Compagnie des Alpes
Les loisirs en bonne compagnie

- **2009-2010 half-year results improving on a reported and like-for-like basis**
- **Higher free cash flow**

*May 26, 2010* - In the H1 2009-2010, Compagnie des Alpes (CDA) once again demonstrated the solidity of its economic model. The excellent resilience of business in Ski Areas and the increasingly visible effects of the Group's policy to reduce operating expenses resulted in higher operating profitability on a like-for-like basis. The consolidation of Deux Alpes Loisirs (DAL), acquired by CDA in December 2009, also had a positive impact on Group earnings.

The significant debt reduction carried out by the Group in 2009, in addition to low interest rates, allowed for a sizeable decrease in net borrowing costs. The result is a strong rise in net attributable income, both on a reported and a like-for-like basis.

Dominique Marcel, Chairman and CEO, underlines that : *"The quality of those results showed again the strength of the CDA's business model and induce us to carry on in a determined way the Group's adaptation to the new economic environment and to assure its development in the best efficiency and profitability conditions".*

H1 2009-2010 (October 1, 2009 - March 31, 2010)

| In € million | H1 2009-2010 (1) | H1 2008-2009 adj. (2) | Change (1) / (2) | H1 2008-2009 like for like (3) | Change like for like (1) / (3) |
|---|---|---|---|---|---|
| Sales | 343.9 | 312.5 | 10.0% | 343.0 | 0.3% |
| EBITDA | 119.3 | 101.4 | 17.7% | 117.2 | 1.8% |
| *% of sales* | *34.7* | *32.4* | | *34.2* | *+50 pb* |
| Operating income | 76.5 | 60.0 | 27.5% | 73.9 | 3.5% |
| *% of sales* | *22.2* | *19.2* | | *21.5* | *+70 pb* |
| Net borrowing costs | -7.6 | -11.2 | -32.1% | -11.7 | -35.0% |
| Affiliates | 2.1 | 2.6 | -19.2% | 2.6 | -19.2% |
| Discontinued operations | 1.5 | 2.2 | N/A | 2.2 | N/A |
| **Net attributable income** | **37.8** | **28.3** | **33.6%** | **33.1** | **14.2%** |

*(1) In accordance with IFRS 5 and consistent with the presentation adopted for the 2008-2009 annual financial statements, the contribution from Saas Fee Bergbahnen, a company disposed of in October 2009, is recorded as a separate item, "discontinued operations."*
*(2) The like-for-like scope of consolidation for H1 2008-2009 includes earnings from DAL, in which the CDA Group took a controlling interest in December 2009, for the period from December 1, 2008, to March 31, 2009.*

Breakdown by operating segment at March 31, 2010

| In € million | Ski Areas | Leisure Parks | Other | Total CDA |
|---|---|---|---|---|
| Sales | 305.5 | 38.3 | 0.1 | 343.9 |
| EBITDA | 152.0 | -33.6 | 0.9 | 119.3 |
| Operating income | 126.0 | -49.8 | 0.3 | 76.5 |

## Results for H1 2009-2010 improving on a reported and like-for-like basis

**For H1 2009-2010, consolidated sales came to €343.9 million, up 10% on a reported basis and up 0.3% like for like.**

Sales from Ski Areas (88% of total half-year sales) rose 11.7% (0.5% like for like).

Press Release

After a weak early season—late arrival of the season's first snowfall, constant rain and snow at high altitude during the Christmas season—visitor numbers at ski areas were satisfactory over the rest of the season. Given the level of business in April, the ski season should close with a limited decline of 3% in visitor numbers compared with last winter.

Average daily revenue per skier day continued to improve throughout the season, with growth of around 3%.

As in H1 2008-2009, there were no significant land-sales transactions in H1 2009-2010.

Leisure-park business in the first half represents only around 15% of annual business. Half-year sales were down slightly (1.5%), at €38.3 million. Adjusted for the impact of the closing of Aqualibi for renovation, half-year sales were flat.

Heightened efforts to control operating expenses, which were virtually unchanged, allowed the Group to improve operating margins (EBITDA, EBIT) on a like-for-like basis. EBITDA and EBIT margins rose by 50 bp (+34.7%) and 70 bp (+22.2%), respectively. Growth on a reported basis was even more marked, given the significant contribution from the consolidation of DAL.

Better interest rates and aggressive debt reduction carried out by the Group during H2 2008-2009 allowed for a **strong decline in borrowing costs**, which improved by €4 million from March 31, 2009.

The solid business performance and margins, combined with lower interest expense, led to much higher net attributable income of €37.8 million, compared with €28.3 million a year earlier, an increase of 33.6% (14.2% like for like).

Despite the uncertain economic context, the Group was able to increase operating and net margins on a like-for-like basis. This shows clearly the strength of the CDA economic model. The consolidation of Deux Alpes Loisirs also helped Group financial performance on a reported basis.

**Free cash flow** generated by the Group rose 16% to €35.8 million from H1 2008-2009.

In addition, **the Group's financial structure continues to improve.** Group net debt continues to decline (€398 million at March 31, 2010, vs. €515 million at March 31, 2009, and €462 million at September 30, 2009), despite the impact of the DAL acquisition (€17 million net).
The debt-to-equity ratio (total debt / shareholders' equity) stood at 0.63, compared with 0.78 on September 30, 2009. Net debt / EBITDA was 2.15, a significant improvement from 2.77 at September 30, 2009, and even better compared with 3.13 at March 31, 2009. All banking covenants were respected.

## Outlook

**Revenue from lifts will be flat or slightly up (like for like) for the season.** This performance should be viewed in the context of the last three winter seasons (which were characterized by high visitor numbers and a record-setting FY 2007-2008), current economic conditions, and poor weather at the beginning of the season.

**Leisure Parks**, which take in 85% of their sales in the second half, are showing contrasting preseason business. The outlook remains encouraging.

At May 16 (~30% of the season), visitor numbers, adjusted for the closing of Aqualibi (renovation work from January 4, 2010), showed a decrease lower than 3%. This was mainly due to deteriorated weather conditions in early spring and from a holiday calendar less advantageous than in previous years.

Advance sales have risen steadily year-on-year since the beginning of advertising campaigns.

## Entered into Futuroscope

**On April 30, 2010,** Compagnie des Alpes entered into exclusive talks with the Conseil Général de la Vienne with a view to creating a long-term partnership for the development of Futuroscope.

The transaction as planned would consist of merging the Futuroscope theme park with the CDA Group, which would become the controlling shareholder of the park's operating company. The CDA Group would oversee current operations and finance, in line with its role as an industrial operator in the sector. The Vienne *département*, which currently owns 70% of the park, would remain a major shareholder, and would enjoy special governance rights as blocking minority.

If it transpires, this transaction, which is a perfect match for Group strategy, should contribute positively to Group financial performance (free cash flow, ROCE) from the very first year of consolidation.

## Continuation of the dynamic asset arbitrage strategy

**On May 17, 2010**, the CDA Group completed the disposal of its entire shareholding of 29.8% in Courmayeur Mont-Blanc Funivie (CMBF), the operating company of the Courmayeur ski area. It was sold to FINAOSTA, held by the Région du Val d'Aoste (Italy), which now owns 33.7% of CMBF.

The price agreed on by the two parties—€1.5 million—will have no impact on the CDA Group's consolidated earnings for FY 2009-2010.

Important dates:

- Q3 2009-2010 sales: July 27, 2010, after market.
- Annual sales: October 26, 2010, after market.

www.compagniedesalpes.com

Press Release

**Compagnie** des **Alpes** is a major player in the field of leisure production in Europe. The company operates 36 leisure sites, with 15 leading ski areas in the Alps (including Tignes, Val d'Isère, Les Arcs, La Plagne, Les Menuires, Les 2 Alpes, Méribel, and Chamonix) and 21 leisure parks (including Parc Astérix, Grévin, and Walibi) in six European countries: France, Switzerland, the Netherlands, Belgium, Germany, and the U.K. Consolidated sales were €576 million (23 million visitors) and net attributable income was €40.2 million for the financial year ending September 30, 2009.

CDA LISTED NYSE EURONEXT

CDA is in the indices SBF 250, CAC Mid 100, and CAC Mid & Small 190.
ISIN: FR0000053324; Reuters: CDAF.PA; FTSE: 5755 Recreational Services.


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