


Results 2008-2009

December 15, 2009

Compagnie des Alpes

Ski areas and
Leisure Parks

Contents

- **Compagnie des Alpes at December 15, 2009**
- Looking back at 2009
- Results of fiscal year 2008-2009
- Outlook for 2010 and strategic focus

CDA, a model for growth founded on quality assets generating recurrent revenue

↗ World leader in ski areas (57% of sales)

- Long-term concessions for high-quality assets with strong barriers to entry
- Low volatility in sales and very stable operating profit over the last decade

↗ Fourth-biggest European player in leisure parks (43% of sales)

- Growth factor for sales: 12.4% p.a. since 2002 vs. 5.4% for ski areas
- Defensive play in an economic downturn: local, loyal customers

↗ Two activities with similar industrial characteristics and synergy potential

↗ Good risk diversification

➔ CDA obtains 95% of its sales over a ten-month period in Europe
➔ Alleviation of climate risk
➔ Diversification of customer base

Uncontested leadership in ski areas

More than 14 million skier-days in controlled resorts (18.1 million total)

A model that has proven its resistance and stability

- Low volatility in volume
- Price elasticity much lower than the tourism sector and leisure in general
- Public service delegations with long-term concessions

➔ Uninterrupted organic growth for over a decade

Positioned at **major sites that are well known in Europe and worldwide** and that meet **highly selective criteria**

- 12 resorts ranked among the top 15 in France (sales and skier-days)
- Very strong capacity to attract foreign customers (40% of customers)
- A core of loyal customers

Recognized operating expertise

Leisure parks, strategic capital rich in potential

Nearly 10 million visitors at 21 sites

- **Strong strategic positions in three countries**
  - 10% of French market by volume, leader in Belgium, no. 2 in the Netherlands
  - Market leader position in a geographical area stretching from the Paris region to northern Holland, with 12 parks receiving nearly 7.5 million visitors

- **Parks well established in their local markets; local, loyal customers; weak dependence on international tourism**

  ➔ 5th year of solid sales growth, with annual organic growth of more than 5% since 2006

- **Powerful brands** (**Astérix, Grévin, Walibi**) whose reputation across Europe is a future source of growth

- **In-depth knowledge of different segments**: theme parks (13 parks, 81% of sales), play-and-learn tourist sites (5 sites, 8% of sales), animal parks and aquariums (3 sites, 11% of sales), which combine to create abundant opportunities for future development

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2008-2009: improved financial performance, a company on the move

- A model that has proved it can withstand a climate of economic depression

- Realization of the strategic reorientation announced in 2008

- Changes in corporate governance and shareholder structure

2008-2009: a model that has proved it can withstand a climate of economic depression

Financial performances showing sharp improvement, in line with priorities announced

- Sales growth of 2.6%
- Margins: EBITDA/sales: 28.9% (29.5% a year earlier); EBIT/sales: 14.4% (14.8% the previous fiscal year)
- Growth of attributable net income: €40.2 million (+11%)

- **Free cash flow continues to grow: €57 million, 2.8x more than in 2008**

➔ Record free cash flow, which significantly accelerates the trend recorded over the last four years

- **Debt paid down significantly: ~€100 million in net debt reduction**

2008-2009: a model that has proved it can withstand a climate of economic depression

The resistance of ski areas

- Abundant snowfall but an unfavorable economic context, which played to the advantage of medium- and low-altitude resorts
- **Decline limited to 12.9 million** skier-days (-2% like for like) after a record 2008 season
- **Ski-lift sales up** (+2.5 % like for like) because of a 4.6% rise in daily revenue (rise in average visitor spending, reopening of the Vanoise Express)
- **EBITDA of ski lifts (excl. exceptional items) up €2 million** (+1.6%) because of special attention given to cost control

2008-2009: a model that has proved it can withstand a climate of economic depression

Record performance for leisure parks

- **Sales up 6% globally (+10.5% in France)**
- **Visitor numbers at 9.9 million (+2.6%) and per-visitor spending up +3.3%** (increase in per-visitor spending on entries and in boutiques following expenditures for renovation)
- **Strong growth of EBITDA and EBIT**: control of operating costs

Model resistant to economic crisis, supported by commercial agility and reactivity

- Restructured pricing for some sites (Walibi Rhône Alpes and Aquitaine), careful management of distribution channels, carefully planned and flexible publicity policy, stimulation of online sales
- Stronger and more innovative media presence
- Numerous publicity events that create urgency to visit sites


2008-2009: realization of the strategic reorientation announced in 2008

↗ Implementation of an aggressive strategy for asset arbitrage

- Disposal of nonstrategic assets that contribute little value and have low potential for creating value
  - **Téléverbier** (July 2009), **SMVP** (September 2009), **Saas Fee** (October 2009)
- Rapid execution
- Optimized exit conditions
  - **Téléverbier and Saas Fee: gains booked to earnings, TRI largely positive (10% on average)**
  - **SMVP: lower Bioscope risk and transfer of obligations for future CAPEX**
- Immediate and significant impact on debt reduction: €55 million in 2009 + €10 million in 2010
- Favorable impact on ROCE

 

2008-2009: realization of the strategic reorientation announced in 2008

↗ A large-scale restructuring for more integrated management and a stronger Group

- **More flexible and active organization**
  - Reduction in the number of intermediary structures, shortening of the decision-making process
  - Financial impact: number of employees at headquarters reduced by 15%; more than €2 million saved over the fiscal year
  - Skills better integrated in order to implement a real industrial strategy and to put all Group synergies into play


2008-2009: realization of the strategic reorientation announced in 2008

- **A large-scale restructuring for more integrated management and a stronger Group**

- **Group management centered on its two vital value-creators**:
  - Stimulation of organic growth, aggressive marketing, and development
    => creation of the Department of Marketing, Development, and Products
  - Ongoing progress in industrial excellence and investment optimization
    => creation of the Industrial Department

- **More management focus on operating performance** => 3 operating departments
  - Supplemented with a change of governance in ski areas

- **Reinforced strategic and financial discipline; and proactive, dynamic implementation of the Group transformation**
  => Finance, Strategy, and Support Services Department

2008-2009: changes in corporate governance and shareholder structure

- **Change in mode of governance:**
- Transition from a company with supervisory and management boards to one with a board of directors and a CEO
  - Encourages management unity and Group responsiveness
  - Facilitates and works actively towards Group restructuring
- Creation of a position of Deputy Managing Director
  - In charge of assisting the CEO in Group management
  - Also in charge of accelerating the Group's strategic, financial, and organizational transformation
- **Departure of Compagnie Européenne de Loisirs from the shareholder structure** (12.5% ownership):
  - Larger free float, which can already be seen by the increased volume and liquidity of the stock
  - The two directors of Compagnie Européenne des Loisirs are replaced by two independent directors, Rachel Picard and Georgio Frasca, bringing the total number of independent directors on the Board to four.
  - Strategy Committee now comprises three independent directors out of a total of six directors.
  - Appointments and Remuneration Committee has three independent directors, including the chairman of the committee, out of a total of four directors.

Comments

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Ski area results

In € millions	2008-2009 (1)	2007-2008 Restated (2)	Change (1)/(2)
Sales	**328.3**	**326.3**	**+ 0.6%**
EBITDA	**117.2**	**121.3**	**- 3.3%**
EBITDA/sales	35.7 %	37.2 %	
EBIT	**67,4**	**74.1**	**- 9.0%**
EBIT/sales	20.5 %	22.7 %	

- Scope effects: post-close disinvestment of Saas Fee ➔ restated under discontinued operations
- Increased sales for ski lifts: +2.5%
- Reduction in property transaction sales: €4.9 million, compared with €10.3 million in 2007-2008
- Excl. exceptional items, EBITDA of ski lifts is up €2 million (+1.6%)
➔ rigorous cost management
- Limited decline in margins, which were mainly because of lower property transaction sales margins (€3.2 million vs. €7.7 million)

Leisure park results

In € millions	2008-2009 (1)	2007-2008 Restated (2)	Change (1)/(2)
Sales	**247.5**	**233.6**	**+ 6.0%**
EBITDA	**54.3**	**48.1**	**+12.9%**
EBITDA/sales	22.0%	20.5%	
EBIT	**21.8**	**13.4**	**+ 62.7%**
EBIT/sales	8.8%	5.7%	

- Strong EBITDA growth
  - Business holding up very well
  - Control of operating costs, which increased only because business increased
- Very strong rise in EBIT
  - Because of performances at the operating level
  - Despite the negative impact of an impairment provision for PleasureWood Hills and Bagatelle (€0.7 million)


Corporate results

In € millions	2008-2009	2007-2008	2006-2007
Sales	0.2	1.4	1.8
EBITDA	- 4.9	- 3.5	- 3.6
EBIT	- 6.2	- 4.2	- 4.2

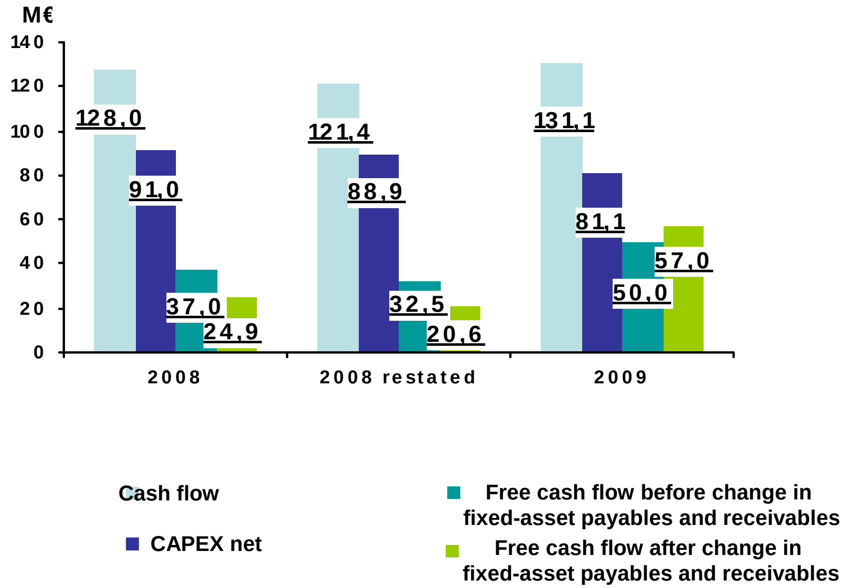
- Erosion of EBITDA by €1.4 million:
  - Provisions for restructuring costs (€2 million)
- Excluding provisions, the negative contribution of corporate EBITDA is lessened by better control of current costs.

Group results

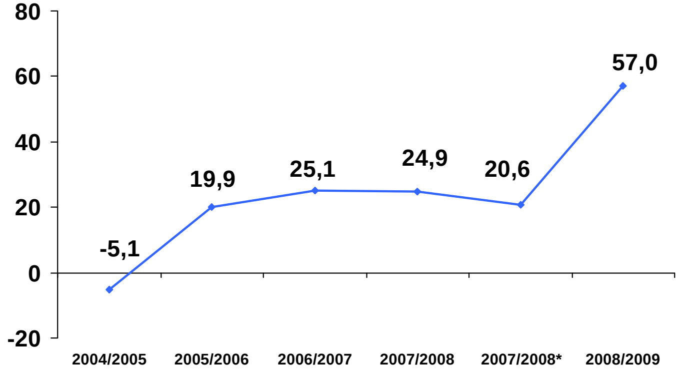
In € millions	2008-2009	2007-2008 Restated	Change
Sales	576,0	561,3	+ 2,6 %
EBITDA	166,6	165,9	+ 0,4 %
EBITDA/sales	28,9 %	29,5 %	
EBIT (Operating income)	83,0	83,3	- 0,4 %
EBIT/sales	14,4 %	14,8 %	
Cost of net debt	- 19,0	- 25,5	- 25,5 %
Tax	- 23,8	- 22,2	+ 7,2 %
Equity affiliates	0,3	2,3	-
Discontinued operations	2,6	1,8	+44,4 %
Net attributable income	40,2	36,2	+ 11,0 %

- Stable operating income
- Lower borrowing costs because of better interest rates and paid-down debt (€6.5 million)
- Equity affiliates: impairment provisions (€1.9 million) for Courmayeur (CMBF) and Valmorel (DSV)
- Discontinued operations: contribution of Verbier (share of earnings before disposal of €0.8 million and disposal gain of €1.7 million) and earnings of Saas Fee Bergbahnen for the fiscal year (€0.1 million)
- Net attributable income up 11%

Cash flow



Change in free cash flow



- Strong growth in cash flow from operations: +8% to €131 million
- Gross CAPEX down: €82 million; -17% (LP €21 million; SA €61 million)
- Free cash flow up €20.6 million to €57 million
- Acceleration of four-year trend of improving free cash flow


Debt and profitability

In € millions	2009	2008	2007
Shareholders' capital	591,9	564,3	487,3
Net debt	461,9	563,3	478,3
Net debt / shareholders' capital	78,0 %	99,8 %	98,2 %
Net debt / EBITDA	2,77	3,25	3,36
ROE	7,8 %	7,4 %	6,7 %
ROCE (incl. goodwill)	5,7 %	5,3 %	4,9 %

- Net debt improving
  - Debt reduced like for like
  - Lower net debt / EBITDA and gearing
  - Average pretax interest rate down to 3.21% (4.38% a year ago)
- Positive profitability trends for ROE and ROCE


Shareholder returns

	2009	2008	2007	Change
Net earnings per share	€2.27	€2.12	€1.81	+17.1%
Dividend per share	€1.0*	€1.0	€0.85	+17.7%
Dividend total	€17.7million	€17.1 million	€13.1 million	+30.3%
Payout rate	44.0%	47.2%	46.6%	
Share price at 30/09	€22.80	€27.5	€36.0	-23.6%
Share price yield at 30/09	4.4%	3.6%	2.4%	+54%

* Submitted to the Annual Meeting of Shareholders of March 18, 2010

- 2008-2009: preservation of the exceptional payout rate of 2007-2008
- Option of share-based dividend payment submitted to the Annual Meeting of Shareholders

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Outlook for 2010 – ski areas

- Visitor numbers for the season difficult to estimate because of changes in commercial accommodation reservations:
  - Significant last-minute reservations
  - Trends erratic from one resort to another
- Since mid-November, reservations inventory has been progressively drawn down, particularly for Christmas
- Private-owned accommodations make up 1/3 of sales and are less sensitive to the economy
- Satisfactory early-season snowfall and good conditions for man-made snow
- Price effect normal, expected to be between 2.5% and 3% per skier-day
- Growth potential from Group consolidation of Deux Alpes
- Significant investment:
  - **delivery of four detachable chairlifts (La Plagne, Arcs, Menuires, and Samoëns)**
  - **"*Neiges de Culture*": innovative outdoor trails combining entertainment and culture at Serre Chevalier**

Outlook for 2010: acquisition of Deux Alpes Loisirs

DEUX ALPES LOISIRS
Au cœur de vos loisirs !

A resort that fits perfectly the selection criteria specific to CDA's model:

- Size: 430 ha, 225 km of ski runs, 55 ski lifts
- High altitude, with a skiable glacier at 3,600 meters
- A plentiful accommodations offer, with nearly 30,000 rental beds, and an international clientele that accounts for nearly 50% of winter customers
- Sales 2009: €40.2 million, incl. €32.5 million from ski lifts, €4.6 million from package vacation sales and €0.9 million from real estate activity

Optimized acquisition conditions:

- Acquisition price: €46 million (CDA share: €27.7 million)
- EBITDA multiple of 4.8
- Partnership with financial investors: CDA (60%), CDC (19%), Banque Populaire des Alpes (12.6%), and Caisse d'Epargne Rhône Alpes (8.4%)
- Optimized capital employed and favorable effect on debt ratios
- Special provisions for return and change of shareholdings

Outlook for 2010: acquisition of Deux Alpes Loisirs

- Potential operating upsides:
  - Margins below CDA average: ~30% vs. ~36%
  - Related activities to be optimized
  - Synergies throughout the Group: the first step being the appointment of a shared Managing Director with Serre Chevalier Vallée


Outlook for 2010: leisure parks

- Heightened success during the 2009 Toussaint/Halloween periods:
  - « Horror at Parc Astérix »: 94,000 visitors (+30%), early season in line with last year
  - Netherlands: successful Halloween season at Walibi World with nearly 120,000 visitors, in line with last year
- Christmas at Parc Astérix: reduction in Christmas party bookings (-40%) but increase in general presales (+50%) because of change in sales policy
- Closing of Aqualibi for renovation as of January 4, 2010 (sales 2009: €4 million; 400,000 visitors)
- Accelerating maintenance policy and asset enhancement (availability of attractions, catering capacity)
- Continued development of exciting events policy


Strategic focus

➚ Accentuate the industrial and strategic transformation of the Group in order to focus on creating value over the medium term

- **Aggressive pursuit of disposal policy for secondary or low-potential assets**
- **Focus of energies and means on vital sources of value creation for the Group:**
  - Optimization of support functions and process re-engineering
  - Definition and implementation of strategic purchasing policy: example of collective tender offer for investments in ski areas (detachable chairlifts, snow plows) and the use of a third supplier ➔ associated gains of between 8.5% and 15%
  - More aggressive distribution policy: development of online sales (4.8% of park visitors); new positioning vis-à-vis intermediary sales channels: pricing conditions refined, new channels
  - Content differentiation: the new role of Productions du Parc


Strategic focus

➚ **Accentuate the industrial and strategic transformation of the Group in order to focus on creating value over the medium term**

- **Differentiated investment policy that is more focused on sources of organic growth**:
  - Ski areas have reached maturity:
    - Adapting to basic market trends, in collaboration with other parties involved
    - Special treatment for sites with potential bed-creation and/or pricing adjustments
  - Leisure parks are at an age of selective growth:
    - Ambitious investments for targeted and documented growth projects: the Parc Astérix example
    - Rebuilding the Walibi brand: ~€15 million over four years (incl. €2.5 million for the fiscal year) for content enhancement and product differentiation in existing parks ➔ +€10 million of additional sales with a five-year horizon

Strategic focus

↗ Increasing the value of our expertise and gaining new geographic areas in a development context with low cash-burn:

- Engineering, operating assistance, and licensing for leisure parks: the "Walibi turnkey" concept; the Sindibad project in Morocco
- Advice and assistance offering and implementation of ski-area management: valuation of "worldwide leader" position; gaining new markets with low risk to capital

↗ Acquisitions that optimize Group capital:

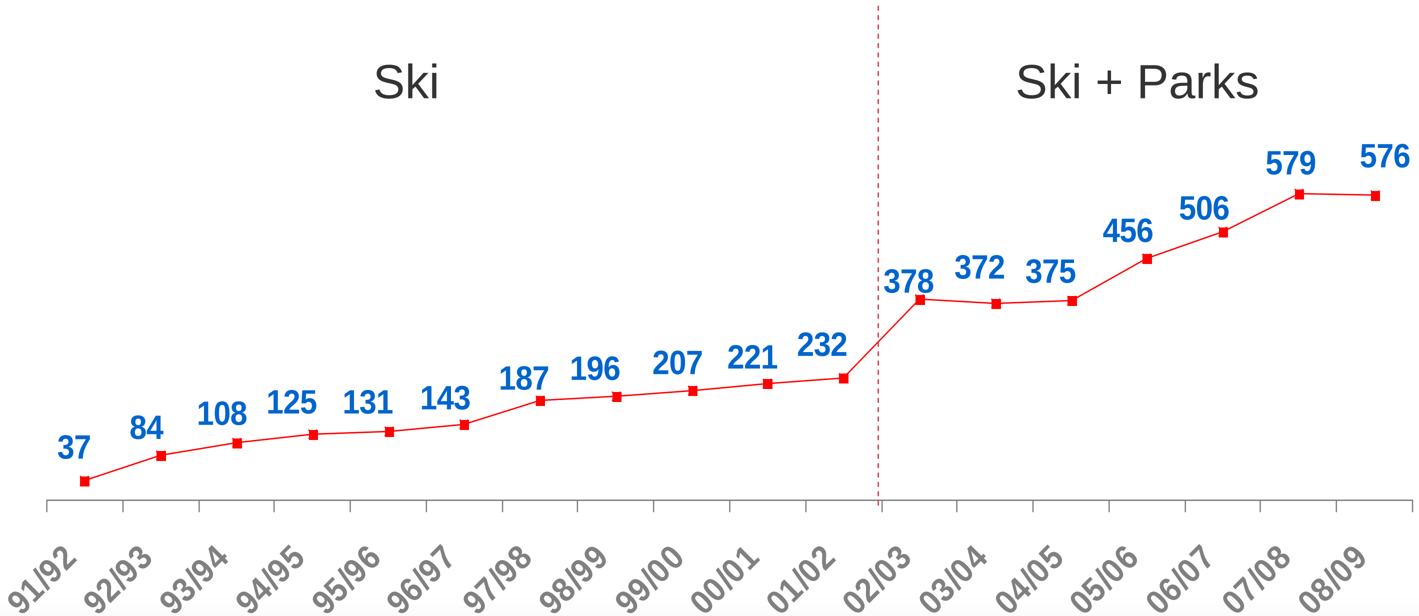
- CDA trademark = ability to integrate sites
- Acquisition opportunities measured by their industrial attractiveness and possibility for joint venture/partnership: no opportunistic piling on
- Greenfield development projects of modest scale with an approved economic model and strong ROI potential: new Grévin museums to be opened throughout the world.

↗ A new strategy open to other professions related to the leisure realm


Appendices

Sales

- **17 years** of uninterrupted growth
- **+20.5%** p.a., incl. **15.3%** from acquisitions



Net attributable income

↗ **17 years** of continual growth: **+15%** p.a.