

PRESS RELEASE

September 5th, 2014

Third-Quarter 2014 Revenue

(May 1st to July 31st, 2014)

- **3rd quarter 2014:**
 - **Business Volume Villages¹:** **€321m** - **4.9%** at constant exchange rates
 - **Group Revenue:** **€302m** - **4.0%** at constant exchange rates
 - **RevPab:** **+1,7%**
 - **4&5 Trident customers weight:** **69.1%** + **2 points**

- **Cumulative 9 months 2014:**
 - **Business Volume Villages:** **€1,097m** + **0.3%** at constant exchange rates
 - **Group Revenue:** **€1,062m** + **1.1%** at constant exchange rates

- **Cumulative Summer bookings² at August 30: down 5.4%** continuing to be impacted by a sharp decline in Europe-Africa and by an adjusted capacity of **-5,8%**.

- **Encouraging Winter 2015 bookings².**

I – BUSINESS PERFORMANCE

1) Business Volume Villages

<i>At constant exchange rates (in € million)</i>	2013	2014	% change 14 vs 13
First quarter	340	352	+ 3.3%
Second quarter	416	424	+ 2.0%
Third quarter	338	321	- 4.9%
Year-to-date	1,094	1,097	+ 0.3%

- **For the first 9 months of the fiscal year** (November 1, 2013 to July 31, 2014), business volume totaled €1,097m compared to €1,094m in the prior-year period, representing a rise of +0.3% at constant exchange rates. Business was down 2.5% in reported data impacted by exchange rates.

¹ Indicator that best represents the business: total sales regardless the operating structure

² Total business volume Villages at constant exchange rate

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- **In the 3rd quarter**, business volume was down 4.9% at constant exchange rates, impacted mainly by the sluggish economic environment, especially in the French and Belgian markets.
- **Capacity** was adjusted downward by 4.6% worldwide in the 3rd quarter. In Europe-Africa, capacity was reduced by 10.9% 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 increased by nearly 17% with the full-capacity opening of the Village of Guilin in China.
- The proportion of **customers** staying in the most upmarket villages (4 and 5-Trident villages) continued to rise by 2 percentage points. In the third quarter of 2014, they accounted for 69.1% of the total number of customers.

2) Revenue

<i>(in € million)</i>	Group			Villages
	2013 Reported	2014 Reported	2014 vs 2013 at constant exchange rates	2014 vs 2013 at constant exchange rates
First quarter	344	344	+ 4.3%	+ 3.7%
Second quarter	419	416	+ 2.4%	+ 2.7%
Third quarter	317	302	- 4.0%	- 3.0%
Year-to-date	1,080	1,062⁽¹⁾	+ 1.1%	+ 1.3%

(1) Includes €4M revenues from property development vs €6M in 2013 (among which €1M in Q3 2014 vs €4M in Q3 2013)

- **Group revenue** in the 3rd quarter of 2014 totaled €302m compared to €317m in the prior-year period, down 4.0% at constant exchange rates. **Villages revenue** (excluding property development revenue) at constant exchange rates was down 3% in the 3rd quarter of 2014, reflecting the slowdown of business volume in the French and Belgian markets.
- **RevPab** (revenue per available bed) was up by 1.7% at constant exchange rates in the 3rd quarter of 2014 thanks to the strong 5% improvement in the average price per hotel day offsetting the slight fall in the occupancy rate which came to 64.4%.

II – THIRD QUARTER HIGHLIGHTS

The portfolio of Club Med Villages is continuing to move upscale:

1) Exit of Villages that no longer meet the upscale strategy

In line with its strategic objective of having 3/4 of 4 and 5-Trident Villages by the end of 2015, the Group carried out i) the exit on July 18 of the last seasonal 3-Trident Village of Val Thorens (France) of a capacity of 358 beds and operated under a lease contract and ii) the definitive closure on August 31, 2014 of the Village of Pompadour, the last seasonal 2-Trident Village, operated under a lease contract. These exits come after the sale in 2013 of the 3-Trident Village of Dieulefit which had been non-operated since 2004.

2) Further openings of upscale Villages aiming at the internationalization of the customers

- **Opening on June 20, 2014 of the 5-Trident space of the Village of Dong'ao Island, the first Chinese seaside resort, thereby becoming Club Méditerranée's third managed Village in China.** Situated on an island off the coast of Hong Kong and Macau, this 5-Trident space composed of 70 suites and two villas, is already top-placed by Trip Advisor out of 443 hotels in the Zhuhai region. This very upscale resort will be joined in 2015 by a 4-Trident Village with 267 rooms including 33 suites;
- **Completion of construction of the 4-Trident Village of Val Thorens Sensations on July 22, 2014.** With capacity of nearly 800 beds, the Village will open on December 14, 2014 to French and international clients, strengthening the global leadership of Club Med in the segment of upscale all-inclusive mountain vacation;
- **Renovation of two 4-Trident Villages :** Bali (Indonesia) which now has a quiet pool and a specialties restaurant and Cancun (Mexico) which benefits from a capacity increase with the construction of 60 new rooms dedicated to families and a new restaurant;
- **Announcement of the opening on January 31, 2015 of 52 outstanding Villas in Finolhu.** Situated on a private island, a few minutes away from the Village of Kani, these villas are an addition to this village's very upscale offer, which already includes a 5-Trident space consisting of 74 lagoon suites.

Implemented in Asia for more than 30 years, Club Med will now counts 14 Villages in this region.

3) Sale of CMAR shares

On July 1, 2014, Club Méditerranée completed the sale of its 22.5% holding in CMAR, a real estate company that owns the Village of Albion in Mauritius. Final approval from the Prime Minister of Mauritius is awaited before this transaction can be finalized.

III – POST THIRD-QUARTER-CLOSING HIGHLIGHTS

1) Public Tender Offer

On August 14, 2014, the initiators of the Gaillon Invest bid (Ardian and Fosun in cooperation with the Management) decided to abandon the public tender offer on Club Méditerranée launched on May 27, 2013 at the price of €17.50 per share and €18.79 per OCEANE. However, they said they continued to act in concert.

This decision followed the ruling by the French *Autorité des Marchés Financiers* (AMF) on August 13, 2014 on the compliance of the competing offer from Global Resorts SAS for the company's shares at €21 per share and €22.41 per OCEANE.

The Global Resorts offer opened on August 18, 2014 and is due to close on September 19, 2014.

In practical terms, this means an amendment to the allocation ratio of shares temporarily adjusted for holders of OCEANES³, as of August 18, 2014 going from 1.124 Club Méditerranée shares for 1 OCEANE to 1.065 Club Méditerranée shares for 1 OCEANE.

2) Renegotiation on August 6, 2014 of the existing Syndicated Credit Line (maturing December 2014) (“Amend & Extend”)

Given the company's improved financial situation, the amount of the line was reduced from €100m to €80m and the conditions improved: specifically the margin, now varying in a range between 1.3% and 2.0% depending on the net debt/EBITDA ratio and the removal of the pledges on the asset securities provided as collateral. The maturity has also been extended to December 31, 2015. There has been no change to the covenants or other main clauses of the syndicated credit agreement.

IV - OUTLOOK

➤ Summer 2014 bookings to date, per issuing market

<i>Villages business volume at constant exchange rates by issuing region</i>	Year-to-date as of May 10, 2014 ⁽¹⁾	Year-to-date as of August 30, 2014	Last 8 weeks
Europe-Africa	- 4.6%	- 7.6%	- 14.9%
Americas	+ 11.5%	+ 3.6%	- 11.2%
Asia	- 1.3%	+ 1.1%	+ 4.3%
Total Club Med	- 3.0%	- 5.4%	- 10.7%
Summer Capacity	- 4.6%	- 5.8%	

(1) Release on the 2014 interim results on May 16, 2014

Cumulative bookings as of August 30, 2014, expressed in business volume at constant exchange rates, are down 5.4% compared with Summer 2013, for a capacity adjusted by -5.8%. At the same time last year, over 90% of the total Summer bookings had been recorded.

³ In accordance with the listing particulars for the OCEANES issued by Club Méditerranée approved by the AMF on September 28, 2010 under number 10-337

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In the **Americas**, bookings to date are up 3.6%, driven by good performance in Canada. Bookings in **Asia** are up in latter weeks while continuing to be affected by the disaffection of Chinese customers with regards to Malaysia and by a drop in bookings for the village of Phuket due to political uncertainty in Thailand.

In **Europe-Africa**, cumulative bookings to date are down 7.6% over the season, impacted by the closures of the Villages of Belek (Turkey), El Gouna (Egypt) and Hammamet (Tunisia) and the temporary closure of the Village of Sinaï Bay (Egypt).

Over the last 8 weeks, bookings are down 10.7%, impacted mainly by the 14.9% drop in bookings in Europe-Africa.

Given the above elements and as indicated in the press release on May 16, 2014, Operating Income Villages for Summer 2014 will be below that of Summer 2013.

The company indicates that the financial information contained in this press release is consistent with the information provided regarding the ongoing public tender offer. However, the outlook for 2014 is below the business plan prepared by the company in October 2013, which was itself below the degraded version of the business plan prepared in October 2012 except on the key indicators of EBITDA Villages and Operating Income Villages which were in line (see pages 41 to 43 of the independent expert's report appearing in the note in response approved by the AMF on August 12, 2014 under number 14-461).

➤ **Bookings to date for Winter 2015**

Bookings to date are encouraging. They are benefiting from an active early booking policy in all geographic regions. At the same date last year, more than a third of winter season bookings had been recorded.

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ANNEXES

Villages revenue at constant exchange rates, by region

(in € million)	Q1			Q2			Q3			Year-to-date as of July 31		
	2013	2014	var %	2013	2014	var %	2013	2014	var %	2013	2014	Chg 9 months %
Europe - Africa	224	225	0.3%	294	301	2.4%	232	218	-5.9%	750	744	-0.9%
Americas	61	66	9.0%	64	68	6.4%	38	41	8.3%	163	175	7.8%
Asia	45	51	14.1%	46	46	0.2%	41	43	2.8%	132	140	5.8%
Villages	330	342	3.7%	404	415	2.7%	311	302	-3.0%	1,045	1,059	1.3%

Shareholding

➤ Breakdown of share capital and voting rights at August 31, 2014

	Number of shares		Voting rights	
	August 31, 2014	% capital	August 31, 2014	% VR
Fosun Property Holdings Limited ⁽¹⁾	3,582,677	9.98%	6,753,256	16.9%
Ardian (Axa Capital)	2,982,352	8.3%	2,982,352	7.5%
Guo Guangchang	1,851	0.0%	3,702	0.0%
Henri Giscard d'Estaing	1,483	0.0%	1,533	0.0%
Subtotal	6,568,363	18.3%	9,740,843	24.4%
CMVT International (Groupe CDG Maroc)	2,250,731	6.3%	2,250,731	5.6%
Rolaco	1,793,053	5.0%	1,793,053	4.5%
Benetton	708,000	2.0%	708,000	1.8%
Caisse des Dépôts et Consignations ⁽²⁾	1,908,492	5.3%	1,908,492	4.8%
Strategic Holdings	3,556,439	9.90%	3,556,439	8.9%
UBS AG London ⁽³⁾	2,405,661	6.7%	2,405,661	6.0%
Crédit Suisse ⁽⁴⁾	2,091,748	5.8%	2,091,748	5.2%
Moneta	1,767,087	4.9%	1,767,087	4.4%
Franklin Finance	1,500,000	4.2%	1,500,000	3.8%
Boussard & Gavaudan ⁽⁵⁾	1,350,433	3.8%	1,350,433	3.39%
Air France	635,342	1.8%	635,342	1.6%
Tyrus Capital ⁽⁶⁾	0	0.0%	0	0.0%
Polygon Global Partners ⁽⁷⁾	0	0.0%	0	0.0%
GLG Partners LP ⁽⁸⁾	3,401	0.01%	3,401	0.0%
French institutions ⁽⁹⁾	3,214,212	9.0%	3,214,265	8.1%
Foreign institutions ⁽⁹⁾	4,308,333	12.0%	4,984,435	12.5%
Treasury stock ⁽¹⁰⁾	208,804	0.6%	208,804	0.5%
Employees	23,520	0.1%	47,040	0.1%
Public and others ⁽⁹⁾	1,612,216	4.5%	1,704,864	4.3%
TOTAL	35,905,835	100%	39,870,638	100%

⁽¹⁾ All voting rights of Fosun are again exercisable from July 31, 2014

⁽²⁾ Caisse des Dépôts et des Consignations also owns 994,805 convertible bonds

⁽³⁾ Shares held under the cover of CFDs issued by the bank to its customers

⁽⁴⁾ Of which 2,007,703 shares held to hedge the 2,007,703 CFD issued by the bank for the account of its customers

⁽⁵⁾ Of which 361 167 CFD. Boussard & Gavaudan also owns 252,608 shares and 38 540 CFD per delegation

⁽⁶⁾ Tyrus Capital owns 1 847 368 CFD

⁽⁷⁾ Polygon owns 2 754 431 CFD

⁽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 be exercised

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

➤ Threshold crossings since the announcement of half-year results (May 16, 2014)

Shareholder	Date	Nb of shares	% K	% VR	Threshold crossed
Strategic Holdings S.à.r.l.	14/05/2014	2,179,711	7.92%	7.12%	↗ 7% VR
Strategic Holdings S.à.r.l.	15/05/2014	2,777,193	8.32%	7.48%	↗ 8% K
Strategic Holdings S.à.r.l.	19/05/2014	3,359,828	10.07%	9.05%	↗ 10% K
Strategic Holdings S.à.r.l.	12/08/2014	3,359,828	9.92%	8.93%	↘ 10% K et 9% VR
Boussard & Gavaudan Asset Management	19/05/2014	1,489,752	4.46%	4.01%	↘ 5% K
Polygon Global Partners	29/05/2014	1,875,452	5.62%	5.05%	↗ 5% VR
Polygon Global Partners	10/06/2014	2,026,726	6.02%	5.38%	↗ 6% K
Polygon Global Partners	01/07/2014	2,409,366	7.10%	6.36%	↗ 7% K et 6% VR
Crédit Suisse	15/05/2014	1,791,411	5.37%	4.82%	↘ 5% VR
Crédit Suisse	19/05/2014	1,468,283	4.40%	3.95%	↘ 5% K
Crédit Suisse	07/07/2014	1,719,460	5.07%	4.54%	↗ 5% K
UBS	15/05/2014	1,849,260	5.54%	4.98%	↘ 5% VR
UBS	16/05/2014	1,879,260	5.63%	5.06%	↗ 5% VR
UBS	20/05/2014	1,850,797	5.54%	4.98%	↘ 5% VR
UBS	27/05/2014	1,877,083	5.62%	5.06%	↗ 5% VR
UBS	29/05/2014	1,848,042	5.54%	4.98%	↘ 5% VR
UBS	13/06/2014	1,883,504	5.59%	5.00%	↗ 5% VR
Caisse des Dépôts et Consignations	06/08/2014	1,908,492	5.33%	4.79%	↘ 5% VR

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