

Press Release
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Club Méditerranée Plans to Close Club Med World Paris and Reorganize its European Call Center

Club Med World Paris

A project to close Club Med World Paris was presented today to the Works Councils of Club Méditerranée SA and Club Med World France, its subsidiary that operates the facility.

Since 2003, Club Méditerranée has helped Club Med World to deploy a wide range of measures intended to reverse the revenue decline and restore profitability.

Despite these efforts and the strong commitment of team members, the Club Med World “urban leisure” concept continues to show a loss. Moreover, it does not fit with the Group’s strategic refocusing on its Villages business, which has seen a considerable improvement in operating margins over the past two years.

Created in 2000 as part of a diversification strategy, the Club Med World concept was to be rolled out to the capitals of several countries. In 2003, the Club Med World in Montreal had to be closed because of substantial losses.

As for the Paris site, whose lease expires on 30 June 2010, no business model has been found to stem the losses, which total nearly €40 million since its opening.

The proposed closing, which could take effect as of 31 October 2009, would involve the elimination of 101 jobs.

A range of measures would be introduced to reduce the impact on the employees concerned and support outplacement initiatives.

Club Med European Call Center

The Works Councils of Club Méditerranée and CMCAE, its subsidiary that manages the European call center, were today presented with a plan to reorganize the center’s operations.

The reorganization is designed to adapt to major changes in consumer behavior that have occurred in recent years. Among the factors supporting the transformation are the increases in late bookings and online sales, as well as recent technological developments.

The project to reorganize sales operations is the latest in a line of initiatives introduced since 2007 that have helped to reduce distribution costs as a percentage of worldwide revenue by 2.6 points in three years.

Direct distribution in France, Belgium, Switzerland and Italy, corresponding to face-to-face and telephone sales to individual customers, would be handled by the Club Med Voyages agency network, whose B-to-C capabilities would be expanded. CMCAE would adjust to the new situation by leveraging its expertise and experience acquired over the past ten years. Its specialized B-to-B skills would be extended to focus on the processing of sales made via the indirect network and it would also cater to last-minute online sales.

This change would enhance the sales efficiency of each distribution channel—call centers and Club Med Voyages agencies—which would focus on their specific areas of expertise and strengthen relations with their respective customers.

The call center transformation project would result in the elimination of 68 jobs and changes in a number of work contracts. A range of measures would be introduced to reduce the impact on the employees concerned and support outplacement initiatives.

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