Press Release

# 1ST HALF 2015/2016

## FURTHER IMPROVEMENT IN RESULTS CONFIRM RAMP-UP OF MODEL

*Paris, May 24, 2016* – The board of directors of Compagnie des Alpes, in a meeting chaired by Dominique Marcel, approved the financial statements for the 1st half of the Group's 2015/2016 financial year.

| (in thousands of €) | 1st half 2015/2016 | 1st half 2014/2015 Comparable* | Variation Comparable | 1st half 2014/2015 Actual | Variation Actual |
|---|---|---|---|---|---|
| **Total sales** | 443 703 | 417 970 | +6.2% | 421 062 | +5.4% |
| **Divisional EBITDA** [1] | 164 987 | 151 133 | +9.2% | 147 417 | +11.9% |
| *Div EBITDA/Sales* | *37,2%* | *36,1%* | *+110 bp* | *35,0%* | *+220bp* |
| **Operating Income** | 98 066 | NA | NA | 89 771 | +9.2% |
| **Net Attributable Income, Group Share** | 54 484 | NA | NA | 50 541 | +7.8% |
| **Free Cash Flow From Operations** [2] | 62 446 | NA | NA | 70 703 | -11.7% |

*(*)Comparable scope takes into account the impacts of the changes in scope by eliminating 2013/14 and 2014/15 financial information for 4 leisure parks sold in the course of 2014/15.*

Commenting on the first half, Dominique Marcel said: "Halfway through the roadmap that we set in December 2013, the results of this half year confirm the success of the two previous years and thus reinforce the credibility of our 2018/2019 targets. At the same time, they illustrate the soundness of our strategy. We have implemented a robust economic model that places our Group among the world leaders in this sector. Firmly established in France, the world's top tourist destination, boasting a unique position that spans the great outdoors to local leisure parks, creator of new leisure concepts that drive its growing international reputation, Compagnie des Alpes is now ideally placed to actively participate in the development of the major international growth markets."

**The Group's consolidated sales** reached 443.7 M€, up by 6.2% on a comparable scope basis, and by +5.4% on an actual basis, compared with the same period in the previous financial year.

This performance was primarily driven by the increase in Ski Area sales, which rose by 5.6 % to €363.7 million despite adverse weather conditions which seriously affected the sector, with all French ski areas posting a 3% decline in volume compared to the previous season. The quality of high-altitude areas managed by the Group, the adequacy of its investments and its ongoing initiatives to promote accommodation, business diversification of resorts and skier hospitality services, especially through new digital platforms, explain these very good performances and the resilience of the model.

[1] Divisional EBITDA = Cumulative EBITDA for Ski Areas, Leisure Parks, and International Development.

[2] Free Cash Flow before tax and debt servicing

Press Release

For **Leisure Destinations**, H1 represents a little over 20% of annual business but, on average, 40% of costs due to significant seasonality effects. Leisure Destination sales for the 1st half of 2015/2016 were €77.4 million, up 10.1% on a comparable basis and 5.4% on an actual basis. For the third consecutive year, leisure destination sales reported double-digit growth in the first half. Activity continues to be driven by a consistently dynamic Halloween season in all parks and the resilience of Futuroscope, more than offsetting the decline in sales for Grévin Paris, adversely impacted by the attacks in Paris and Brussels.

The **International Development** Division is actively pursuing its efforts to develop awareness of the Group in new growth markets. Sales, which totaled €2.6 million, only partially reflect the intense activity due to the focus of development teams on projects where CDA could take responsibility for operations: Winterland in Shanghai and Jardin d'Acclimation in Paris.

**Divisional EBITDA** continues to progress. In three years, it has increased by 370 basis points, from 33.5% of sales in H1 2012/2013 to 37.2% this half.

By division, EBITDA for **Ski Areas** rose by 10.2% to €187.3 million. This development illustrates the Group's capacity to manage and control its operating expenses despite an unfavorable environment

On a comparable basis, EBITDA for **Leisure Destinations** was unchanged in value terms. The early spring break resulted in anticipated planning of expenses related to maintenance and the hiring and training of seasonal employees prior to opening, plus marketing costs related to the launch of new attractions.

EBITDA for the **International Development** Divisions was down, reflecting in particular the launch costs associated with Chaplin's Word by Grévin, which opened in Switzerland on April 17, and a lower level of billing on CDA Management contracts.

**Operating Income** (OI) rose by more than 9% on an actual basis, reaching 98.1 M€ versus 89.8 M€ for the first six months of the prior financial year. A capital gain on asset disposals amounting to € 9.1 million was recorded at March 31, 2015. Excluding this exceptional item, the increase in OI for the first half of the current year is almost 13%.

**Net Attributable Income, Group Share** came to 54.5 M€, up by more than 7.2% on an actual scope basis, reflecting the first half's good operational performances. Higher sales offset the entire capital gain of 9.1 M€ generated in the course of the first half of the prior financial year.

**Free Cash Flow from Operations**[3] for the first half amounted to 62.5 M€ compared with 70.7M€ for the first six months of the previous financial year. The difference is due to the following three factors: an increase in operating cash flow for €15.8M; the additional investment effort announced in late 2015 to support growth projects in both divisions for €20m (€10m for Ski Areas and €10 million for Leisure Destinations); and an accelerated investment program in the first half, which will balance out in the second half, for €4M.

The Group's **net debt** continues to improve. It stands at 265M€, down by 7.2 M€ compared with March 31, 2015. The banking covenant's **net debt to EBITDA ratio** (which must be < 3.50) is largely respected, since it is currently 1.42 versus 1.57 a year ago.

[3] Free Cash Flow from Operations: cash flow before interest income and taxes.

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## 2015/2016 OUTLOOK

*The following outlook for 2015/2016 is given barring the occurrence of major unforeseen events.*

- **Ski Areas**

Prospects for an annual increase in overall sales for Ski Areas above 3% in 2015/2016, with an EBITDA margin in line, percentage-wise, with that of the previous year, is confirmed.

- **Leisure Destinations**

At this stage of the season, leading indicators point to a positively oriented second half. Barring an adverse weather or major security event, this division should, on a comparable basis, register an increase compared to the previous year, making it possible to structurally strengthen the performance of the second half of 2014-2015, in a particularly favorable meteorological context, offsetting the expected decline in sales for Grévin Paris. It will be driven by investments aimed at increasing appeal (structural or family attractions) offered this year in each of the Group's parks. These new attractions form part of a closely controlled multi-year investment program intended to optimize the offering of the parks within their competitive environment, in accordance with the enhancement strategy designed to achieve the Very High Satisfaction of customers. The trend aligns with prior guidance despite additional costs related to safety.

- **International Development**

Since it opened on April 17, 2016, Chaplin's World by Grévin has received enthusiastic public and critical acclaim. The operational management of the Grévin museums abroad was entrusted to the Leisure Destination Operations Division in order to accelerate their installation in their respective markets, improve their performance, and adjust structures accordingly.

CDA Management, for its part, has engaged in extensive discussions on several projects: in Russia, in China, and with the Mayor of Paris through a partnership with LVMH Group looking towards the renewal of the Jardin d'Acclimatation operating concession. These discussions could result in new contracts in the next two years, especially in connection with the operation of new sites.

Upcoming events:

- 3Q 2015/2016 sales: Thursday, July 21, 2016, after stock market close
- Financial year 2015/2016 sales: Thursday, October 20, 2016, after stock market close

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Since it was founded in 1989, Compagnie des Alpes has established itself as an uncontested global leader in the leisure industry, where it currently ranks number 10 worldwide. At the helm of 11 of the world's most prestigious ski resorts (Tignes, Val d'Isère, Les Arcs, La Plagne, Les Menuires, Les 2Alpes, Méribel, Serre-Chevalier, etc.) and13 renowned leisure destinations (Parc Astérix, Grévin, Walibi, Futuroscope, etc.), the company is steadily expanding in Europe (France, the Netherlands, Belgium, Germany, etc.) and, more recently, at the international level (Grévin Montréal in April 2013, Grévin Prague in May 2014, Grévin Seoul in July 2015 and engineering and management assistance contracts (Russia, Morocco, Japan)). CDA also owns stakes in 4 ski areas, including Chamonix.

During the financial year ended September 30, 2015, CDA facilities welcomed more than 22 million visitors and generated consolidated sales of 696 M€.

With more than 5,000 employees, Compagnie des Alpes works with its partners to build projects that generate unique experiences, the opposite of a standardized concept. Exceptional leisure activities for everyone.

CDA LISTED NYSE EURONEXT

CDA is included in the following indices: CAC All-Shares, CAC All-Tradable, CAC Mid & Small et CAC Small.
ISIN: FR0000053324; Reuters: CDAF.PA; FTSE: 5755 Recreational services


**Contacts:**

| | | | |
|---|---|---|---|
| **Compagnie des Alpes** : | Denis HERMESSE | +33 1 46 84 88 97 | denis.hermesse@compagniedesalpes.fr |
| | Sandra PICARD | +33.1 46 84 88 53 | sandra.picard@compagniedesalpes.fr |
| | Alexis d'ARGENT | +33 1 46 84 88 79 | alexis.dargent@compagniedesalpes.fr |

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**Additional Information**

## 1 – Consolidated results for the 1st half of 2015-2016 through March 31, 2016

| (in M€) | 1st half 2015/2016 actual (1) | 1st half 2014/2015 proforma (*) (2) | % Variation proforma (1) / (2) | 1st half 2014/2015 (3) | % Variation Actual (1) / (3) |
|---|---|---|---|---|---|
| Sales | 443,7 | 418,0 | *6,2%* | 421,1 | *5,4%* |
| EBITDA | 152,7 | 139,6 | *9,4%* | 135,6 | *12,6%* |
| *EBITDA/Sales* | *34,42%* | *33,39%* | | *32,20%* | |
| Operating Income | 98,1 | | | 89,8 | *9,2%* |
| Cost of net debt and miscellaneous | -9,1 | | | -9,8 | *-6,5%* |
| Tax expense | -35,5 | | | -30,5 | *16,6%* |
| Equity method | 5,5 | | | 4,8 | *14,6%* |
| Net income, ongoing businesses | 59,0 | | | 54,4 | *8,4%* |
| Net Income, discontinued businesses | 0 | | | 0 | *N/A* |
| Net Income | 59,0 | | | 54,4 | *8,4%* |
| Minority interests | -4,5 | | | -3,8 | |
| **Net Attributable Income, Group Share** | **54,5** | | | **50,6** | ***7,7%*** |

* *Pro forma takes into account the impacts of changes in scope by eliminating the 2014/2015 sales for the 4 leisure parks sold in 2014/2015.*

## 2 – Sales by division

| *(in M€)* | 1st half 2015/2016 actual (1) | 1st half 2014/2015 pro forma (2) | % Variation (1) / (2) | 1st half 2014/2015 actual (3) | % Variation (1) / (3) |
|---|---|---|---|---|---|
| Ski Areas | 363,7 | 344,4 | 5,6% | 344,4 | 5,6% |
| Leisure Destinations | 77,4 | 70,3 | 10,1% | 73,4 | 5,4% |
| International Development | 2,6 | 3,1 | -15,5% | 3,1 | -15,5% |
| Holdings & Supports | 0,0 | 0,2 | N/A | 0,2 | N/A |
| **Sales** | **443,7** | **418,0** | **6,2%** | **421,1** | **5,4%** |

## 3 – EBITDA by division

| *(in M€)* | 1st half 2015/2016 actual (1) | 1st half 2014/2015 pro forma (2) | % Variation (1) / (2) | 1st half 2014/2015 actual (3) | % Variation (1) / (3) |
|---|---|---|---|---|---|
| Ski Areas | 187,3 | 169,9 | 10,2% | 169,9 | 10,2% |
| Leisure Destinations | -17,7 | -17,9 | *1,2%* | -21,6 | 18,2% |
| International Development | -4,6 | -0,9 | *N/A* | -0,9 | *N/A* |
| Holdings & Supports | -12,3 | -11,8 | *-4,3%* | -11,8 | -3,5% |
| **EBITDA** | **152,7** | **139,4** | ***9,6%*** | **135,6** | **12,6%** |

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