

PRESS RELEASE

Friday, June 13th

2008 INTERIM RESULTS

- **A very satisfactory winter:**
 - **Strong growth in revenue, up 11.2% like-for-like (12.6% as reported)**
 - **Faster customer gains, with a net 20,000 new customers over the season**
 - **Much faster improvement in operating income – Leisure, up 61% to €30 million from €18.6 million in first-half 2007**
- **Good start to villa sales, with 16 units sold for €22 million**
- **Encouraging trend in summer bookings, up 8.8% at 7 June**
- **Reinforced financial structure with the proposed Jet tours and Club Med Gym transactions**
- **€9 million net loss impacted by seasonal real estate costs and the small number of asset management transactions over the first half, but the year will end with a profit**
- **Sharp improvement in free cash flow, to €(8) million from €(61) million**
- **Club Med is configured for growth**

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

“Winter 2008 was particularly satisfying, with a sharp improvement in operating performance and faster net customer gains. Year-to-date summer bookings are encouraging. In the context of these successful operating results, we decided to refocus on our core business through the two proposed asset sales that were recently announced.

In this way, looking forward to 2009 and beyond, Club Med will be configured for a new phase of growth. Backed by our solid, reinforced financial structure, the successful completion of the move upmarket and the growing impact of the Magellan project to drive stronger innovation, we'll be able to step up our organic growth by pursuing our targeted, profitable investments in new destinations. And thereby fulfill our ambition of becoming the world specialist in all-inclusive, upscale, friendly, multi-cultural vacations.”

Financial Highlights ⁽¹⁾

In € millions	First-half 2007	First-half 2008
Revenue	839	944
EBITDAR – Leisure ⁽²⁾	122	148
Operating income - Leisure	19	30
Operating expense – Management of assets	(4)	(9)
Other operating income & expense, net	(9)	(13)
Operating income	6	8
Finance cost, net	(12)	(15)
Share of profit of associates	0	0
Income tax expense	8	(2)
Net income/(loss)	2	(9)
<i>Of which attributable to shareholders</i>	<i>1</i>	<i>(10)</i>
Free cash flow	(61)	(8)
Net debt (at 30 April)	(365)	(350)

⁽¹⁾ Before reclassifying Jet tours and Club Med Gym as discontinued operations, in accordance with IFRS 5, with no impact on net income.

⁽²⁾ EBITDAR – Leisure: Earnings before interest, taxes, depreciation, amortization and rents.

⁽³⁾ Operating income is defined on page 121 of the 2007 annual report, along with the definitions of operating income – Leisure, operating income – Management of assets and other operating income & expense

NB: The accounts cover the six months ended 30 April 2008 and have been the subject of a limited review by the auditors.

I – FINANCIAL REVIEW

Strong growth in revenue and earnings

Revenue rose by 12.6% to €944 million in the first six months of fiscal 2008, from €839 million in the prior-year period. On a like-for-like basis (at constant scope of consolidation and exchange rates), the increase was 11.2%, evenly spread across the first quarter (up 11.2%) and the second (up 11.1%). Both the Villages and the other businesses enjoyed double-digit growth for the period, with the Villages reporting an 11% gain.

The occupancy rate for the winter season improved by 1.4 points year-on-year, to 71.5%.

Revenue per available bed (RevPAB), which is a key indicator of the business's move upmarket, rose by more than 8% during the winter, to €105 from €97 the year before.

Operating income – Leisure up 61%

Operating income – Leisure rose sharply during the period, to €30 million from €18.6 million in first-half 2007. Village EBITDAR (i.e. operating income before property costs) improved by nearly 21%, to €148 million from €122 million for the year-earlier period.

Village EBITDAR and operating income – Leisure *

<i>In € millions</i>	EBITDAR – Leisure			Change W08/W07	Operating income - Leisure		
	Winter 06	Winter 07	Winter 08		Winter 06	Winter 07	Winter 08
Villages before insurance settlements	89.8	111.3	134.4	+20.8%	(4.0)	17.0	26.5
<i>As a % of like-for-like revenue</i>	<i>14.2%</i>	<i>16.9%</i>	<i>18.3%</i>				
Business interruption insurance settlements	13.5	1.6	0.0		13.5	1.6	0.0
Villages	103.3	112.9	134.4	+19.1%	9.5	18.6	26.5
Other businesses	8.5	9.2	13.5		(0.8)	0.0	3.5
Consolidated operating income - Leisure	111.8	122.0	147.9	+21.2%	8.7	18.6	30.0

* details concerning EBITDAR Loisirs can be found page 121 of the 2007 annual report

Consolidated operating income stood at €8 million, versus €6 million in first-half 2007, reflecting the combined impact of the sharp improvement in Leisure revenue and the €9 million operating loss from the management of assets, which was due to both the costs of the villages closed for renovation and the non-recurrence of the capital gains on asset disposals recorded in first-half 2007.

The bottom line reflected the impact of completing the move upmarket, the seasonality of real-estate costs and the small number of asset management transactions during the period. The Group ended the period with a €9 million loss, versus income of €2 million in first-half 2007. In light of the proposed disposals, however, the Group will end the year in profit.

Free cash flow was close to break-even, at a negative €8 million versus a negative €61 million a year earlier. The improvement was led by the sharp increase in cash flow from operations, which offset the small number of disposals over the period and the €60 million in capital expenditure.

Debt declined to €350 million at 30 April 2008 from €365 million a year earlier, while gearing stood at 76.8% due to the impact of the euro/dollar exchange rate on equity. The Group has €230 million in cash.

The proposed sale of Jet tours to Thomas Cook and the proposed sale of a stake in Club Med Gym to 21 Centrale Partners, announced on 9 June, will further strengthen the Group's financial position by adding another €100 million to cash, for a total of €330 million.

These proposed transactions, which have been submitted to the Works Councils concerned, should reduce gearing to nearly 50%.

II – COMPLETING THE MOVE UPMARKET: THE SITUATION AS OF 13 JUNE 2008

Faster net customer gains

The first half saw an acceleration in customer gains, with a net 20,000 increase over the prior-year period, when the shift in the customer base was not yet completed in all markets, notably Japan, Mexico and the United States.

In line with strategic objectives, the increase was even greater among upmarket customers, with a net gain of 36,000 customers in 4 and 5-Trident villages during the winter season and 84,000 over the past two years. In all, 54% of Club Med customers stayed in this category of village last winter.

First-half 2008 saw the completion of the shift in the customer base in the main European markets.

Success of the 5-Trident model

The success of La Plantation d'Albion, the first 5-Trident village, has confirmed the potential of an offering positioned in the “new luxury collective living experience” segment. The village attracted 23% more new customers than the winter sun village average, posting an occupancy rate of 64% for the season. Leveraging this success, beginning in winter 2009, the 5-Trident offering will be extended to include the five-mast Club Med 2 cruise ship and the Marrakech Le Riad village.

Attracting upmarket customers

At the same time, Club Med is continuing to invest in projects to renovate villages and move them upmarket. Bali and Bintan Island in Indonesia, Djerba La Douce in Tunisia, Tignes Val Claret in France and Da Balaia in Portugal are currently being renovated, while Sahoro in Japan, Punta Cana in the Dominican Republic, and Lindeman in Australia will move up from 3 to 4-Trident following renovation.

Lastly, the new global advertising campaign – “Where Happiness Means the World” – has been a proven success and has confirmed the strengths of the Club Med brand. Campaign results were twice as high as the average in terms of impact, approval and credibility.

III – CLUB MED NOW CONFIGURED FOR GROWTH

Success of the Villas: 16 sales finalized and 12 options taken

In Mauritius, 16 villas adjoining La Plantation d'Albion have been sold for €22 million. Construction will begin in summer 2008 with delivery scheduled for early 2010. In addition, options have been taken on 12 other units.

In line with the move upmarket, this villas program, carried out in partnership with Orascom, has the potential to improve operating income – Management of assets and, over the longer term, operating income – Leisure by providing additional luxury capacity without increasing overheads.

Increasing online sales: a major strategic advantage

Online sales increased in every country during the winter and accounted for 12% of business volume, up four points from 8% in winter 2007. The worldwide multilingual booking portal provides Club Med with a major competitive advantage.

Three new websites were created, in Brazil, Japan and South Korea, so that now, more than 20 countries are served online, including eight in the local language.

In winter 2008, the Club Med website recorded nearly 10 million visits. The Group confirms its target of €220 million in online sales for 2008.

New markets

Club Méditerranée already has more than 10,000 customers in Russia and South Africa, two examples of especially fast growing markets with strong development potential. The profile of this new clientele is fully in line with the upmarket strategy, since nearly all of the customers stay in 4T villages.

Business was up sharply in Southeast Asia, rising 51% in China, 35% in Hong Kong, 27% in Malaysia and 14% in Taiwan.

New destinations

Five new luxury villages are already in the pipeline, with openings scheduled on the Senegal coast, in Brazil (Buzios), in Egypt (Taba), in the south of the Sultanate of Oman, and in Sicily (renovation of Cefalu).

Summer 2008 bookings

	At 7 June 2008
Europe	+ 9.0%
Americas	+ 14.6%
Asia	+ 2.8%
Total Club Med	+ 8.8%
Jet tours	+ 13.1%

As of 7 June, summer 2008 bookings were up 8.8% on the prior-year date. As previously announced, this figure reflects the impact of early booking bonus offers.

CLUB MÉDITERRANÉE

Despite a slight decline in capacity in Europe, bookings were up 9.0%. The offer allowing children under 4 to stay for free has been a major success, notably in the off season. In the Americas, bookings were up 14.6%, lifted by the reopening of Ixtapa Pacific following renovation.

The 2.8% rise in bookings in Asia was satisfactory, especially in light of the 5% reduction in capacity and the impact of the selective marketing strategy in Japan.

Jet tours bookings were up 13.1%. This upward trend has confirmed the company's turnaround and validated its positioning in the upmarket segment.

Early bookings for the current summer season as well as for next winter reflect a growing tendency among Club Med customers to book earlier each season. This phase is typically followed by a lull, which should then lead to an increase in last-minute sales.

In response, sales for winter 2009 were moved forward to enable customers to book their vacations as early as possible.

So far, bookings for winter 2009 already stand at 18.3% of total winter 2008 sales, up from 6.7% on the same date last year. In addition, forecast capacity for winter 2009 should be on a par with last winter.

The 9 June press release about the proposed transactions concerning Jet tours and Club Med Gym is available on the Club Med website www.clubmed.com.

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