Compagnie des Alpes
Les loisirs en bonne compagnie

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Press release

Half-year 2008-2009 results: resilient margins and strong rise in free cash flow
Encouraging business outlook for both business lines

May 27, 2009 - Despite the economic crisis, the Compagnie des Alpes 2008-2009 financial year began with very encouraging performances by the Group's two business lines.

Throughout the 2008-2009 winter season, which ended May 10, 2009, the Group's French ski areas had very satisfactory business, reflecting the quality of the sites and the strength of the ski market. Compared with the record season in 2008, visitor numbers at CDA ski areas—13.4 million skier days, for a decline of 2.3%—held up better than those of major competitors, and improved slightly on the average of the last three seasons. This performance, the second-best visitor numbers in the Group's history, came about despite the Alpine World Ski Championships, held at Val d'Isère during peak season, and despite the effects of the poor economy on the British clientele, who account for 20% of the total Group ski-area customers.

Skier-day revenue rose by around 4.1%, partly because of the reopening of the Paradiski ski area, which gave the CDA Group like-for-like revenue growth in ski areas for the 20th consecutive year. Growth for the 2008-2009 season should come to around 1.7% compared with the previous season's.

The beginning of the leisure-parks season also reflects the appeal of Group sites. As of May 24, 2009 (around one-third of the financial year), visitor numbers were up 1.2% from 2008, and visitor spending was up around 3%. The opening of major leisure parks for the All Saints and Christmas holidays contributed once again to growth, as did the public's warm reception for the Group's expenditures. The opening of a new Marine City (*Cité Marine*) at the Planète Sauvage leisure park has raised visitor numbers by 40% since the beginning of the year.

Outlook

Despite encouraging results so far, Compagnie des Alpes is fully prepared to react to any economic deterioration.

The reduction in capital expenditures as seen in the first half will be continued in the second half, with expenditures for the year coming to around €85 million. For financial year 2007-2008, shareholders representing nearly 77% of outstanding shares opted for a dividend payment in shares. Consequently, 589,724 new shares were issued on April 28, 2009, at a per-share price of €22.17. Compagnie des Alpes share capital is now composed of 17,665,693 shares. Because of this operation, CDA was able to increase shareholders' equity by approximately €13 million while spending only around €4 million in cash.

In addition, a plan has been implemented to reduce operating costs by around €5 million over the financial year. Savings in the first half on the net cost of borrowing were also continued over the second half, resulting in around €7 million in interest savings for the entire year.

The second major project in H2 2008-2009 concerns Group restructuring, which aims to simplify the decision-making chain, to better focus the enterprise on growth areas, and to reduce structural costs in the medium term. The expected cost savings from this restructuring should be between €3 million and €5 million per year.

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Analysis of results for the first half of the 2008-2009 financial year

Consolidated sales came to €324.9 million, slightly down (-1.7%) from the first half of the previous year. This change, fully attributable to ski areas, can be explained mainly by the shift of Easter weekend to the second half (Easter was in March in 2008) and by related holidays in numerous European countries.

As a result, ski-area sales (88% of sales for the half-year) were down 2.3%. Leisure-park sales rose 4.7% because of strong visitor numbers at the leisure parks open for the All Saints and Christmas holidays.

Despite the drop in sales, and because of a limited (+2%) rise in operating costs, Group operating margins were better than those of H1 2007. Compared with H1 2008, which had record business and benefited from Easter weekend's falling in the month of March, **operating income** declined by 14.4%.

The **net cost of borrowing** was significantly lower (-23.5%), because of interest-rate cuts and reduced borrowing by the Group.

Overall, **net attributable income** came to €28.3 million for the first half of 2008-2009, down 14.2% compared with 2008.

Free cash flow increased significantly, by 54%, to €34.6 million**,** largely because of lower capital expenditures over the half-year (-18.5% at €36.9 million), especially in leisure parks, and sizeable capital expenditures in financial-year 2008. At March 31, 2009, gearing had improved to 90%, compared with 100% at September 30, 2008, and 97% at March 31, 2008, the result of rigorous debt management by the Group.

First half, from October 1, 2008, to March 31, 2009

In € millions	FY 2008/2009 (1)	FY 2007/2008 (2)	Change (1) / (2)
Sales	324,9	330,4	-1,7%
EDITDA	107,5	116,5	-7,7%
EBIT	63,4	74,1	-14,4%
Net cost of debt	-11,7	-15,3	-23,5%
Affiliates	2,6	3,2	-18,8%
Net attributable income	**28,3**	**33,0**	-14,2%

Analysis by business line

In € millions	Ski Areas	Leisure Parks	Other	CDA Total
Sales	285,9	38,9	0,1	324,9
EDITDA	139,9	- 31,8	- 0,6	107,5
Operating income	112,6	- 48,2	- 1,0	63,4

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Upcoming events:

- Q3 sales: August 5, 2009, before market open
- FY sales: October 28, 2009, before market open

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Compagnie des **Alpes** is a major player in the field of leisure production in Europe. The company operates 38 leisure sites, including 17 leading ski areas in the Alps (including Tignes, Val d'Isère, Les Arcs, La Plagne, Les Menuires, Méribel, and Chamonix) and 21 leisure parks (including Parc Astérix, Grévin, Walibi, etc.) in seven European countries: France, Italy, Switzerland, the Netherlands, Belgium, Germany, and the UK. Consolidated sales were €579 million (23 million visitors) for the financial year ending September 30, 2008, with Group net profit of €36.2 million.

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CDA is in the indices SBF 250, CAC mid 100, and CAC mid & small 190.
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