CLUB MÉDITERRANÉE

PRESS RELEASE
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2007 ANNUAL RESULTS

Results

- **Like-for-like revenue up 3.4% to €1,727 million**
- **Operating income - leisure up 37% to €33 million (Village operating income - leisure up 50%)**
- **Net loss of €8 million due to postponement of real estate transactions**
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Business performance

- **Major gains in 4-Trident customers: an additional 133,000 GMs in 2007**
- **Very strong growth in winter 2008 bookings : up 14.4%**

I - Further improvement in operating performance

Club Méditerranée's revenue for the fiscal year ended 31 October 2007 totaled €1.727 million, an increase of 2.8% as reported. At comparable scope of consolidation and exchange rates (like-for-like), the increase was 3.4%, with a sharp rise in the fourth quarter. Like-for-like Village revenue was up 5.7% and revenue per available bed (RevPAB) rose by 7.7% during the year.

EBITDAR – leisure, which corresponds to income from operations before the impact of the property management strategy, increased to €244 million, from €229 million in fiscal 2006. Before the impact of insurance settlements, Village EBITDAR - leisure was up 18%.

Operating income – leisure rose a significant 37% to €33 million, from €24 million in fiscal 2006. This satisfactory performance was achieved despite ongoing sales and marketing expenditure to support the move upmarket and the lack of income from villages undergoing renovation.

Village operating income – leisure was up a robust 50%, with an improvement of €28 million before insurance settlements.

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Jet tours operating income – leisure totaled €2.2 million, compared with €3.1 million in the previous year. The reflected a loss of customers following the brand's repositioning, which was partially offset by an 11% increase in the average price.

Club Med Gym operating income –leisure continued to improve to €5.3 million, from €4.3 million in fiscal 2006.

On the other hand, given the current real estate market, operating income – assets amounted to €2 million, versus €40 million in 2006 due to the postponement of real estate transactions and the impact of closing a number of year-round villages for renovation.

The year ended with a net loss of €8 million.

Fiscal 2007 results (IFRS)

In millions of euros	**2006**	**2007**
Revenue	**1 679**	**1 727**
EBITDAR - Leisure (1) (2)	229	244
Operating income - Leisure (2)	**24**	**33**
Operating income - Assets	40	2
Other operating income & expense	(29)	(21)
Operating income	35	14
Finance costs - net	(32)	(26)
Share of profit of associates	3,6	1,2
Income tax expense	(1)	2,5
Attributable net income	**5**	**(8)**
Free Cash Flow	39	(30)
Net Debt	(294)	(336)
Average net debt	(432)	(370)

(1) Operating income – leisure, before rents, taxes, depreciation and amortization
(2) Insurance settlements amounted to €21 million in fiscal 2006 and €2 million in fiscal 2007.

II - Major gains in upmarket customers

In fiscal 2007, the number of 4-Trident village customers rose by 133,000, representing an increase of 29% year-on-year and 50% compared with 2005. The segment now accounts for 45% of all customers, versus 24% in 2003.

For the first time since 2001—and despite assertive measures to shift the customer base upmarket—summer 2007 saw a net increase in the number of GMs, which rose by 9,000 for the period.

Internet sales continued to enjoy strong growth, increasing to €155 million from €100 million in fiscal 2006 and exceeding the €140-million target for the year.

III - Winter 2008 bookings up a very strong 14.4% at 8 December 2007

Winter 2008 bookings were up a very strong 14.4% at 8 December 2007, representing a year-on-year gain of nearly 30,000 customers.
While the sharp rise reflects an increase in early bookings, it should also lead to an improvement on the already successful winter 2007 season.

Like-for-like revenue	December 8th 2007
Europe	+ 16,3%
Americas	+ 3,2%
Asia	+ 16,6%
Total Club Med	**+ 14,4%**
Jet Tours	***+ 27,2%***

The very strong 16.3% growth in Europe was balanced between France and the rest of the continent. Sun villages have seen a sharp rise while snow village sales have picked up in the last few weeks.

Bookings in the Americas were up 3.2%, despite a 5.6% decline in capacity.

Asia continues to post excellent results, with a 16.6% rise in bookings.

The 27.2% increase in Jet tours bookings reflects a strong upturn in business following the brand’s repositioning.

IV - The new Club Med ready in late 2008

1/ Pursuing the strategic move upmarket

By late 2008, the portfolio will be comprised mainly of 4-Trident villages. Eight villages have been renovated or upgraded in 2007: Cancun in Mexico, Opio in Provence, La Pointe aux Canonniers in Mauritius, La Plagne 2100 and Les Deux Alpes in the French Alps, Palmyie in Turkey, La Caravelle in Guadeloupe and Villars in Switzerland.

Another highlight of the year was the opening of the first 5-Trident village: “La Plantation d’Albion” in Mauritius.
By year-end 2008, three renovated villages will have been upgraded from 3 to 4 Tridents: Ixtapa in Mexico, Grégolimano in Greece and Punta Cana in the Dominican Republic.
Five new villages are also scheduled to open by 2009.

2/ A new global advertising campaign

Unveiled on December 7, the new global advertising campaign features the new baseline: “Club Med: Where happiness means the world.” Qualitative pre-tests in seven countries and a quantitative test conducted in France produced exceptional scores for impact, attribution and buying intention. Scheduled for rollout in 24 countries beginning in January 2008, the campaign will be featured in print media and on the Web.

3/ Marketing the first Albion villas

This new concept offers significant leverage to improve the Club Med business model. The villas (which number 20 to 40 per village) and chalets offer additional capacity that is both flexible and high margin, while helping to drive property development profits (operating income – assets).

While marketing has just begun, the first indications are very encouraging, demonstrating the appeal of the new Club Med to a very upscale customer base.

V - Beyond 2008: optimizing the business model with the Magellan project

With most major repositioning initiatives now completed, the Magellan project's priority focus will be on optimizing the new business model.

1/ Reduce seasonal fluctuations in income and optimize village profitability

A number of actions are planned in this area:
- Leverage the fit between holiday periods in outbound countries.
- Increase the proportion of year-round villages from 51% in 2001 to 64% in 2009.
- Keep seasonal villages open substantially longer and increase low-season occupancy rates through initiatives designed to make their offerings more attractive (free stays for children under 4, spas, golf, theme holidays).
- Increase the capacity of certain villages.

2/ Reinforce specialist distribution

Building on innovations successfully introduced in the new Champs-Elysées agency, window displays in the 47 agencies throughout France will be renovated by early 2008.

Worldwide deployment is continuing, with the opening of new agencies in Mexico City and St. Petersburg and the complete overhaul of the new flagship Louise Agency in Brussels.

In addition, given the success of the new Club Med e-booking sites in 2007, a target of €220 million in online sales has been set for 2008.

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

"2007 was shaped by strong growth in the upmarket customer base, which has intensified in the current winter season, and by a further improvement in Club Med's operating performance.
In late 2008, a new Club Med fully in line with our expectations will be positioned as the worldwide specialist in all-inclusive, upmarket, friendly, multicultural vacations, thereby enabling management to focus in 2009 on optimization of the new business model, innovation and growth."

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