

PRESS RELEASE

13 June 2010

Club Méditerranée and Fosun announce a global strategic partnership in China **Fosun acquires a 7.1 % stake in Club Méditerranée**

Club Méditerranée, a world-renowned resort group, and Fosun, China's largest privately-owned conglomerate, hereby announce that Fosun has acquired 7.1% of Club Med's share capital, and has become one of Club Méditerranée's largest strategic investors.

At the same time, the two groups announce a strategic partnership agreement in order to build comprehensive cooperation in upscale resort construction and operation as well as developing global business synergies.

This partnership, which is developed in a spirit of confidence and mutual benefit, will provide added value for the two companies, their clients, their employees and shareholders.

I CONTEXT

China, a major growth driver for Club Med

Chinese tourism is rapidly growing and offers great opportunities. Various indicators support this affirmation:

With the restructuring of global economy, China's economic growth model is attracting a lot of attention. An internal-led growth model of China will bring various business opportunities to the world. According to analysis, the number of China's domestic travels reached 1.9 billion in 2009, and will keep growing in the future at a double-digit rate. Tourism revenue amounted to 1 trillion RMB. In addition, the number of private outbound travels hit 40 million. Huge numbers of leisure travellers will surely bring opportunities for Club Med's resorts all over the world.

In the very promising Chinese market, Club Méditerranée wants to become the leading operator of upscale all-inclusive resorts, with the objective of making China its second largest markets within the next five years.

Fosun's investment focus has always been industries and assets that are in line with China's development trend. It firmly believes that the collaboration between Club Med and Fosun will not only help to provide Chinese consumers with high quality vacations, but also help stakeholders to share China's growth opportunities.

Club Med: world-renowned resort brand

Club Méditerranée, which invented the all-inclusive holidays resorts, was established in 1950 in France. It was listed in Paris in 1966 and has 80 resorts in more than 40 countries in the world. It provides worldwide premium all-inclusive vacation experience for 1.2 million people every year, with an annual revenue of more than 1.3 billion Euro (about 11 billion RMB). In 2010 Club Med made its plan for the next five years, and China plays an important role in it.

When the individual travel market opened up to Chinese tourists in 2003, Club Med immediately established a sales presence in the country and now has offices in Shanghai, Beijing, Guangzhou and Chengdu.

Therefore Club Med benefits today of an existing strong position in China with 23 000 Chinese customers in 2009 and more than 30 000 forecasted for 2010.

This year, the Group has decided to strengthen its presence in upscale resorts, by opening five resorts between 2010 and 2015. Club Med has already initiated new projects in China, in particular its first resort, as a ski resort, in Yabuli (the largest Chinese ski station in north-east China), to be opened by the winter season of 2010.

Club Med's goal is to attract 5% to 10% of potential Chinese visitors to 4 and 5 star vacation resorts by 2015, representing just 0.2% of the total Chinese population. On this base, Club Med could have over 200,000 Chinese customers by 2015.

Fosun, the partner for Club Med's strategy in China

Fosun Group was established in 1992 by four college graduates of Fudan University, one of the most prestigious universities in China. Fosun is reckoned as one of the benchmark private enterprises that were established after the adoption of China's opening-up and reform policy more than thirty years ago. The parent company of Fosun Group, Fosun International, was listed in Hongkong in 2007. Now Fosun has investments in pharmaceuticals, property development, steel, mining, retail, services and strategic investments, with annual revenue of more than 35 billion RMB.

Fosun is known for its superb management optimization of its post-investment companies and has recently retained John Snow, the former US Treasury Secretary, as an advisor to its board. Now the company is building an international investment platform with ability to consolidate both domestic and international resources in order to identify global business opportunities that are related to China's growth. In March 2010, Fosun and Carlyle Group, the largest private equity in the world, set up a joint venture partnership, which is the first of its kind in China. This move will provide a valuable platform for both overseas and Chinese companies to discover Chinese investment opportunities.

II THE STRATEGIC PARTNERSHIP

Business cooperation for new Club Med resort development

Fosun commits itself to support Club Med's development strategy with the aim to open five Club Med resorts in China by 2015.

Club Med has already identified specific sites for resorts which would be developed with the support of Fosun or its affiliates. Fosun (or its affiliates) will propose additional sites, considering their in depth knowledge of the Chinese property market.

On a mid term basis, the parties will cooperate to identify opportunities for the opening of new resorts, through greenfield development or by taking over existing upscale resorts.

Global business synergies

Club Med will benefit from the large and diversified expertise of Fosun to boost its sales and marketing development in China, in the following areas in particular:

- Media and communication: Fosun will use its experience and resources in China's media market to provide support for Club Med's expansion in China.
- MICE business: Club Med will have good opportunities to leverage the large and growing Chinese MICE business via selling incentives and seminars in Club Med resorts to Fosun's network and affiliates, as well as participating to series of industrial or financial forums and conferences organized by Fosun each year. This will enable Club Med to raise its recognition and top of mind awareness in China among Chinese business communities.
- Human resources and leisure activities in tourism: Club Med will be able to share human resources talents and trainings linked to relevant Fosun's activities in tourism, as well as Fosun's Chinese customers know-how

Investment of Fosun in Club Méditerranée's share capital

In the context of such strategic partnership, Fosun has acquired from FIPAR International and GLG Partners shares and ORANEs representing approximately 7.1% of the share capital of Club Méditerranée on a fully diluted basis (i.e. assuming the redemption in shares of all the ORANEs issued by Club Méditerranée), with a view to support Club Méditerranée's long term strategy and become an industrial, reference shareholder in Club Méditerranée.

One representative of Fosun will be appointed at the board of directors of Club Méditerranée. If Fosun reaches the 9% threshold in the share capital of Club Méditerranée (on a fully diluted basis), the appointment of a second board member selected by Fosun will be submitted to shareholders' approval at the next shareholders meeting.

One representative of Fosun will sit on each of the strategic committee and the audit committee of Club Méditerranée.

Fosun invests in Club Méditerranée in order to be a long term shareholder, and one of the company's largest shareholders, as part of the commercial partnership discussed with Club Méditerranée and in view of Club Med's current strategy. As part of this objective, and subject to this context, Fosun intends, if it reaches a 10% stake in the company (on a fully diluted basis), not to increase such stake beyond the 10% level during the following 24 months, subject to no other shareholder having more (or expressing the intention to have more) than 10%.

Henri Giscard d'Estaing, Chairman and Chief Executive Officer of Club Méditerranée, said:

“Since 2004, Club Med chose a strategy of being the worldwide specialist of all inclusive, upscale and multicultural vacations. It has conducted a profound transformation of its business model as well as a major evolution of its positioning.

I have indicated in the past months that Asia constitutes in itself a major opportunity in the carrying out of this strategy and that China will play a central role in it.

It is why I am profoundly delighted that our discussions with Fosun have led to this major strategic partnership that will enable us to write a new page in Club Med's history”.

Guo Guangchang, Chairman of the board of Fosun, said:

“The strategic partnership between Fosun and Club Med fittingly demonstrates Fosun's strategy of investing in the driver behind China's economic development from its home market of China and it is another important step that Fosun has made on its road to globalization. Fosun has a very diversified industrial base and various resources, so it will be able to lend full support to Club Med's expansion in China. Fosun will not only support Club Med's global strategy of upscale positioning and sharing China's growth opportunities, but also use this opportunity to benchmark itself with international brands and standards in order to improve its ability to consolidate resources and manage its investment.”

Club Méditerranée

Inventor of the all inclusive holidays concept 60 years ago, Club Méditerranée has committed itself since 2004 to reposition its strategy in order to respond to the needs of upscale clientele in search of exceptional holidays.

Thanks to the professionalism & constant friendly availability of its unique GO's, Club Med is today the only worldwide brand that offers all inclusive premium and multicultural vacations for families and couples

Present in 40 countries, it has a portfolio of 80 resorts located throughout five continents as well as a sailing 5 mat boat, the Club Med 2.

Club Med is distributed worldwide by travel agencies throughout direct and indirect channels.

Key Figures 2009

- **€ 1,360 million in revenue** (52% of them outside France)
- **15,000 GOs of 100 different nationalities**
- **80 resorts around the world**
- **Operations in 40 countries**
- **1.2 million clients yearly**

Fosun

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Fosun

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