indicative timetable, on October 8, 2010, and then cancelled pursuant to their terms and conditions and French law. The book-building for the placement of the Bonds and the reverse book-building for the repurchase of the OCEANE 2010 are independent of one another. Allocations of Bonds are not subject to the indications of interest from holders of the OCEANE 2010 in selling their OCEANE 2010.

If the repurchase represents more than 20% of the initially issued OCEANE 2010, Club Méditerranée will undertake, in order to ensure equitable treatment for all holders of OCEANE 2010, to offer a standing repurchase order on the market in France at the same price as the one that will be paid to the holders of OCEANE 2010 in the transactions described above. Club Méditerranée will publish details, if applicable, of the relevant procedures for this repurchase on the market following the closing of the reverse book-building process.

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Outlook

Summer Village operating income for the period ended 31 August 2010 was down slightly compared to the prior-year period, due in particular to higher jet fuel prices, which are expected to continue rising through the end of the financial year (ending October 31, 2010).

However, based on bookings to date for departures in September and October and the impact of the ongoing productivity program, whose results should be in line with expectations, the Group is targeting a slight increase in full-year Village operating income.

The Group forecasts positive free cash flow for the summer, and thus for the full year.

With respect to the Group's disposals plan of approximately €50 million, the sale of Sestrière, which amounted to approximately €14 million in September 2010, may be completed in the coming months through transactions totaling €30 million, the cash effect of which may not materialize in financial year 2010.

At September 25, 2010, winter bookings are very encouraging, showing a double-digit year-on-year increase. One-third of the total bookings for the winter season had already been completed last year on the same date.

Availability of the prospectus

The prospectus, consisting of Club Méditerranée's *document de référence*, filed with the French *Autorité des marchés financiers* (AMF) on January 29, 2010 under n°D.10-0033, an update to the *document de référence* filed with the AMF on September 28, 2010 under n°D.10-0033-A01 (the "*Document de Référence Update*") and a *note d'opération*, which includes a summary of the prospectus, received visa n°10-337 from the AMF on September 28, 2010 (the "Prospectus"). Copies of the Prospectus are available free of charge at the registered office of Club Méditerranée, 11 rue de Cambrai, 75019 Paris, France, as well as on its website (www.clubmed-corporate.com) and on the website of the AMF (www.amf-france.org).

Investors are advised to read carefully the risk factors described on pages 31 to 35 of the document de référence, in chapter 5 of the *Document de Référence Update* and in chapter 2 of the *note d'opération*.



Indicative timetable of the Bonds issuance and of the repurchase of the OCEANE 2010

September 28, 2010	Visa of the AMF on the Prospectus.
September 29, 2010	<p>Press release issued by the Company announcing the launch and the indicative terms of the issuance, as well as the repurchase of the OCEANE 2010.</p> <p>Opening of the book-building process for the Private Placement and the reverse book-building process relating to the repurchase of the OCEANE 2010 from institutional investors.</p> <p>Opening of the priority subscription period for existing shareholders.</p> <p>Opening of the Public Subscription Period.</p> <p>Closing of the book-building process for the Private Placement and the reverse book-building process relating to the repurchase of the OCEANE 2010 from institutional investors.</p> <p>Press release issued by the Company announcing the number of OCEANE 2010 repurchased via the reverse book-building process and the repurchase price.</p>
October 1, 2010	<p>Closing of the priority subscription period for existing shareholders.</p> <p>Closing of the Public Subscription Period.</p>
October 4, 2010	<p>Determination of the final terms of the Bonds.</p> <p>Press release issued by the Company announcing the final terms of the Bonds.</p> <p>Allocations.</p>
October 5, 2010	Notice published by NYSE Euronext of the admission of the Bonds to trading.
October 7, 2010	<p>Settlement and delivery of the Bonds.</p> <p>Admission of the Bonds to trading on NYSE Euronext in Paris.</p>
October 8, 2010	Settlement and delivery of the OCEANE 2010 repurchased through the reverse book-building process for institutional investors.
From October 11 to October 15, 2010	Standing repurchase order on the market for the repurchase of the OCEANE 2010, if applicable.

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Key components of the offering

Purpose of the issuance and use of proceeds	The purpose of the offering is (i) to diversify the Company's sources of financing, and (ii) to extend the maturity of the Company's debt, in particular, by refinancing some of its bonds convertible into and/or exchangeable for new or existing shares before their maturity date of November 1, 2010 (the " OCEANE 2010 "), of which the principal amount outstanding, as of the date of this Prospectus, is €150 million.
Amount of the issuance and gross proceeds	Approximately €80 million (this amount may be reduced depending on the par value of the Bonds, taking into account the maximum number of Bonds that may be issued).
Net proceeds	Approximately € 77.7 million.
Number of Bonds issued	<p>The number of bonds convertible into and/or exchangeable for new or existing shares (the "Bonds") will be equal to the amount of the issuance divided by the par value of the Bonds.</p> <p>The maximum number of Bonds that may be issued is limited to 5 million.</p>
Par value per unit of Bonds	The par value of the Bonds will correspond to an issuance premium of between 25% and 30% over the volume-weighted average of the Company's share price recorded on NYSE Euronext in Paris from the start of trading until 12:00 p.m. (Paris time) on October 4 th , 2010.
Preferential subscription rights	Not applicable.
Irreducible priority subscription period for shareholders	From September 29 to October 1 st , 2010 inclusive for shareholders of the Company whose shares are registered in their securities account at the end of the accounting day of September 28.
Public subscription period	In France from September 29 to October 1 st , 2010 inclusive (the " Public Subscription Period ").
Private placement	In and outside of France with the exception notably of the United States of America,

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Canada, Japan and Australia, on September 29, 2010, through a book-building process (the "**Private Placement**").

Intention of principal shareholders	Fosun Property Holdings Limited has made the commitment to place a subscription order for 7.5% of the issuance.
Issuance price of the Bonds	At par.
Issuance date, delivery and settlement of the Bonds	Expected to be on October 7, 2010 (the " Issuance Date ").
Annual gross yield to maturity	Between (RR + 3.75%) and (RR + 4.50%), (unless converted into or exchanged for shares and excluding early redemption). "RR" will be the 5.1 years swap rate calculated on October 1 st , 2010 at 5:40 p.m. (Paris time).
Determination of the final terms	October 4 th , 2010.
Rating of the Bonds	There has been no rating request for this issuance. (none of the Company's debt is rated)
Listing of the Bonds	Expected to be on October 7, 2010 under ISIN FR0010922955 on NYSE Euronext in Paris.
Clearing	Euroclear France, Euroclear Bank S.A./N.V and Clearstream Banking S.A. (Luxembourg).
Lead Manager and Bookrunner	Société Générale Corporate & Investment Banking.
Underwriting	Underwriting by a banking syndicate under the terms of an underwriting agreement, which will be signed with the Company on October 4 th , 2010.
Lock-up commitments	The Company has undertaken a 90-day lock-up commitment from the date of settlement and delivery of the Bonds, subject to certain exceptions described in the prospectus.

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Main characteristics of the Bonds

Status of the Bonds	Unsecured, direct, general, unconditional, unsubordinated and unguaranteed obligations.
Negative pledge	The Company undertakes, until full and effective redemption of all the Bonds, to not grant and to ensure that its Major Subsidiaries (as defined in section 4.1.8.1.4) do not grant any security interests in all or part of its present or future assets or revenues to guarantee any to holders of other debts related to the borrowing of money, in bonds or other financial securities listed or traded in the usual manner on any regulated market or market securities, issued or guaranteed by the Company or its Important Subsidiaries, without first or concurrently granting the same guarantees and the same rank to the Bonds.
Nominal rate – Interest	<p>Annual interest rate comprised between (RR + 3.75%) and (RR + 4.5%), payable in arrears on November 1 of each year (or on the following business day if such date is not a business day).</p> <p>Interest calculated <i>prorata temporis</i> for the period from October 7, 2010 to October 31, 2011 inclusive.</p>
Term of the Bonds	5 years and 25 days.
Redemption at maturity	In full on November 1, 2015 (or on the following business day if such date is not a business day) by redemption at par.

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Early redemption of the Bonds at the Company's option	<ul style="list-style-type: none"> • at any time, in whole or in part, without any price or quantity restriction by on or off-market repurchases or by public tender or exchange offer. • at any time from November 15, 2013 until the maturity date of the Bonds, subject to prior notice of at least 30 calendar days, all (but not less than all) of the outstanding Bonds may be repurchased at par, plus any accrued and unpaid interest, if the arithmetic mean, calculated over a period of any 20 consecutive trading days during the 30 trading days preceding the publication of the early redemption notice, of the product of the opening price of the Company's shares on NYSE Euronext in Paris, and the Conversion/Exchange Ratio on each such date exceeds 130% of the par value of the Bonds. • at any time, all (but not less than all) of the Bonds may be redeemed at par, plus any accrued and unpaid interest, subject to prior notice of at least 30 calendar days, if fewer than 10% of the Bonds remain outstanding.
Early redemption of the Bonds	Possible, at par value plus accrued and unpaid interest, in particular, in the event of the Company's default.
Early redemption at the bondholders' option in the event of a change of control	Possible, at a price equal to the par value of the Bonds plus accrued and unpaid interest.
Entitlement to allocation of shares (Conversion/Exchange of Bonds for shares)	<p>At any time from October 7, 2010 and up to the seventh business day inclusive preceding the normal or early redemption date, bondholders may request that any Bonds held by them be exchanged for shares of the Company at the rate of one share for one Bond, subject to adjustments.</p> <p>The Company may, at its option, deliver new or existing shares or a combination of both.</p>

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Rights attached and listing of the shares issued or delivered following conversion and/or exchange of the Bonds

The new shares shall be entitled to dividends from the first day of the financial year in which the exercise date of the share allocation right falls. Periodically, requests will be made for these shares to be admitted to trading on NYSE Euronext in Paris, on a separate trading line, until they become equivalent to existing shares, as the case may be.

The existing shares will have current dividend rights and may be traded immediately on the stock market.

Applicable law

French law.

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Forward-Looking Information

This press release contains forward-looking statements. This information is not historical and should not be construed as a guarantee that the facts and data set will occur. These forward-looking statements are based on data, assumptions and estimates considered reasonable by Club Méditerranée. Club Méditerranée operates in a competitive and rapidly changing environment. Therefore, Club Méditerranée cannot assess all the risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which a risk or a combination of risks may cause actual results to differ materially from those contained in any forward-looking statement. This information speaks only as of the date of this press release. Club Méditerranée undertakes no obligation to publish updates to the forward-looking statements or to the assumptions upon which they are based, subject to any applicable legal or regulatory requirement.

DISCLAIMER

No communication and no information in respect of the offering by Club Méditerranée of bonds convertible into and/or exchangeable for new or existing shares (the “Bonds”) may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction outside France where such steps would be required. The offering or subscription of the Bonds may be subject to specific legal or regulatory restrictions in certain jurisdictions. Club Méditerranée takes no responsibility for any violation of any such restrictions by any person.

This announcement is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4th, 2003 (as implemented in each member State of the European Economic Area, the “Prospectus Directive”).

This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer.

The Bonds will be offered to the public in France only and in a private placement in France and outside of France.

With respect to the member States of the European Economic Area, other than France, which have implemented the Prospectus Directive (each, a “relevant member State”), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any relevant member State. As a result, the Bonds may only be offered in relevant member States:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to place securities;*
- (b) to any legal entity which has two or more of the following criteria: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than € 43 million; and (3) an annual net turnover of more than € 50 million, as per its last annual or consolidated accounts;*

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- (c) *in any other circumstances, not requiring the issuer to publish a prospectus as provided under article 3(2) of the prospectus directive.*

This press release is directed only at persons who (i) are located outside the United Kingdom, (ii) have professional experience in matters relating to investments and fall within Article 19(5) (“investment professionals”) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) are persons to whom this communication may otherwise lawfully be communicated (all such persons together being referred to as “Relevant Persons”). The securities are directed only at Relevant Persons and no invitation, offer or agreements to subscribe, purchase or otherwise acquire securities may be proposed or made other than with Relevant Persons. Any person other than a Relevant Person may not act or rely on this document or any provision thereof. Persons distributing this document must satisfy themselves that it is lawful to do so.

This press release is not a prospectus which has been approved by the Financial Services Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

*The offering of the Bonds has not been registered with or cleared by the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) pursuant to the Prospectus Directive (Directive 2003/71/EC) and the Italian securities regulation and, accordingly, the Bonds have not been and will not be offered, sold or distributed in the Republic of Italy (“**Italy**”) in an offer to the public of financial products under the meaning of Article 1, paragraph 1, letter t) of Legislative Decree No. 58 of February 24, 1998 as amended (the “**Financial Services Act**”) unless an exception applies. Therefore, the Bonds may only be offered, transferred or delivered within the territory of Italy:*

- (a) to qualified investors (investitori qualificati), as defined in Article 2 paragraph (e) of the Prospectus Directive as implemented by Article 34-ter of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “**Issuers Regulation**”); or*
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including, without limitation, as provided under Article 100 of the Financial Services Act and Article 34-ter of the Issuers Regulation.*

In addition, and subject to the foregoing, any offer, sale or delivery of the Bonds or distribution of any document relating to the offering in Italy under (a) and (b) above must be:

- (i) made via investment firms, banks or financial intermediaries authorized to carry out such activities in Italy in accordance with the Financial Services Act, the Issuers Regulation, CONSOB Regulation No. 16190 of October 29, 2007 and Legislative Decree No. 385 of September 1st, 1993 (the “**Banking Law**”), all as amended;*
- (ii) in compliance with Article 129 of the Banking Law and the implementing guidelines of the Bank of Italy, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and*
- (iii) in compliance with any other applicable laws and regulations, including any conditions, limitations or requirements that may be, from time to time, imposed by the relevant Italian authorities concerning securities, tax matters and exchange controls.*

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Any investor purchasing the Bonds in this offering is exclusively responsible for ensuring that any offer or resale of the Bonds it purchased in this offering occurs in compliance with applicable laws and regulations. No person resident or located in Italy other than the original addressees of this document may rely on this document or its contents.

Article 100-bis of the Financial Services Act affects the transferability of the Bonds in Italy to the extent that any placing of the Bonds is made solely with qualified investors and such Bonds are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Should this occur without the publication of a prospectus, and outside of the application of one of the exemptions referred to above, purchasers of Bonds who are acting outside of the course of their business or profession are entitled to have such purchase declared void and to claim damages from any authorized intermediary at whose premises the Bonds were purchased.

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