CLUB MÉDITERRANÉE

PRESS RELEASE

November 28, 2014

2014 Annual Results

Stable 2014 results in a deteriorated environment in Europe-Africa demonstrate the resilience of our business model ¾ of Operating Income - Villages from Asia

- ✓ **Stable business:**
  - **in terms of number of customers: 1,231,000**
  - **in Villages revenue** at constant exchange rates**: €1,376 million** (+0.2%)
- ✓ **4 and 5-Trident customers: 73.2%** of the total number of customers (+0.4pt)
- ✓ **Gain in customers from fast-growing markets: +25,000 customers** offsetting the drop in French and Belgian customers
- ✓ **Operating Income Villages: €53 million**, of which €41 million in Asia
- ✓ **Net income before tax and non recurring items: €28 million**
- ✓ **Net income: €(9) million** impacted by extraordinary factors, including €13 million in closure/exit costs of non-strategic villages and €6 million in other extraordinary costs
- ✓ **Historically low gearing: 12% (-15 percentage points)**
- ✓ **Positive and growing free cash flow: €15 million**

Commenting the annual results, Henri Giscard d'Estaing, Chief Executive Officer of Club Méditerranée, noted that:

"2014 once again demonstrated the resilience of Club Med business model against a backdrop of economic crisis in Europe, particularly in France, and geopolitical tensions in some of its destinations.
In this challenging economic environment, Club Med succeeded in maintaining its operational profitability and in continuing its upscale strategy, thereby enabling it to accelerate the recruitment of new customers from fast-growing markets and to set new customer satisfaction records.
In 2015, this strategy, combined with the significant drop in non recurring costs associated with exits of non-strategic villages, should allow Club Med to generate positive net income at equivalent level of business".

1. Business boosted by the internationalization of the customer base. Sustained operational profitability.

Key figures for 2014 (November 1, 2013 – October 31, 2014)

(in €m)

Reported	2011	2012	2013	2014	Change 14 vs 13
Business Volume Villages* (1)	**1,433**	**1,461**	**1,456**	**1,438**	**- 1.2%**
Consolidated revenue					
Group(2)	1,423	1,459	1,408	1,381	- 1.9%
Villages*	1,365	1,393	1,374	1,376	+ 0.2%
EBITDA Villages(3)	126	126	118	118	
As a % of revenue	*8.9%*	*8.7%*	*8.4%*	*8.6%*	
Operating Income - Villages	**61**	**62**	**55**	**53**	**- 4.8%**
Operating Income - Management of Assets	(24)	(26)	(22)	(25)	
Other Operating Income and Expense	(11)	(14)	(19)	(15)	
Operating Income	**26**	**22**	**14**	**13**	
Net Income before tax and non-recurring items	**33**	**35**	**32**	**28**	**- 14.9%**
Net Income	**2**	**2**	**(9)**	**(9)**	
Investments	(50)	(50)	(62)	(68)	
Disposals	19	42	1	3	
Free Cash Flow	38	55	6	15	
Net debt	**(165)**	**(118)**	**(127)**	**(63)(4)**	

** At constant exchange rate*
(1) Total sales regardless the operating structure
(2) Includes €14 million, €13 million, €8 million and €5 million in property development revenue for, respectively, 2011, 2012, 2013 and 2014
(3) EBITDA Villages : Operating Income Villages before interst, taxes depreciation and amortization
(4) Includes the conversion of 3.445.011 convertible bonds

➢ A stable business

- The number of **customers** staying in Club Med villages was unchanged from 2013 and stood at 1,231,000.

- **Business Volume Villages** (corresponding to total sales regardless the village operating structure) amounted to €1,438 million versus €1,456 million in the prior year, a slight drop of 1.2% at constant exchange rates. Business was down 3% in reported data impacted by exchange rates.

- **Villages revenue** totaled €1,376 million, stable at constant exchange rates, boosted by strong performances in the Americas and Asia:
  - **The Americas** recorded growth of 6.7%, driven by Brazil, the United States and Canada,
  - **Asia** was up 2.2%, despite the drop in the number of Chinese customers visiting villages in Malaysia and Thailand due to conjonctural events (air disasters, geopolitical unrest),
  - **Europe-Africa** recorded a 1.5% drop in revenue, primarily due i) to the downturn in its two main trading countries: France[1], hit by the economic crisis and a challenging fiscal environment, and Belgium[2] and ii) by the geopolitical unrest affecting destinations in North Africa and the in Middle-East.

1 Market down 9.1% in business volume for Winter and 4.3% for Summer according to Syndicat des Entreprises du Tour Operating (SETO) data at September 30, 2014
2 Market down 11% in customer volumes for Winter and 3.9% for Summer according to ABTO data at October 31, 2014

- **Capacity was adjusted downward by 2.1%** worldwide. In Europe-Africa, capacity was reduced by 6.7% taking into account i) the exit of the 3-Trident villages of El Gouna (Egypt) and Hammamet (Tunisia), ii) the temporary closure of the managed village of Sinaï Bay (Egypt), and iii) the non-reopening of the village of Belek (Turkey). In Asia, capacity was up 12.2% with the opening, in China, of the village of Guilin at full capacity and the 5-Trident space of Dong'ao Island. In the Americas, capacity was stable.

- **RevPab** (revenue per available bed) was up 1.8% at €101.3 due to an improved price mix across all destinations and an almost stable occupancy rate of 69.3%.

➢ Operating profitability sustained

(in €m)

Reported	2011	2012	2013	2014
EBITDAR Villages [1]	**270**	**281**	**271**	**266**
% of Villages revenues	*19.2%*	*19.4%*	*19.4%*	***19.3%***
Rents	(144)	(155)	(153)	(148)
EBITDA Villages [2]	**126**	**126**	**118**	**118**
% of Vilages revenues	*8.9%*	*8.7%*	*8.4%*	***8.6%***
Depreciations	(66)	(65)	(64)	(64)
Provisions	1	1	1	(1)
Operating Income Villages	**61**	**62**	**55**	**53**

(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

- **EBITDA Villages** stood at €118 million, stable compared to 2013. The EBITDA Villages margin (as a proportion of revenue) was up 0.2 percentage point, at 8.6%, due to capacity management combined with cost control in response to the downturn in business volumes, in particular in France and Belgium.

- **Operating Income - Villages** stood at €53 million, down from €55 million in 2013, increased profitability in the Americas and Asia almost entirely offsetting the €13 million drop in Europe-Africa. Asia's contribution now accounts for over three quarters of the Group's Operating Income - Villages.

(en M€)

Reported	2012	2013	2014
Europe-Africa	20	9	(4)
Americas	8	9	16
Asia	36	37	41
Operating Income - Villages	**65**	**55**	**53**
% of Villages revenue	*4.7%*	*4.0%*	*3.8%*

➢ <u>Exluding non-recurring items, a positive profitability for the last five years but extraordinary factors continue to have a negative impact on net profitability</u>

- **Operating Income - Management of Assets** stood at €(25) million and mainly included €(13) million in costs to exit and close villages, of which €(6) million for the village of Djerba-La-Fidèle (Tunisia) and €(6) million for non-operated villages, as well as €(6) million in development/construction costs.
  Over the last three years, Operating Income - Management of Assets has included €(75) million in costs related to 17 villages not adapted to the upscale strategy, affecting the Group's net profitability (€16 million of net accumulated losses between 2012 and 2014).

- **Other Operating Income and Expenses** stood at €(15) million and mainly included €(6) million in restructuring costs, down €4 million versus the previous year, as well as €(7) million in other costs, including a €(4) million provision for the receivable relating to advances made to the owner of the village of Belek and €(3) million for public tender offer-related expenses.

- **Financial income** of €(13) million benefited from a €2 million drop in interest charges associated with the conversion of 3,445,011 OCEANEs but was impacted by a €(4) million translation loss.

- **Net income before tax and non recurring items** stood at €28 million.
  Net income of €(9) million was impacted by the extraordinary items described above.

➢ <u>A very solid financial structure</u>

- **Free cash flow** was positive and stood at €15 million, up versus 2013. Excluding disposals and exit costs, it amounted to €21 million.
  Over the last three years, the Group has recorded €76 million of free cash flow (€69 million restated for disposals and the cash impact of villages exit costs).

- **Net debt** stood at €63 million, divided by 2 versus 2013, mainly due to the conversion of 3,445,011 OCEANEs. Gearing stood at 12%, a historically low level for the Group.

2. Further step in the upscale strategy and the internationalization of the customer base

➢ <u>Growing upscale indicators in 2014</u>

- 901,000 customers stayed in 4 and 5-Trident villages, 5,200 additional customers versus 2013. These customers now account for over 73% of Club Méditerranée customer base.
  New customer satisfaction records were also achieved this year, with the percentage of very satisfied customers increasing during both the Winter and Summer season.

- In France, the Group continued to gain market share in a downbeat economic environment. In a market that fell by 7.5% over the year (SETO figures at the end of September) and despite capacity adjustments, Club Med business volume on the Individuals segment fell by just 5.2%, reflecting the strength of its unique positioning.

- The upscaling of the portfolio of villages continued in 2014; the percentage of 4 and 5-Trident villages accounts for nearly 72% of Club Méditerranée capacity, up 0.7% versus 2013.

An accelerated strategy of internationalization

- New gains in customers from fast-growing markets

  In 2014, Club Méditerranée welcomed 25,000 additional customers from fast-growing markets, accounting for 31% of the total number of customers, up 2 percentage points versus 2013 and offsetting the drop in French and Belgian customers.

  China was the main driver of this growth with 20,000 additional customers in 2014, despite the drop in Summer bookings to Thailand and Malaysia.
  In 2014, Greater China accounted for 10.2% of customers, up 1.5 percentage points on 2013.

  Brazil was also a major growth driver for the Group with 5,000 additional customers in 2014 and an 11.4% increase in the number of customers staying in villages in European ski resorts.

- Development underpinning the internationalization of the customer base with upscale openings in line with new trends...
  - December 14, 2014: a new flagship village in the French Alps, Val Thorens Sensations, a 4-Trident village with a capacity of nearly 800 beds,
  - January 31, 2015: 52 outstanding Villas on the private island of Finolhu, a few minutes away from the village of Kani,
  - April 2015: the 4-Trident, 800-bed capacity village of Dong'ao Island (China) will add to the range which includes the 5-Trident resort opened on June 20, 2014,

  … and new villages to come:
  - October 16, 2014: signing with Costa Do Pero Group of an off-plan lease concerning the construction of a fourth Brazilian village located near Buzios, subject to suspensive conditions, to be completed by December 31, 2014. This 4-Trident village will have a 5-Trident space and should open in late 2016,
  - November 10, 2014: signing of a management agreement for the 5th Chinese village located in Beidahu ski resort, in partnership with Qiaoshan Group. This 5-Trident, 170-bedroom village (with the option to extend which would add another 160 bedrooms) will open its doors in the second half of 2016.

- Innovative concepts to support the internationalization of the customer base with the introduction of a totally new experience, "Club Med CREACTIVE by Cirque du Soleil". Acrobatic and artistic disciplines will be taught at the village of Punta Cana by Cirque du Soleil-trained GO.

3. Outlook

➢ Winter 2015: cumulative bookings at November 22, 2014

Business volume Villages by region at constant exchange rate	Cumulative as of November 22, 2014	Last 8 weeks
Europe-Africa	+ 0.1%	- 18.8%
Americas	+ 12.8%	+ 4.8%
Asia	+ 4.8%	- 5.9%
Total Club Med	**+ 2.7%**	**- 12.4%**
Capacity Winter 2015	**- 0.2%**	

Cumulative bookings at November 22, 2014, expressed in business volume at constant exchange rates, were up 2.7% on Winter 2014, with capacity unchanged. At the same time last year, two thirds of Winter bookings had been recorded.

To date, these bookings are up across all geographical areas, in particular in the Americas and in Asia.

Growth of 12.8% in the **Americas** was driven by a more dynamic economic environment in this region of the world. The growth of 4.8% recorded in **Asia** was based on very strong performances in China at +30%.

Europe-Africa recorded stable bookings compared to Winter 2014. In France, bookings are stable in a market (Individuals) still falling sharply, at -6%[3].
Outside France, the region benefited from positive growth driven by certain markets such as the United Kingdom, South Africa and Russia.

The last eight weeks were marked by a sharp drop of 18.8% in Europe-Africa due to geopolitical and health-related issues which detracted the attractiveness of certain destinations. In Asia, the slowdown in bookings of 5.9% is a result of a phasing effect related to the shift of the Chinese New Year holiday compared to last year.

➢ 2015: outlook[4]

In 2015, costs relating to the exit/closure of non-strategic villages recognized under Operating Income - Management of Assets should be limited and debt interest should be reduced, as well as Public Tender Offer expenses.
As a result, Club Med's net income is likely to be positive in 2015, exluding further degradation of the environment.

[3] SETO data in business volume at the end of September 2014
[4] To date, this outlook has been fulfilled by the Company and does not take into consideration any consequences of decisions that may be taken if the initiators are successful with either of the two ongoing public tender offers

4. Public Tender Offers

➢ Offer filed by Gaillon Invest II & Fidelidade

On September 12, 2014, a new offer was filed with the French *Autorité des Marchés Financiers* (AMF) by Gaillon Invest II and Fidelidade (a Portuguese insurance company controlled by Fosun), acting in concert with the Management, Ardian and U-Tour at a price of €22 per share and €23.23 per OCEANE.

On October 6, 2014, the Board of Directors noted that this offer was a more promising opportunity for the company and its employees. This recommendation was made upon knowledge of the unfavourable opinion of the Works Council.

On October 14, 2014, the AMF declared that the Gaillon Invest II and Fidelidade offer was compliant. The Offer was thus opened on October 17, 2014.

➢ Higher bid from Global Resorts SAS on its Public Tender Offer

On November 11, 2014, Global Resorts SAS purchased 2,164,242 Club Méditerranée shares off-market for a unit price of €23. Additional 1,064,688 shares were purchased on November 13, 2014 at the same price.

Within this context, on November 11, 2014, the AMF issued a notice noting that Global Resorts SAS was now in a situation of automatic increase of the terms of its offer. Consequently, from that date, the price of its public tender offer was raised to €23 per share. According to the AMF notice, the price for the OCEANE remain identical, i.e. €22.41 per OCEANE, but the AMF specifies that the bonds can be converted at the current conversion rate of 1.065 per shares, resulting in a fully transparent price of €24.495 per OCEANE.

➢ Implementation by the AMF of the process aiming at expediting comparison of the competing offers

Pursuant to its notice of November 13, 2014, the AMF decided to implement the mechanism of expediting comparison of competing offers with due observance of the order of their filing. For this reason, it decided to set at December 1, 2014 at 18:00 the deadline, for Gaillon Invest II and Fidelidade for filing an improved offer compared to the Global Resorts Offer, as amended on November 11, 2014.
According to the AMF notice, the closing date for the existing offers will be set following application of the process of expediting comparison of the competing offers.

The Company's Board of Directors will issue a reasoned opinion on the final highest bid.

The company hereby states that the financial data contained in this press release are consistent with the information disclosed in ongoing public tender offers (see, in particular, page 16 of the independent expert's report appearing in the response referred to by the AMF on October 14, 2014, reference number 14-550).

5. Next meeting in 2015

The Company's Ordinary General Shareholder's Meeting will be held on January 12, 2015.

Additional information

The consolidated and parent company financial statements of Club Méditerranée at October 31, 2014 were approved by the Board of Directors on November 27, 2014.
The Group's Statutory Auditors conducted an audit of these financial statements, in due diligence, and the audit reports relating to the certification of these consolidated and parent company financial statements are in the process of being released.
The financial results for the 2014 financial year are available on the website http://www.clubmed-corporate.com.

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APPENDICES

Income statement

(in €m)

Reported	2011	2012	2013	2014
Group revenue	**1,423**	**1,459**	**1,408**	**1,381**
Operating Income - Villages	61	62	55	53
Operating Income - Management of Assets	(24)	(26)	(22)	(25)
Other Operating Income & Expense	(11)	(14)	(19)	(15)
Operating Income	**26**	**22**	**14**	**13**
Finance cost - net	(16)	(8)	(11)	(13)
Share of profit of associates	1	1.6	2	2
Income tax/benefit	(9)	(13.4)	(14)	(11)
Net result	**2**	**2**	**(9)**	**(9)**

Balance sheet

Non-current assets	2011	2012	2013	2014
PPE	838	815	751	748
Intangible assets	79	80	82	87
Non-current financial assets	92	90	91	101
Total non-current assets	**1,009**	**985**	**924**	**936**
Government grants	(33)	(30)	(27)	(24)
Total	**976**	**955**	**897**	**912**

Equity and liabilities	2011	2012	2013 restated (1)	2014
Equity incl. Minority interests	512	522	469	523
Provisions	51	48	52	48
Deferred tax liabilities - net	29	27	24	19
Working capital	219	240	225	259
Net debt	165	118	127	63 (1)
Total	**976**	**955**	**897**	**912**

(1) Change in accounting policy relating to the revised IAS 19 (Provision for pension + €3 million / Equity €(3) million)

	2011	2012	2013	2014
Gearing	32%	23%	27%	12%
Working capital / Villages revenue	15.5%	16.6%	16.1%	18.8%
Average capital employed (2) / Villages revenue	55%	51%	50%	48%

(1) After the conversion of de 3.445.011 convertible bonds for €56 million

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

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Shareholding

➢ Breakdown of share capital and voting rights at November 15, 2014

	Number of shares November 15, 2014	% Capital	Voting rights November 15, 2014	% VR
Fosun Property Holdings Limited*	3,582,677	9.97%	6,753,256	16.93%
Fosun Luxembourg Holdings	2,982,352	8.30%	2,982,352	7.48%
Guo Guangchang*	1,851	0.01%	3,702	0.01%
Henri Giscard d'Estaing*	1,483	0.00%	1,533	0.00%
Subtotal Gaillon Invest II	6,568,363	18.29%	9,740,843	24.43%
Strategic Holdings	3,556,439	9.90%	3,556,439	8.92%
Global Resorts SAS	3,228,930	8.99%	3,228,930	8.10%
Subtotal Global Resorts SAS	6,785,369	18.89%	6,785,369	17.01%
CMVT International (Groupe CDG Maroc)*	2,250,731	6.27%	2,250,731	5.64%
Caisse des Dépôts et Consignations (1)	1,908,492	5.31%	1,908,492	4.79%
Rolaco*	1,793,053	4.99%	1,793,053	4.50%
Benetton*	708,000	1.97%	708,000	1.78%
UBS AG London (2)	2,402,553	6.69%	2,402,553	6.02%
Crédit Suisse (3)	1,844,608	5.14%	1,844,608	4.63%
Moneta	1,767,087	4.92%	1,767,087	4.43%
Franklin Finance	1,500,000	4.18%	1,500,000	3.76%
Air France	635,342	1.77%	635,342	1.59%
Tyrus Capital (4)	0	0.00%	0	0.00%
Polygon Global Partners (5)	0	0.00%	0	0.00%
JP Morgan Asset Management (6)	0	0.00%	0	0.00%
Millenium (7)	0	0.00%	0	0.00%
GLG Partners LP (8)	3,401	0.01%	3,401	0.01%
French institutions (9)	2,815,538	7.84%	2,815,610	7.06%
Foreign institutions (9)	3,448,761	9.60%	4,124,863	10.34%
Treasury stock (10)	208,804	0.58%	208,804	0.52%
Employees	23,270	0.06%	46,540	0.12%
Public and others (9)	1,254,036	3.49%	1,344,682	3.37%
TOTAL	35,917,408	100%	39,879,978	100%

* Represented on the Board of Directors
(1) Caisse des Dépôts et des Consignations also owns 994,805 convertible bonds
(2) Shares held under the cover of CFDs issued by the bank to its customers
(3) Of which 1,787,698 shares held to hedge the 1,787,698 CFD issued by the bank for the account of its customers
(4) Tyrus Capital owns 1 075 000 CFD
(5) Polygon owns 3,302,681 CFD
(6) JP Morgan Asset Management owns 520,777 CFD
(7) Millenium owns 341,194 equity swaps
(8) GLG Partners also owns 296,761 CFD
(9) If applicable, excluding shares and voting rights of CFD
(10) Treasury shares for which voting rights cannot

NB : a "financial contract for differences" or "CFD" is a financial instrument by which term the investor acquires the right to collect the difference between the price of the underlying at the time of conclusion of the contract and price on the exercise date

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➢ Thresholds crossed since September 5, 2014

Shareholder	Date	Threshold crossed	Nb of shares	% K	Nb of voting rights	% VR
Boussard & Gavaudan	11/11/2014	< 5% K	1,892,820	5.27%	1,892,820	4.75%
Boussard & Gavaudan	13/11/2014	< 1% K	0	0.00%	0	0.00%
Equigest	24/11/2014	> 1% K	362,509	1.01%	362,509	0.91%
Fosun Luxembourg Holdings (1)	12/09/2014	> 8% K and 7% VR	2,982,352	8.30%	2,982,352	7.48%
Global Resorts SAS (2)	11/11/2014	> 5% K and VR	2,164,242	6.03%	2,164,242	5.43%
Global Resorts SAS (3)	13/11/2014	> 8% K and VR	3,228,930	8.99%	3,228,930	8.10%
Millennium	20/10/2014	> 1% K	371,845	1.04%	371,845	0.93%
Millennium	11/10/2014	< 1% K	341,194	0.95%	341,194	0.86%
Millennium	19/11/2014	> 1% K	361,683	1.01%	361,683	0.91%
Polygon	13/10/2014	> 8%VR	3,194,546	8.90%	3,194,546	8.01%
Polygon	17/10/2014	> 9% K	3,246,546	9.04%	3,246,546	8.14%
Tyrus Capital	11/11/2014	< 3% K	1,075,000	2.99%	1,075,000	2.70%

(1) On September 12, 2014, Fosun Holdings Luxembourg, together w ith Fosun Property Holdings Limited and M. Guo Guangchang and Henri Giscard d'Estaing, has exceeded the threshold of 18% of capital and 24% of the voting rights, holding 18.23% of the capital and 24.43% of the voting rights.
(2) On November 11, 2014, Global Resorts SAS, together w ith Strategic Holdings, has exceeded the threshold of 15% of capital and 14% of the voting rights, holding 15.93% of the capital and 14.35% of the rights voting.

(3) On November 13, 2014, Global Resorts SAS, together w ith Strategic Holdings, has exceeded the threshold of 15% of the voting rights, holding 18.89% of the capital and 17.02% of the voting rights.