CLUB MÉDITERRANÉE

PRESS RELEASE

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Very Strong Growth in First-Half 2011 Results

- Business volume up 12% to €763 million

- Revenue up 11% to €754 million

- Number of 4 and 5 Trident customers up 22% (or 78,000 customers)

- Operating Income Villages up 67% to €47 million

- Doubling of net income before tax and non-recurring items, to €28 million
(vs. €14 million in first-half 2010)

- Net income of €10 million (vs. €3 million in first-half 2010)

- Free cash flow of €30 million (vs. €21 million in first-half 2010)

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

"The very sharp improvement in first-half results and the increase in the number of our customers, despite an unfavorable environment in the second part of the semester, have demonstrated the effectiveness of the strategy that Club Med has steadily led since 2004.

Backed by its historical strengths (its global brand, its locations, its all-inclusive package that has now been moved upscale, and its GO's), Club Med is capitalizing on its global market presence and the transformation of its business model, which enable it to spread its risks and adjust capacity to events.

The overperformance delivered over the winter could therefore enable the Group to offset the unfavorable impact over the summer of currently known events."

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I – Very strong growth in results

➢ Powerful leverage on profitability

Financial results for the six months ended 30 April 2011

(in € millions)	H1-08	H1-09	H1-10	H1-11	Change H1-11 vs. H1-10
Business Volume Villages [1]	**762**	**722**	**680**	**763**	**+ 12%**
Consolidated revenue					
Consolidated – reported [2]	749	719	679	754	**+ 11%**
Villages, at constant exchange rates	782	745	692	747	**+ 8%**
EBITDA Villages [3]	55	58	61	80	**+ 30%**
As a % of revenue	*7.4%*	*8.0%*	*9.1%*	*10.7%*	
Operating Income – Villages	**21**	**24**	**28**	**47**	**+ 67%**
Operating Income – Management of assets	(9)	(20)	(3)	(13.5)	
Other operating Income & expense	(7)	(12)	(7)	(7.5)	
Operating Income	5	(8)	18	26	**+ 40%**
Finance cost, net	(14)	(12)	(11)	(12)	
Share of Income of associates	0	1	2	-	
Income tax	(2)	(2)	(6)	(4)	
Discontinued operations	2	(1)	-	-	
Net Income before tax and non-recurring items	**(2)**	**4**	**14**	**28**	
Net Income/loss	(9)	(22)	3	10	
Investments	(60) [4]	(34) [4]	(22) [4]	(30)	
Disposals	15	12	2	17	
Free Cash Flow	(8)	(18)	21	30	
Net debt	(350)	(317)	(218)	(169)	

(1) Total sales, regardless of village operating structure (reported)
(2) Includes €4 million, €6 million and €7 million in property development revenue for, respectively, H1-2009, H1-2010 and H1-2011.
(3) EBITDA Villages = Villages earnings before interest, taxes, depreciation and amortization.
(4) Excluding government grants and insurance settlements

➢ Sustained improvement in Villages operating margin

(in € millions)	H1-08	H1-09	H1-10	H1-11	Change H1-11 vs. H1-08
EBITDAR Villages [1]	130	136	140	156	
As a % of revenue	*17.4%*	*19.0%*	*20.8%*	*20.9%*	*+ 3.5 pts*
EBITDA Villages [2]	**55**	**58**	**61**	**80**	
As a % of revenue	*7.4%*	*8.0%*	*9.1%*	*10.7%*	*+ 3.3 pts*
Operating income – Villages	21	24	28	47	
As a % of revenue	*2.9%*	*3.4%*	*4.1%*	*6.2%*	*+ 3.3 pts*

(1) Villages EBITDAR = Villages earnings before interest, taxes, depreciation, amortization and rents.
(2) Villages EBITDA = Villages earnings before interest, taxes, depreciation and amortization.

- In the first six months of fiscal 2011, **business volume Villages** (corresponding to total sales regardless village operating structure) rose by 12% to €763 million from €680 million in first-half 2010.

- **Villages revenue** increased by 8% at constant exchange rates over the period, with every region reporting gains, including 7.7% in Europe, 10.5% in the Americas and 6.4% in Asia.

- **RevPAB** (revenue per available bed) surged 5.5%, led by a 2.2% improvement in the average price per hotel day to €154 and a 2.4-point increase in the occupancy rate to almost 70%.

- **EBITDA Villages** rose sharply to €80 million from €61 million in first-half 2010, with EBITDA margin widening to 10.7% from 9.1% a year earlier.

- **Operating Income Villages** stood at €47 million for the period, up 67% and already exceeding the full-year 2010 figure.

- On Operating Income Villages, event-related lost revenue had around a €7 million impact in the first half, but customer shifts to other destinations helped to reduce that impact by almost half.
  In addition, some €1.5 million in costs were recognized in operating income from the management of assets and in other operating income & expense

- **Net income before tax and non-recurring items** doubled year-on-year to €28 million.

- **Net income** stood at €10 million, compared with €3 million in first-half 2010.

- **Free cash flow** improved to €30 million from €21 million a year earlier, and stood at a positive €13 million before the €17-million gain on the sale of shares in the Italian property companies.

- **Debt** continued to be reduced, to €169 million at end-April 2011 from €197 million at end-October 2010.

II – The number of 4 and 5 Trident customers is still rising very quickly and Club Med is gaining new market shares

The number of 4 and 5 Trident customers rose by 22% or 78,000 customers. In all, 72% of customers chose 4 and 5 Trident villages over the winter, compared with 50% four years ago.
In addition, the total number of customers increased by 7% to 599,000 from 560,000 in first-half 2010.
At the same time, Club Med is gaining new market shares.
In China, the number of new customers grew by 56% on the 1st-half 2011.
In the United Kingdom, for example, where the market is highly competitive and concentrated, Club Med has gained 12,000 new customers over the past four years. In 2011, sales are up 16% year-to-date, in a market[1] up just 2%.

[1] GFK data

III – Sinai Bay, Yabuli and Sandpiper Bay villages successfully opened

Opened in December 2010, Sinai Bay in Egypt is a 4 Trident village with a 5 Trident Luxury Space. It enjoyed very high satisfaction ratings in first-half 2011, despite the temporary events-related closure in February.
Sandpiper Bay in Florida, which has been entirely renovated and upgraded from 3 to 4 Tridents, delivered much the same performance, with RevPAB increasing by 52%.
Lastly, the Yabuli ski village opened in December 2010 reported results in line with objectives. As Club Med's first village in China, it offers the Club Med brand excellent visibility in this highly promising market.

IV – Outlook for Summer 2011

(Bookings at constant exchange rates)	Year-to-date, at 4 June 2011	Last four weeks
Europe	+ 5.2%	- 9.1%
Americas	+ 17.0%	+ 17.0%
Asia	- 0.7%	- 9%
Total Club Med	**+ 5.4%**	**- 6.8%**
Summer 2011 capacity	**- 0.8%**	

Bookings for the 2011 summer season are 5.4% ahead of the summer 2010 figure. At the same date last year, nearly two-thirds of the summer bookings had been recorded.

Although bookings were down 0.7% in Asia, they were up 5.2% in Europe and 17% in the Americas.

Trailing four-week bookings are down 6.8%, of which:
- A 9.1% decline in Europe, reflecting the regional impact of events in North Africa.
- A 9% decline in Asia, with a sharp fall off in Japan due to the closing of Sahoro this summer and the impact of natural disasters. This was partly offset by the sustained, very strong growth in China and Southeast Asia.
- A further 17% increase in the Americas, lifted by the reopening of the renovated, upgraded Sandpiper Bay village.

Capacity was reduced by 0.8% for the summer 2011 season, by:
- Definitively closing the villages of Athenia in Greece and Metaponto in Italy, which no longer met Club Med standards.
- Adjusting capacity in Tunisia in response to the events.

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V – Opening of the new Valmorel village in December 2011

In December 2011, the new Valmorel village will open its doors in the Savoy region of France. A mountain village offering the full range from upscale to luxury, Valmorel has 394 4 Tridents rooms, 26 suites in the 5 Trident Luxury Space and 27 chalet-apartments. The initial marketing phase for the chalet-apartments began last April, with 10 units already sold and 7 options taken.

Contacts
Media: Thierry Orsoni +33 (0)1 53 35 31 29
thierry.orsoni@clubmed.com
Analysts: Caroline Bruel +33 (0)1 53 35 30 75
caroline.bruel@clubmed.com

APPENDIX

- Net income before tax and non-recurring items

(in € millions)	H1-08	H1-09	H1-10	H1-11
Net income before tax and non-recurring items	**(2)**	**4**	**14**	**28**
Profit from discontinued operations	2	(1)	-	-
Disposal gains/(losses), net	2	(1)	-	6.5
Impairment/scrapping/village closure costs/other	(3)	(11)	(1)	(16)
Restructuring costs	(6)	(11)	(4)	(4.5)
Net income before tax	**(7)**	**(20)**	**9**	**14**
Tax	(2)	(2)	(6)	(4)
Net Income	**(9)**	**(22)**	**3**	**10**