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## **Club Med Renews Portfolio with Over \$530 Million in Investments Group Implements New Operating and Development Models**

(Coral Gables—March 22, 2007) In 2006 and 2007, Club Med and its partners dedicated a total of \$530 million to renovate and revamp the group's portfolio of offerings. Fiscal year 2006 saw Club Med close five of its more rudimentary resorts and reinvest the windfall to upgrade seven others. Already these investments are bearing fruit with the recent openings of Club Med Cancun Yucatan, Mexico; Club Med Caravelle, Guadeloupe; Club Med La Plagne, French Alps; Club Med Opio in Provence, France; and soon Club Med Albion, Mauritius; Club Med Ixtapa Pacific, Mexico; and Club Med Buzios, Brazil.

By December of 2008, Club Med will introduce a completely updated portfolio in conjunction with new business models that securely position Club Med in the upscale family market--an estimated 39 million potential customers in Europe and the United States alone.

Club Med's new business models adapt resort development and management structures to each property and region. These strategies include the use of management contracts, long term leasing, and mixed-use developments. Club Med currently operates a total of six resorts via management contracts in Egypt, France, Turkey and Israel. The partner company contracts local labor for the resort's daily operations, while signature Club Med staff fills leisure and entertainment related positions. Club Med Buzios, on the famed "Brazilian St. Tropez" will be the group's first model of condominium resort development with some 300 units sold to individual buyers.

To further improve profitability and capacity without any capital outlays, Club Med will develop serviced residential villas adjacent to select resorts in collaboration its partners. Club Med Albion, Mauritius will introduce the first such villas, while several other sites, notably in Guadeloupe and the Dominican Republic, are under study.

In terms of future projects, the group is conducting sustained and systematic searches for new development opportunities in Costa Rica, Belize, the Dominican Republic and Mexico. In addition, Club Med closely monitors the efforts of Nicaragua, Guatemala and Honduras to break into the tourism arena.

Gerard Blitz and Gilbert Trigano founded Club Med in the 1950s, thereby innovating the all inclusive concept. Today, Club Med offers refined, generous and personalized vacations at 80 resorts in more than 25 countries. A Club Med vacation offers an array of choices, including luxury room categories, convenient travel arrangements, international cuisine, flexible dining times, exciting entertainment options, award-winning Children's Clubs, luxurious spa treatments and expert instruction in sports with top of the line equipment. Club Med is traded on the Paris stock exchange (CAC 40) under the symbol CU. Major shareholders include Air France / KLM and Richelieu Finance. For more information on development opportunities in the Americas contact Nicolas Boudet at [Nicolas.Boudet@clubmed.com](mailto:Nicolas.Boudet@clubmed.com)