CLUB MÉDITERRANÉE

PRESS RELEASE

December 6, 2013

2013 Annual Results

2013: stable activity in a mixed environment.
Operating profitability sustained

- ✓ **Business volume Villages** stable at constant exchange rates: **€1,483 million**
- ✓ **Gains in 4 and 5 Trident customers: +29,000**
- ✓ **Operating Income Villages: €55 million** impacted by the downturn of business in Europe-Africa, particularly in France
- ✓ **Net income before tax and non-recurring items: €32 million**
- ✓ **Net loss: €(9) million** impacted by exceptional items
- ✓ **Gearing: 26.9%**
- ✓ **Positive free cash flow: €6 million**

Commenting at the annuel results, Henri Giscard d'Estaing, Chairman and Chief Executive Officer of Club Méditerranée, noted that:

"In 2013, the deterioration of European tourist markets continued and intensified over the summer, particularly in France, under the impact of a double crisis that affected outbound countries and Egypt and Tunisia destinations.

In this context, Club Med recorded stable activity and was able to sustain its operating profitability, thanks to the strength of its new business model and its presence in the fast developing markets.

This is why the Group, while strengthening its position in mature countries, must accelerate its internationalization with a more upscale offer based on opening new villages combined with numerous innovations."

1. Stable business in a mixed environment. Operating profitability

Key data for fiscal 2013 (November 1, 2012 – October 31, 2013)

(in €m)

Reported	2010	2011	2012	2013	Change 13 vs 12
Business Volume Villages	**1 382**	**1 456**	**1 486**	**1 483**	**- 0,2%**
Consolidated revenue					
Group - published[2]	1 353	1 423	1 459	1 408	- 3,5%
Villages - at constant exchange rate	1 329	1 386	1 418	1 400	- 1,3%
EBITDA Villages[3]	107	126	126	118	- 5,8%
As a % of revenue	*8,0%*	*8,9%*	*8,7%*	*8,4%*	
Operating Income - Villages	**42**	**61**	**62**	**55**	**- 11,0%**
Operating Income - Management of Assets	(14)	(24)	(26)	(22)	
Other Operating Income and Expense	(15)	(11)	(14)	(19)	
Operating Income	**13**	**26**	**22**	**14**	
Net Income before tax and non-recurring items	**8**	**33**	**35**	**32**	**- 10,6%**
Net Income	**(14)**	**2**	**2**	**(9)**	
Investments	(44) [4]	(50)	(50)	(62)	
Disposals	18	19	42	1	
Free Cash Flow	41	38	55	6	
Net debt	**(197)**	**(165)**	**(118)**	**(127)**	

(1) Total sales regardless the operating structure (like-for-like)

(2) Includes €17 million, €14 million, €12 million and €8 million in property development revenue for, respectively, 2010, 2011, 2012 and 2013

(3) EBITDA Villages : Operating Income Villages before interst, taxes depreciation and amortization

(4) Net of €5.9 million of grant and assurance settlements

- Stable business:

  - **Villages business volume** (corresponding to total sales regardless of village operating structure) was stable at constant exchange rates at €1,483 million, with a limited decline of 2.1% in published data.

  - **Villages revenue** totaled €1,400 million, down 1.3% at constant exchange rates, taking into account the weight increase of managed villages, primarily related to the opening of the villages of Belek, Turkey, in April 2013 and Guilin, China, in the summer of 2013.
    - **America** grew 5.2%, supported by the dynamic performance of the United States and Brazil;
    - **Asia** was up 5.3%, benefiting from the 34% increase in the number of Chinese customers, in particular thanks to the opening of Guilin;
    - **Europe-Africa** recorded a 3.7% decline, primarily driven by the 5.2% drop in France. France was impacted by the €17 million decline in Club Med Business activity which had hit record levels in 2012, along with nearly €15 million drop in summer reservations for Egypt and Tunisia.

  - **RevPab** (revenue per available bed) at €101.5 rose 4.2%, driven by the improvement in the price mix for all destinations and the 1 point increase in the occupancy rate, which reached 69.8%.

➢ Operating profitability sustained:

(in €m)

Reported	2010	2011	2012	2013
EBITDAR Villages [(1)]	**264**	**270**	**281**	**271**
% of revenues	*19,8%*	*19,2%*	*19,4%*	***19,4%***
EBITDA Villages [(2)]	**107**	**126**	**126**	**118**
% of revenues	*8,0%*	*8,9%*	*8,7%*	***8,4%***
Operating Income Villages	**42**	**61**	**62**	**55**
% of revenues	*3,1%*	*4,4%*	*4,3%*	***3,9%***

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

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

- **EBITDAR Villages** was €271 million, down from €281 million; however, the EBITDAR Villages margin on revenue remained unchanged at 19.4%, given the adaptation of costs to the decline in business, primarily in France, reflecting general economic conditions as well as geopolitical events in Egypt and Tunisia.

- **Operating Income Villages** was €55 million, versus €62 million in 2012, impacted by the downturn in the Europe-Africa region and partially offset by improved results in the Americas and Asia.

- **Operating loss from the management of assets** amounted to €(22) million which primarily reflects €(12) million costs to exit and close villages, €(9) million of which relates to 4 villages not adapted to the upscale strategy, €(7) million in costs for villages not operated in 2013 and €(6) million in development/construction costs.

- **Other Operating Income and expenses** represented a net expense of (19) million, primarily reflecting €(10) million in restructuring costs, which remained unchanged from the previous year, and other non-recurring costs and litigation in the amount of €(6) million, around half of which was related to the public tender offer.

- **Financial cost – net** was down, at €(11) million. It did not benefit this year from title disposals and provision reversals that totaled €4.5 million in 2012. It did, however, include a €2.5 million drop in interest expense due to the €11 million decline in average net debt.

- **Net Income before tax and non-recurring items** has been stable for three years at €32 million. However, Net Income was €(9) million, impacted by non-recurring items reflecting the costs to exit and to close temporarily villages for exceptional event, restructuring expenses, and other costs.

➢ A solid financial structure:

- **Free cash flow** was positive at €6 million, versus €55 million in 2012. It includes €62 million in capital expenditures (versus €50 million in 2012) and €1 million in income from asset disposals (versus €42 million in 2012).

- With **net debt** at €127 million, the gearing was 26.9%.

- The Group continues to reduce its capital intensity with average capital employed now representing 50% of 2013 revenue, versus 59% in 2010.

2. The upscale strategy continues to prove its effectiveness in a deteriorated environment

- In France, the Group continued to win market shares in declining markets, particularly during last summer. With a market down 9.5% in summer 13 (SETO[1] data at the end of October), the business volume of Club Med on the Individual segment was stable, confirming the strength of its unique positioning.

- The number of 4 and 5 Trident customers continued to grow with 29,000 additional customers, an increase of 3.3%. They now represent nearly 73% of customers, versus 68.3% in 2012, an increase of +4.4 points.
  New satisfaction records were also hit this year.

- Village portofolio continued to move upscale. In 2013. The 4&5 Trident villages represented 71% of total capacity at October 31, 2013, a 5.1-point increase over one year.
  In 2013, the Group successfully opened three new villages: Pragelato Vialattea in Italy, Belek in Turkey, and Guilin in China. These three 4 Trident villages, which are permanent or bi-seasonal, with optimum capacity, are operated under a leasing or management structure.

3. Winter 2014 outlook

- Bookings as at novembre 30 2013

Business volume Villages by region at constant exchange rate	Cumulative as of 30 November 2013	8 last weeks
Europe-Africa	+ 4,7%	- 1,7%
Americas	+ 7,2%	- 2,5%
Asia	+ 7,2%	+ 6,4%
Total Club Med	**+ 5,4%**	**- 0,4%**

Winter 2014 bookings at November 30, 2013 (business volume at constant exchange rates), were up 5.4% over Winter 2013, with capacity growth of 2.4%, due to Guilin opening in China. At the same time last year, slightly more than two thirds of the winter bookings had been recorded. These bookings were up in all geographic regions.

Bookings in **Europe-Africa** region were up 4.7%. In France, supported by a proactive early booking policy, bookings were up slightly by 1%, in a market (individuals) still down 6% at the end of October (SETO figures).
Excluding France, there was a positive momentum driven by certain markets like Israel, Switzerland and South Africa.

The 7.2% increase in the **Americas** and **Asia** was based primarily on the dynamic activity in the United States and the sales recovery recorded in Japan and Australia.

[1] Syndicat des Entreprises du Tour Operating (SETO)

4. Accelerate internationalization

- **Take advantage of Club Med's global positioning to win new customers in fast developing markets**[2].

With a 4-point growth since 2011, the 354,000 customers coming from these markets now represent 29% of Club Med's worldwide customer base.
The Group has the objective of having one third of its customers coming from these markets at the end of 2015, particularly in three target countries:

- ***In China***, with more than 108,000 Chinese customers in 2013, Club Med intends to make this country its second largest market in terms of customer numbers by the end of 2015. To meet this new demand, Club Med will open three new villages, including the seaside village on Dong'ao Island in 2014, and the first resort under the new "by Club Med" brand, targeted at high-end Chinese customers living in major metropolitan areas.
- ***In Russia****,* Club Med is accelerating the growth of its customer base by controlling its direct distribution, enhancing its brand visibility through media investments and the launch of its Club Med Business offer.
- ***In Brazil,*** Club Med will increase its capacity of 4&5 Trident by expanding and renovating the villages of Rio das Pedras and Trancoso and by opening the 4-Trident village of Buzios in 2016, which will have a 5-Trident area.

- **Develop an upscale offer to accelerate the internationalization of its customer base.**

To meet its objectives, Club Med continues to expand with seven projects of new 4&5 Trident villages over three years: Val Thorens, a ski resort in North America, Buzios in Brazil, Oman, and three villages in China.

- **A competitive advantage - the mountain destination: "Club Med: the world leader in ski vacations."**

Club Med operates 21 ski resorts in the most prestigious ski areas. The unique and practical nature of its all-inclusive ski packages for families are key factors for attracting international customers, who represented 53% of total customers in 2013.

Club Med continues to strengthen its world leadership in all-inclusive ski vacations with the planned opening of the new 4-Trident Val Thorens village in December 2014, which will create 250 jobs, in a ski area that has just been ranked the "Best ski area in the world" by the World Travel Awards 2013.

5. Public Tender Offer

As a reminder, on May 27, 2013, AXA Private Equity and Fosun, the two main shareholders of Club Méditerranée, announced in a press statement their intention to file together with the Club Méditerranée management a voluntary public tender offer for the Company's securities through a Holding company, Gaillon Invest. This proposed offer was filed with the French *Autorité des Marchés Financiers* on May 30, 2013, at a unit price recorded on June 24, 2013 as €17.50 per share, and €19.79 per bond with option for conversion and/or exchange for new or existing shares ("OCEANE") (coupon attached) (the "Public Tender Offer").

[2] Fast developing markets: Russia, Turkey, South Africa, Ukraine, Middle East, Mexico, Brazil, Argentina, Venezuela, Chile, China, Singapore, South Korea, India, Malaysia, Hong-Kong, Thailand, Taiwan, Israel

CLUB MÉDITERRANÉE

On June 24, 2013, the Board of Directors of Club Méditerranée unanimously approved the option of choice offered to shareholders by the Public Tender Offer and recommended to the shareholders who would like to benefit from liquidity to tender their securities in the offer.

On July 15, 2013, the *Autorité des Marchés Financiers* ("AMF") approved the Public Tender Offer from Gaillon Invest, targeting the shares and bonds with an option for conversion and/or exchange for new existing shares (OCEANEs) in Club Méditerranée. The Public Tender Offer opened on July 17, 2013.

Following the appeals filed with the Paris Court of Appeals on July 24 and 26, 2013 seeking cancellation of the AMF decision regarding the compliance of the tender offer, the AMF announced on August 6, 2013, the extension of the tender offer which was initially scheduled to close on August 30, 2013. In practice, the closing of the Public Tender Offer is postponed to at least eight days after the Court ruling on the motions for cancellation. The date for pleadings has been set for February 27, 2014 by the Paris Court of Appeals.

Given the payment of the coupon for €1 per OCEANE made on November 1, 2013, the price offered to OCEANE holders in the Public Tender Offer was adjusted and reduced accordingly; it is therefore €18.79.

The company underlines that official information relating to the Public Tender Offer is provided in the *note en réponse* referred to by the AMF, and in the Club Méditerannée press releases. In addition, the company states that the financial data contained in this release is consistent with the information provided as part of the ongoing public offering, specifically in the note en réponse (stamp no. 13-363 of 15 July 2013)".

Additional information

The consolidated and parent company financial statements of Club Méditerranée for the fiscal year ended 31 October 2013 were approved by the Board of Directors on 5 December 2013.

These financial statements have been audited and the Auditors' reports are in the process of being prepared. The fiscal 2013 financial results presentation is available for download at http://www.clubmed-corporate.com.

Contacts
Press: Caroline Bruel Tel: 01 53 35 31 29
caroline.bruel@clubmed.com
Analysts: Pernette Rivain Tel: 01 53 35 30 75
pernette.rivain@clubmed.com

CLUB MÉDITERRANÉE

APPENDICES

Statement of Income

(in €m)

Reported	2010	2011	2012	2013
Group revenue	**1 353**	**1 423**	**1 459**	**1 408**
Operating Income - Villages	42	61	62	55
Operating Income - Management of Assets	(14)	(24)	(26)	(22)
Other Operating Income and Expense	(15)	(11)	(14)	(19)
Operating Income	**13**	**26**	**22**	**14**
Finance cost, net	(22)	(16)	(8)	(11)
Share of profit of associates	3	1	1,6	2
Income tax	(8)	(9)	(13,4)	(14)
Net result	**(14)**	**2**	**2**	**(9)**

Balance sheet

Non-current assets	10.10	10.11	10.12	10.13
PPE	874	838	815	751
Intangible assets	86	79	80	82
Non-current financial assets	100	92	90	91
Total non-current assets	**1 060**	**1 009**	**985**	**924**
Government grants	(37)	(33)	(30)	(27)
Total	**1 023**	**976**	**955**	**897**

Equity and liabilities	10.10	10.11	10.12	10.13
Equity incl. Minority interests	516	512	522	472
Provisions	50	51	48	49
Deferred tax liabilities - net	30	29	27	24
Working capital	230	219	240	225
Net debt	197	165	118	127
Total	**1 023**	**976**	**955**	**897**
Gearing	38,2%	32,2%	22,6%	26,9%
Working capital / Villages revenue	17,2%	15,5%	16,6%	16,1%
Capital employed* / Villages revenue	59%	55%	51%	50%

**Capital employed = (fixed assets net of grants settlements - working capital at opening and closing) / 2*