CLUB MÉDITERRANÉE

PRESS RELEASE

7 December 2012

2012 Annual Results

A Year of Growth for Club Med in 2012
despite a challenging environment in Europe

- Business volume	**up 3.7% to €1,515 million**
- 4 and 5 Trident customers	**up 7% increase [+ 57,000]**
- Operating Income Villages	**up 1% to €62 million**
- Net income before tax and non-recurring items	**up 7.3% to €35 million**
- Net result	**€2 million**
- Gearing	**-10 points at 23%**
- Free cash flow	**up 45% to €55 million**

Commenting on the annual results, Henri Giscard d'Estaing, Chairman and Chief Executive Officer, noted that:

"*Club Méditerranée's reported an increase in revenue for fiscal 2012 despite accelerating deterioration of the European tourist markets during the summer. Thanks to its powerful positioning on the upscale market, the Group was able to protect its margins and demonstrate the resilience of its business model.*
Club Med is now in a position for a new step forward in the deployment of its international expansion strategy, by leveraging its stronger financial position, its upscale portfolio of villages and the ability to interface one-to-one with customers through direct distribution network.
Club Med is positioned to capture growth in the market of all-inclusive upscale vacation packages in order to get by the end of 2015 one in three customers to come from fast-developing economies."

CLUB MÉDITERRANÉE

1. A year of growth in 2012 despite worsening market conditions in Europe

➢ Key figures for fiscal 2012 (1 November 2011 - 31 October 2012)

(in €m)	2009	2010	2011	2012	Variation 12 vs 11
Business Volume Villages [1]	**1 380**	**1 375**	**1 461**	**1 515**	**+ 3,7%**
Consolidated revenue					
Group - published[2]	1 360	1 353	1 423	1 459	+ 2,6%
Villages - at constant exchange rate	1 406	1 359	1 416	1 447	+ 2,2%
EBITDA Villages [3]	100	107	126	126	
As a % of revenue	*7,4%*	*8,0%*	*8,9%*	*8,7%*	
Operating Income - Villages	**36**	**42**	**61**	**62**	**+ 1,0%**
Operating Income - Management of Assets	(29)	(14)	(24)	(26)	
Other Operating Income and Expense	(27)	(15)	(11)	(14)	
Operating income	(20)	13	26	22	
Net Income/(loss) before tax and non-recurring items	**(1)**	**8**	**33**	**35**	**+ 7,3%**
Net income/loss	(53)	(14)	2	2	
Investments[4]	(51) [5]	(44) [5]	(50)	(50) [6]	
Disposals	28	18	19	42	
Free Cash Flow	(33)	41	38	55	
Net debt	(239)	(197)	(165)	(118)	

(1) Total sales regardless the operating structure (reported)
(2) Includes €16 million, €17 million, €14 million and €12 million in property development revenue for, respectively, 2009,2010, 2011 and 2012
(3) EBITDA Villages : Operating Income Villages before interest, taxes depreciation and amortization
(4) Withdrawn Investments (See Cash-flow statement)
(5) Net of grant and insurance settlements
(6) Withdrawn investments (€50 million) and realized investments (€59.8 million)

- **Village business volume** (corresponding to total sales regardless of village operating structure) rose by 3.7% to €1,515 million from €1,461 million in fiscal 2011.

- **Village revenue** totaled €1,447 million, up 2.2% with increases of 2.8% in the Europe-Africa region (of which +2.5% in France in a market declining by 2.6% according to CETO[1]) and 4.5% in the Americas region. In Asia, revenues dipped 2.6% due to the sale of the Lindeman Island village in Australia. Excluding Lindeman Island, revenue from the region was up 2.8%, helped by a 24% rise in the number of Chinese customers during the fiscal year.

- **RevPAB** (revenue per available bed) at constant exchange rates was 2.1% higher, at €99.3, versus €97.3 in fiscal 2011, reflecting a 1.8% improvement in the average price per hotel day to €139,3 and a one-point rise in the occupancy rate to just under 69%.

[1] CETO : Cercle d'Etudes des Tours Operateurs (French Tour-Operators Association)

➢ Profitability preserved attesting to the business model's robustness.

(in €m) reported	2009	2010	2011	2012
EBITDAR Villages [1]	254	264	270	281
% of revenues	*18,9%*	*19,8%*	*19,2%*	*19,4%*
EBITDA Villages [2]	**100**	**107**	**126**	**126**
% of revenues	***7,4%***	***8,0%***	***8,9%***	***8,7%***
Operating Income Villages	36	42	61	62
% of revenues	*2,7%*	*3,1%*	*4,4%*	*4,3%*

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

(2) EBITDA Villages: Operating Income Villages before depreciation and amortization and change in provisions

- **EBITDA Villages was stable at €126 million.** EBITDA margin stood at 8.7%, close to the 9% target announced last June.

- **Operating Income Villages** rose to €62 million from €61 million in fiscal 2011, lifted by higher contributions from the Americas and Asia. These two regions now account for over **two-thirds** of total operating income villages, reflecting the effectiveness of the Group's global strategy.

- **Operating loss from the management of assets** amounted to €26 million, with the €32 million cost of closing non-strategic villages partly offset by gains on disposal of the Méribel Aspen Park village and other assets.

- **Other operating income and expense** represented a net expense of €14 million, of which restructuring costs accounted for €10 million.

- **Finance cost - net** represented €8 million versus €16 million in fiscal 2011. The €47 million reduction in average net debt led to interest savings of €3 million, while profits on sales of shares and provision reversals had a positive impact of €4 million.

- **Net income before tax and non-recurring items** rose slightly to €35 million after quadrupling in fiscal 2011. **Attributable net profit** was stable at €2 million.

- The Board of Directors meeting held on 6 December approved the 2012 financial statements. It also indicated that it would like for shareholders to benefit from the Company's improvements. This could be done through purchase of shares to be cancelled under the shareholder buyback program which will be submitted at the Annual Shareholder Meeting. Due to the lack of visibility on the fiscal 2013 earnings, in the currently worsening economic environment and declining European tourist market, the Board believes that this option is preferable to paying a cash dividend for fiscal 2012.

➢ Club Med has three major strengths to help it withstand the challenging environment in France and the rest of Europe

- **A strong financial position,** with growing positive underlying free cash flow. In fiscal 2012, free cash flow stood at €55 million compared with €38 million the previous year, or €36 million versus €26 million excluding the impact of asset disposals and village exit costs. In addition, net debt is significantly lower at €118 million, reflecting a 10-point improvement in gearing to 22.6%, while the ratio of net debt to EBITDA villages has improved considerably and now stands at less than 1x. It was divided by two since 2010.

- **A fully refurbished, upscale village offer,** with 4 and 5-Trident villages representing two third of total capacity at 31 October 2012, a 3.6-point increase over one year. Three villages were sold during the year (Méribel Aspen Park, Lindeman Island and Bora-Bora) and five non-strategic villages were closed (Smir, Coral Beach, Djerba Méridiana, Beldi and Nabeul).

  The Valmorel village in France that was opened last December has confirmed the validity of the Group's strategic positioning in the uscale and very upscale segments. With an occupancy rate of 81% in its first year, the new village attests the leading position of Club Med's mountain village offer, even in the summer.

- **Tighter customer relations,** with over 60% of sales carried out directly. Online bookings have continued to grow, accounting for 20.5% of sales in fiscal 2012.

2. Fiscal 2013 outlook

➢ A slightly growing Winter 2013, led by demand in the Americas and Asia.

(at constant exchange rate)	**Cumulative as of 1st december 2012**	**4 last weeks**	***Capacity Winter 2013***
Europe-Africa	- 0,8%	- 5,1%	*- 5,4%*
Americas	+ 7,2%	+ 8,1%	*+ 1,1%*
Asia	+ 5,0%	+ 7,2%	*- 6,3%*
Asia excl. Lindeman Island	+ 10,4%	+ 14,3%	
Total Club Med	**+ 1,1%**	**- 0,6%**	***- 3,7%***

As of 1 December, winter 2013 bookings (business volume at constant exchange rates) were up 1.1% on the prior-year season. In 2011, bookings at that date represented two-thirds of the winter total.

Bookings in the Europe-Africa region were down 0.8%. In France, Club Med Business bookings that reached records last year were down, while the individuals were up +1.2% in business volume. This figure translate in number of customers to a -3.1%, while the market is down 10.3% at the end of October, according to France's tour operators organization CETO.

Bookings in the Americas and Asia were up by 7.2% and 5.0% respectively, lifted by the more favorable economic environment in these regions and, in particular, by the dynamism of Brazil, China and other fast-developing markets.

Bookings for the past four weeks were down 0.6% with a drop of 5.1% for the Europe-Africa region, partly offset by booking that are up in Americas and Asia.

- The uncertain environment calls for prudence in 2013

In light of the sluggish economic environment in Europe, particularly France, the following measures have been taken:

- Winter 2013 capacity has been ajusted by 3.7% compared with winter 2012. In Europe-Africa, closure of Méribel Aspen Park and Coral Beach along with temporary shutdowns of certain villages in North Africa have led to a 5.4% capacity reduction. For the summer 2013 season, Europe-Africa capacity has been shrunk by 6.2% in response to the uncertain economic environment.

- Capital spending will be kept at the fiscal 2012 level of around €55 million and will concern both ongoing projects to move the village offer upscale and necessary maintenance work. In addition, a further €10 million or so may be spent on acquiring equity interests to speed up the pace of growth in certain high potential markets such as Brazil and Russia.

- Costs reported under "Operating loss from the management of assets" should be considerably lower than in fiscal 2012 now that the program to move the village offer upscale is nearing completion.

Based on the above outlook, the Group should report positive free cash flow in fiscal 2013.

3. 2015: a new milestone in Club Med's global strategy to capture growth in the all-inclusive upscale vacation package market

- Step up the pace of growth in fast-developing markets

With growth set to remain strong in major high potential markets such as China, Brazil and Russia, Club Med is aiming for one in three customers to come from fast-developing markets by the end of 2015.

First among these will be China, which will become Club Med's second largest market by 2015 with 200,000 customers, five villages (including Guilin, the country's second 4-Trident village which will welcome its first guests in spring 2013) and a new premium resort hotel brand – *by* Club Med – aligned with local demand. The "*by* Club Med" large upscale resort-hotels will target Chinese city-dwellers looking for long weekend breaks in the countryside at relatively short distance from their home. They will also serve the meetings, incentives, conferences and exhibitions (MICE) market.

- Continue to win market share in France and other mature markets by strengthening premium distribution, upgrading pricing policies to include a family deal with children under 6 staying free, and offering new products such as new Club Med Discovery tours and new Club Med 2 cruises.

- Promote Club Med brand's unique spirit

In early 2013, Club Med will be launching its new worldwide brand advertising campaign to raise its notoriety, recruit new customers and promote repeat bookings.

To speed up the pace of international expansion, new distribution channels are being developed and the Group is targeting a fourfold increase in the number of Club Med shop-in-shops and franchise outlets (from 50 to 200) by the end of 2015.

- Optimize the business model

Club Med is taking its upscale strategy a step further, with three-quarters of village capacity set to meet 4 or 5-Trident standards by 2015 including new villages such as Pragelato Vialattea in Italy, Belek in Turkey and Guilin in China that are due to open in 2013. These new destinations will increase the number of year-round permanent villages (or bi-seasonal) with optimum capacity.

In line with the asset-light strategy, most of the current development projects are based on the management contract model, the aim being to improve return on capital employed while also achieving a balance of models for the village portfolio.

Additional information

The consolidated and parent company financial statements of Club Méditerranée for the fiscal year ended 31 October 2012 were approved by the Board of Directors on 6 December 2012.
These financial statements have been audited and the Auditors' reports are in the process of being prepared.
The fiscal 2012 financial results presentation is available for download at http://www.clubmed-corporate.com.

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CLUB MÉDITERRANÉE

APPENDICES

Statement of Income

(in €m)	**2009**	**2010**	**2011**	**2012**
Group Revenue[(1)]	**1 360**	**1 353**	**1 423**	**1 459**
Operating Income - Villages	36	42	61	62
Operating Income - Management of Assets	(29)	(14)	(24)	(26)
Other Operating Income & Expense	(27)	(15)	(11)	(14)
Operating income/(loss)	(20)	13	26	22
Finance cost, net	(23)	(22)	(16)	(8)
Share of profit of associates	2	3	1	1,6
Income tax/benefit	(2)	(8)	(9)	(13,4)
Income/(loss) from discontinued operations	(10)	-	-	-
Net result	**(53)**	**(14)**	**2**	**2**

(1) Includes €16 million, €17 million, €14 million and €12 million in property development revenue for, respectively 2009, 2010, 2011 and 2012

Balance Sheet

in €m

Non-current assets	**10.09**	**10.10**	**10.11**	**10.12**
PPE	874	874	838	815
Intangible assets	83	86	79	80
Non current financial assets	90	100	92	90
Total non-currents assets	*1 047*	*1 060*	*1 009*	*985*
Government grants	(40)	(37)	(33)	(30)
Total	**1 007**	**1 023**	**976**	**955**

Equity and liabilities	**10.09**	**10.10**	**10.11**	**10.12**
Equity incl. minority interests	492	516	512	522
Provisions	52	50	51	48
Deferred tax liabilities-net	25	30	29	27
Working capital	199	230	219	240
Net debt	239	197	165	118
Total	**1 007**	**1 023**	**976**	**955**

Gearing	**48,6%**	**38,2%**	**32,2%**	**22,6%**
Working capital / villages revenue	**14,8%**	**17,2%**	**15,5%**	**16,6%**
Capital employed*/ villages revenue	**60%**	**59%**	**54%**	**49%**

* Capital employed = fixed assets nets of grants settlements - working capital