CLUB MÉDITERRANÉE

PRESS RELEASE

9 December 2011

2011 Annual Results

Sharp Increase in Business Indicators
Strong growth in Profitability

- Village Business Volume: **up 6.3%**
- Number of upmarket customers: **up 19%** [+ 130,000]
- Village operating income: **up 48%**
- Net income before tax and non-recurring items: **x 4**

Commenting on the fiscal 2011 results and the inauguration of the new Valmorel village in France's Savoy Alps, Chairman and Chief Executive Officer Henri Giscard d'Estaing said: *"In fiscal 2011, Club Méditerranée is now structurally profitable. We gained 130,000 customers in the upmarket segment and enjoyed record-high customer satisfaction rates. In addition, we made market share gains and captured growth in new vacation markets that are emerging around the world. With two thirds of our villages in the upmarket or very upmarket segment and 60% of sales carried out directly by year-end 2012, we will be well prepared to enter a new era. The spirit of this new era is embodied in Valmorel, the latest generation village that we are inaugurating today."*

1. **Fiscal 2011: sharp increase in all business indicators and strong growth in profitability** despite unfavorable global events

➢ Key figures for the year ended 31 October 2011

(in €m)	2009	2010	2011	Change 11/ 10
Business Volume Villages [1]	**1,380**	**1,375**	**1,461**	**+ 6.3%**
Consolidated revenue				
Group - Reported[2]	1,360	1,353	1,423	**+ 5.2%**
Villages excluding currency effects	1,397	1,349	1,409	**+ 4.4%**
EBITDA Villages [3]	100	107	126	**+17.4%**
As a % of revenue	*7.4%*	*8.0%*	*8.9%*	
Operating Income - Villages	**36**	**42**	**61**	**+ 47.8%**
Operating Income - Management of Assets	(29)	(14)	(24)	
Other Operating Income and Expense	(27)	(15)	(11)	
Operating income	(20)	13	26	
Net Income/(loss) before tax and non-recurring items	**(1)**	**8**	**33**	
Net income/loss	(53)	(14)	2	
Investments	(51) [4]	(44) [4]	(50)	
Disposals	28	18	19	
Free Cash Flow	(33)	41	38	
Net debt	(239)	(197)	(165)	

(1) Total sales regardless the operating structure (reported)
(2) Includes €16 million, €17 million and €14 million in property development revenue for, respectively, 2009, 2010 and 2011
(3) EBITDA Villages: Operating Income Villages before interest, taxes depreciation and amortization
(4) Nets of grant and insurance settlements

- **Village business volume** (corresponding to total sales regardless of village operating structure) totaled €1,461 million, a 6.3% rise from fiscal 2010, with every region contributing to the increase.

- **Village revenue at constant exchange** rates increased by 4.4% to €1,409 million.

- **RevPab** (revenue per available bed) rose 3.8%, led by a 2.8% improvement in the average price per hotel day to €135 and a one-point increase in the occupancy rate to nearly 68%.

➢ Club Méditerranée has confirmed its ability to **structurally improve profitability over the long term**.

(in €m)	**2008**	**2009**	**2010**	**2011**	**Change 11 vs. 08**
EBITDAR Villages [(1)]	248	254	264	270	
as a % of revenues	*16.7%*	*18.9%*	*19.8%*	*19.2%*	*+ 2.5 pts*
EBITDA Villages [(2)]	**100**	**100**	**107**	**126**	
as a % of revenues	***6.7%***	***7.4%***	***8.0%***	***8.9%***	***+ 2.2 pts***
Operating Income Villages	35	36	42	61	
as a % of revenues	*2.4%*	*2.7%*	*3.1%*	*4.4%*	*+ 2.0 pts*

(1) EBITDAR Villages: Operating IncomeVillages before depreciation, amortization,rents and change in provisions
(2) EBITDA Villages : Village earnings before interest. taxes. depreciation and amortization

- **Village EBITDA** continued to rise to €126 million, compared with €107 million in fiscal 2010. EBITDA margin widened to 8.9% from 8.0% in fiscal 2010 and 6.7% in fiscal 2008. Given the profitability gains achieved by Club Med in the past three years, Village EBITDA margin should continue to increase above 9% by end-2012 despite the deterioration of the global environment that we are witnessing since last summer in Europe.

- **Village operating income** amounted to €61 million, up 48% from the previous fiscal year, despite the €22 million gross impact (excluding redirected clients to other destinations) negative impact of last spring's events in the Arab world. Village operating income has risen steadily over the past four years and since 2011 has benefited from growth in all three regions. Back in positive territory after shifting to a profitable business model, the Americas contributed €4.5 million. Village operating income from Asia and the Americas combined represented more than half of the consolidated total, illustrating the effectiveness of the Group's global strategy.

- **Operating loss from the management of assets** amounted to €24 million, of which €19 million related to the cost of closing non-strategic villages to complete the move upmarket.

- **Other operating income & expense** represented a net expense of €11 million and mainly included restructuring costs.

- **Finance cost – net** represented a net expense of €16 million, versus a net expense of €22 million in fiscal 2010, reflecting the decline in interest expense resulting from the €50-million reduction in average net debt and improved financial ratios.

- **Net income before tax and non-recurring items** quadrupled over the period to €33 million. **Attributable net profit** of €2 million was reported in fiscal 2011, versus a loss of €14 million in fiscal 2010.

- **Free cash flow** was a positive €38 million, helping to reduce debt by a further €32 million to €165 million. Gearing fell to 32% from 38% at year-end fiscal 2010.

➢ **Gaining upmarket customers at a faster pace**

• The total number of Club Med customers rose 2.1% in fiscal 2011 with the number of 4-5 Trident customers increasing by 130,000. In all, 810,000 customers stayed in upmarket villages during the period. In the past four years, the proportion of 4-5 Trident customers has grown to 65% of the total from 45%. All regions contributed to this sharp improvement.

• More and more customers used Club Med-controlled distribution networks to book their vacations, whether through travel agencies, call centers, websites or franchises. Direct sales to individuals accounted for 58.6% of total bookings, up one point from fiscal 2010, and online sales alone represented 18.7%.

• Club Med enjoyed record-high satisfaction rates, with particularly positive feedback from customers in the upmarket segment.

2. A stronger balance sheet

In addition to improving gearing to 32% at 31 October 2011, Club Med carried out two transactions after the fiscal year-end that strengthened its balance sheet.

➢ **€100-million medium-term line of credit renewed with improved terms**

Club Méditerranée recently signed an agreement with its banks to extend the maturity of its €100-million medium-term line of credit by two years to December 2014. Furthermore, in light of the Group's improved financial position, the line of credit will be renewed under improved terms.

➢ **Disposal of the Aspen Park Hotel in Méribel**

Club Méditerranée has sold the Aspen Park Hotel in Méribel for €20 million. However, the Group intends to maintain its presence in this prestigious resort by operating two other villages there – Le Chalet and L'Antares.

3. 2011-2012 Winter trends

(In revenue in constant currency)	Cumulative at 3 December 2011	8 last weeks
Europe	+ 3.2%	- 8.0%
Americas	+ 10.2%	+ 5.9%
Asia	-0,2%(1)	+ 2,5%(1)
Total Club Med	**+ 3.8%**	**- 4.2%**
Capacity Winter 2012	**+ 2.4%**	

(1) : Excluding Lindeman Village (closing at the end of January 2012), the bookings are up +3.7% and +5.6% over the 8 past weeks

Bookings to date for the 2012 winter season are 3.8% ahead of the winter 2011 figure. At the same date last year, two-thirds of winter bookings had been recorded.

Europe has seen a 3.2% increase in bookings, with a slowdown in the middle booking period over the past eight weeks that mainly reflected unfavorable prior-year comparatives, as bookings were high at the same time last year prior to the Arab Spring.

The **Americas** have continued to enjoy dynamic growth as bookings rose by 10.2%, led by the move upmarket at Sandpiper Bay in Florida and the renovation of Rio das Pedras in Brazil.

Asia has benefited from continued 40% growth in Greater China while reporting a slowdown in order intake in Japan due to the Fukushima effect (high prior-year comparatives) and in Australia due to the closure of the Lindeman village.

4. Outlook: Capturing growth

4.1. Objectives for 2012 maintained

- **Two-thirds of capacity in 4 and 5 Trident villages by year-end 2012**

At the end of fiscal 2011, upmarket and very upmarket villages accounted for 62% of portfolio capacity, reflecting the return to an assertive development strategy. Two new villages opened during the period – Sinai Bay in Egypt (4 and 5 Tridents) and Yabuli in China (4 Tridents).

New openings are continuing in fiscal 2012 with Valmorel in France's Savoy Alps set to open on 18 December. The new property features a 4 and 5-Trident village as well as chalets-apartments.
In summer 2012, Club Med will open its second village in China – Guilin, a 4-Trident village that will be operated under a management contract (first opening phase).

Renovations in 2012 will focus on Asia: Phuket in Thailand, Kabira Beach in Japan and the completion of Sahoro's upgrade from 3 to 4 Tridents, also in Japan.

Lastly, Club Med is continuing to adjust the village portfolio with the elimination of Les Ménuires in France, Lindeman in Australia and Smir in Morocco scheduled for 2012. In 2011, Club Med returned the 3-Trident seasonal village of Metaponto (Italy) and the 2-Trident seasonal village of Athenia (Greece) to their owners. In addition, the Group sold its 3-Trident seasonal village in Sestrières, Italy.

- **60% of sales via direct distribution**

The goal is to strengthen direct contact with customers and continue lowering the percentage of selling costs by developing direct and semi-direct distribution.

- The network of franchised agencies in France will expand from 15 to 25 and the "shop in shop" concept in Brazil and China will be deployed at a faster pace.
- Customer relationship management programs will be stepped up with the implementation of targeted marketing plans and a marketing campaign management system.

4.2. Driving growth through enhanced international expansion

- **Increasing market share in mature markets**

Club Med aims to sustainably assure the profitability of its business units. The Americas returned to profit and can now leverage a profitable business model to drive further growth.

In mature markets like the United Kingdom – one of the world's leading tourist markets – Club Med has made significant market share gains over the past three years. Summer 2011 sales were up 7%, compared with a 1% increase for the UK market as a whole, while winter 2012 sales are up 2% in a market that has contracted by 7%. In France, summer 2011 sales grew by 2% although the market declined by 2%.

- **Assertively capturing growth in fast-developing markets**

Growth will also be driven by continued expansion in rapidly developing countries like China, Brazil, Russia, South Korea, Argentina and South Africa. Customers from these target countries will represent more than 20% of Club Med's worldwide clientele in 2012, or nearly 265,000 customers.

- **Making China the second largest market – with 200,000 customers and five villages – by 2015**

Club Med is actively pursuing its development in China with the creation in 2012 of a second village in Guilin. Expansion in China is underpinned by three growth drivers: i) a stronger Club Med sales presence, particularly via the development of the "shop in shop" concept, ii) last summer's deployment of a Greater China business unit and iii) the opening of five villages by 2015, of which two are already in the pipeline.

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Additional information

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APPENDIX

Statement of Income

(in €m)	2009	2010	2011
Group Revenue [1]	**1,360**	**1,353**	**1,423**
Operating Income - Villages	36	42	61
Operating Income - Management of Assets	(29)	(14)	(24)
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Operating income/(loss)	(20)	13	26
Finance cost, net	(23)	(22)	(16)
Share of profit of associates	2	3	1
Income tax/benefit	(2)	(8)	(9)
Income/(loss) from discontinued operations	(10)	-	-
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as a % of revenues	*2.4%*	*2.7%*	*3.1%*	*4.4%*	*+ 2.0 pts*

(1) EBITDAR Villages: Operating IncomeVillages before depreciation, amortization,rents and change in provisions

(2) EBITDA Villages : Village earnings before interest. taxes. depreciation and amortization

- **Village EBITDA** continued to rise to €126 million, compared with €107 million in fiscal 2010. EBITDA margin widened to 8.9% from 8.0% in fiscal 2010 and 6.7% in fiscal 2008. Given the profitability gains achieved by Club Med in the past three years, Village EBITDA margin should continue to increase above 9% by end-2012 despite the deterioration of the global environment that we are witnessing since last summer in Europe.

- **Village operating income** amounted to €61 million, up 48% from the previous fiscal year, despite the €22 million gross impact (excluding redirected clients to other destinations) negative impact of last spring’s events in the Arab world. Village operating income has risen steadily over the past four years and since 2011 has benefited from growth in all three regions. Back in positive territory after shifting to a profitable business model, the Americas contributed €4.5 million. Village operating income from Asia and the Americas combined represented more than half of the consolidated total, illustrating the effectiveness of the Group's global strategy.

- **Operating loss from the management of assets** amounted to €24 million, of which €19 million related to the cost of closing non-strategic villages to complete the move upmarket.

- **Other operating income & expense** represented a net expense of €11 million and mainly included restructuring costs.

- **Finance cost – net** represented a net expense of €16 million, versus a net expense of €22 million in fiscal 2010, reflecting the decline in interest expense resulting from the €50-million reduction in average net debt and improved financial ratios.

- **Net income before tax and non-recurring items** quadrupled over the period to €33 million. **Attributable net profit** of €2 million was reported in fiscal 2011, versus a loss of €14 million in fiscal 2010.

- **Free cash flow** was a positive €38 million, helping to reduce debt by a further €32 million to €165 million. Gearing fell to 32% from 38% at year-end fiscal 2010.

➢ Gaining upmarket customers at a faster pace

● The total number of Club Med customers rose 2.1% in fiscal 2011 with the number of 4-5 Trident customers increasing by 130,000. In all, 810,000 customers stayed in upmarket villages during the period. In the past four years, the proportion of 4-5 Trident customers has grown to 65% of the total from 45%. All regions contributed to this sharp improvement.

● More and more customers used Club Med-controlled distribution networks to book their vacations, whether through travel agencies, call centers, websites or franchises. Direct sales to individuals accounted for 58.6% of total bookings, up one point from fiscal 2010, and online sales alone represented 18.7%.

● Club Med enjoyed record-high satisfaction rates, with particularly positive feedback from customers in the upmarket segment.

2. A stronger balance sheet

In addition to improving gearing to 32% at 31 October 2011, Club Med carried out two transactions after the fiscal year-end that strengthened its balance sheet.

➢ €100-million medium-term line of credit renewed with improved terms

Club Méditerranée recently signed an agreement with its banks to extend the maturity of its €100-million medium-term line of credit by two years to December 2014. Furthermore, in light of the Group's improved financial position, the line of credit will be renewed under improved terms.

➢ Disposal of the Aspen Park Hotel in Méribel

Club Méditerranée has sold the Aspen Park Hotel in Méribel for €20 million. However, the Group intends to maintain its presence in this prestigious resort by operating two other villages there – Le Chalet and L'Antares.

3. 2011-2012 Winter trends

(In revenue in constant currency)	Cumulative at 3 December 2011	8 last weeks
Europe	+ 3.2%	- 8.0%
Americas	+ 10.2%	+ 5.9%
Asia	-0,2%(1)	+ 2,5%(1)
Total Club Med	**+ 3.8%**	**- 4.2%**
Capacity Winter 2012	**+ 2.4%**	

(1) : Excluding Lindeman Village (closing at the end of January 2012), the bookings are up +3.7% and +5.6% over the 8 past weeks

Bookings to date for the 2012 winter season are 3.8% ahead of the winter 2011 figure. At the same date last year, two-thirds of winter bookings had been recorded.

Europe has seen a 3.2% increase in bookings, with a slowdown in the middle booking period over the past eight weeks that mainly reflected unfavorable prior-year comparatives, as bookings were high at the same time last year prior to the Arab Spring.

The **Americas** have continued to enjoy dynamic growth as bookings rose by 10.2%, led by the move upmarket at Sandpiper Bay in Florida and the renovation of Rio das Pedras in Brazil.

Asia has benefited from continued 40% growth in Greater China while reporting a slowdown in order intake in Japan due to the Fukushima effect (high prior-year comparatives) and in Australia due to the closure of the Lindeman village.

4. Outlook: Capturing growth

4.1. Objectives for 2012 maintained

- **Two-thirds of capacity in 4 and 5 Trident villages by year-end 2012**

At the end of fiscal 2011, upmarket and very upmarket villages accounted for 62% of portfolio capacity, reflecting the return to an assertive development strategy. Two new villages opened during the period – Sinai Bay in Egypt (4 and 5 Tridents) and Yabuli in China (4 Tridents).

New openings are continuing in fiscal 2012 with Valmorel in France's Savoy Alps set to open on 18 December. The new property features a 4 and 5-Trident village as well as chalets-apartments.
In summer 2012, Club Med will open its second village in China – Guilin, a 4-Trident village that will be operated under a management contract (first opening phase).

Renovations in 2012 will focus on Asia: Phuket in Thailand, Kabira Beach in Japan and the completion of Sahoro's upgrade from 3 to 4 Tridents, also in Japan.

Lastly, Club Med is continuing to adjust the village portfolio with the elimination of Les Ménuires in France, Lindeman in Australia and Smir in Morocco scheduled for 2012. In 2011, Club Med returned the 3-Trident seasonal village of Metaponto (Italy) and the 2-Trident seasonal village of Athenia (Greece) to their owners. In addition, the Group sold its 3-Trident seasonal village in Sestrières, Italy.

➢ **60% of sales via direct distribution**

The goal is to strengthen direct contact with customers and continue lowering the percentage of selling costs by developing direct and semi-direct distribution.

- The network of franchised agencies in France will expand from 15 to 25 and the "shop in shop" concept in Brazil and China will be deployed at a faster pace.
- Customer relationship management programs will be stepped up with the implementation of targeted marketing plans and a marketing campaign management system.

4.2. Driving growth through enhanced international expansion

➢ **Increasing market share in mature markets**

Club Med aims to sustainably assure the profitability of its business units. The Americas returned to profit and can now leverage a profitable business model to drive further growth.

In mature markets like the United Kingdom – one of the world's leading tourist markets – Club Med has made significant market share gains over the past three years. Summer 2011 sales were up 7%, compared with a 1% increase for the UK market as a whole, while winter 2012 sales are up 2% in a market that has contracted by 7%. In France, summer 2011 sales grew by 2% although the market declined by 2%.

➢ **Assertively capturing growth in fast-developing markets**

Growth will also be driven by continued expansion in rapidly developing countries like China, Brazil, Russia, South Korea, Argentina and South Africa. Customers from these target countries will represent more than 20% of Club Med's worldwide clientele in 2012, or nearly 265,000 customers.

➢ **Making China the second largest market – with 200,000 customers and five villages – by 2015**

Club Med is actively pursuing its development in China with the creation in 2012 of a second village in Guilin. Expansion in China is underpinned by three growth drivers: i) a stronger Club Med sales presence, particularly via the development of the "shop in shop" concept, ii) last summer's deployment of a Greater China business unit and iii) the opening of five villages by 2015, of which two are already in the pipeline.

CLUB MÉDITERRANÉE

Additional information

The consolidated and parent company financial statements of Club Méditerranée for the fiscal year ended 31 October 2011 were approved by the Board of Directors on 8 December 2011. These financial statements have been audited and the Auditors' reports are in the process of being prepared. The fiscal 2011 financial results presentation is available for download at http://www.clubmed-corporate.com.

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APPENDIX

Statement of Income

(in €m)	2009	2010	2011
Group Revenue [1]	**1,360**	**1,353**	**1,423**
Operating Income - Villages	36	42	61
Operating Income - Management of Assets	(29)	(14)	(24)
Other Operating Income & Expense	(27)	(15)	(11)
Operating income/(loss)	(20)	13	26
Finance cost, net	(23)	(22)	(16)
Share of profit of associates	2	3	1
Income tax/benefit	(2)	(8)	(9)
Income/(loss) from discontinued operations	(10)	-	-
Net income/(loss)	**(53)**	**(14)**	**2**

(1) Includes €16 million, €17 million and €14 million in property development revenue for, respectively, 2009, 2010 and 2011

CLUB MÉDITERRANÉE

PRESS RELEASE

9 December 2011

2011 Annual Results

Sharp Increase in Business Indicators
Strong growth in Profitability

- Village Business Volume:	**up 6.3%**
- Number of upmarket customers:	**up 19%** [+ 130,000]
- Village operating income:	**up 48%**
- Net income before tax and non-recurring items:	**x 4**

Commenting on the fiscal 2011 results and the inauguration of the new Valmorel village in France's Savoy Alps, Chairman and Chief Executive Officer Henri Giscard d'Estaing said: *"In fiscal 2011, Club Méditerranée is now structurally profitable. We gained 130,000 customers in the upmarket segment and enjoyed record-high customer satisfaction rates. In addition, we made market share gains and captured growth in new vacation markets that are emerging around the world. With two thirds of our villages in the upmarket or very upmarket segment and 60% of sales carried out directly by year-end 2012, we will be well prepared to enter a new era. The spirit of this new era is embodied in Valmorel, the latest generation village that we are inaugurating today."*

1. **Fiscal 2011: sharp increase in all business indicators and strong growth in profitability** despite unfavorable global events

➢ Key figures for the year ended 31 October 2011

(in €m)	2009	2010	2011	Change 11/ 10
Business Volume Villages [1]	**1,380**	**1,375**	**1,461**	**+ 6.3%**
Consolidated revenue				
Group - Reported[2]	1,360	1,353	1,423	**+ 5.2%**
Villages excluding currency effects	1,397	1,349	1,409	**+ 4.4%**
EBITDA Villages [3]	100	107	126	**+17.4%**
As a % of revenue	*7.4%*	*8.0%*	*8.9%*	
Operating Income - Villages	**36**	**42**	**61**	**+ 47.8%**
Operating Income - Management of Assets	(29)	(14)	(24)	
Other Operating Income and Expense	(27)	(15)	(11)	
Operating income	(20)	13	26	
Net Income/(loss) before tax and non-recurring items	**(1)**	**8**	**33**	
Net income/loss	(53)	(14)	2	
Investments	(51) [4]	(44) [4]	(50)	
Disposals	28	18	19	
Free Cash Flow	(33)	41	38	
Net debt	(239)	(197)	(165)	

(1) Total sales regardless the operating structure (reported)
(2) Includes €16 million, €17 million and €14 million in property development revenue for, respectively, 2009, 2010 and 2011
(3) EBITDA Villages: Operating Income Villages before interest, taxes depreciation and amortization
(4) Nets of grant and insurance settlements

- **Village business volume** (corresponding to total sales regardless of village operating structure) totaled €1,461 million, a 6.3% rise from fiscal 2010, with every region contributing to the increase.

- **Village revenue at constant exchange** rates increased by 4.4% to €1,409 million.

- **RevPab** (revenue per available bed) rose 3.8%, led by a 2.8% improvement in the average price per hotel day to €135 and a one-point increase in the occupancy rate to nearly 68%.

➢ Club Méditerranée has confirmed its ability to **structurally improve profitability over the long term**.

(in €m)	**2008**	**2009**	**2010**	**2011**	**Change 11 vs. 08**
EBITDAR Villages [1]	248	254	264	270	
as a % of revenues	*16.7%*	*18.9%*	*19.8%*	*19.2%*	*+ 2.5 pts*
EBITDA Villages [2]	**100**	**100**	**107**	**126**	
as a % of revenues	***6.7%***	***7.4%***	***8.0%***	***8.9%***	***+ 2.2 pts***
Operating Income Villages	35	36	42	61	
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- **Village EBITDA** continued to rise to €126 million, compared with €107 million in fiscal 2010. EBITDA margin widened to 8.9% from 8.0% in fiscal 2010 and 6.7% in fiscal 2008. Given the profitability gains achieved by Club Med in the past three years, Village EBITDA margin should continue to increase above 9% by end-2012 despite the deterioration of the global environment that we are witnessing since last summer in Europe.

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